

Motor vehicle disputes – looking back

utofile is often contacted by dealers in response to cases that appear in our disputes columns or sometimes to alert us to their assumption that some dealers frequent the tribunal more often than they should. Perception is everything, they say, but to answer these questions we thought we'd crunch some numbers and find out what was really going on in our industry.

Autofile looked at 592 Motor Vehicle Disputes Tribunal (MVDT) cases between January 2012 to December 2016, five years of data and some results might surprise. During this period, motor vehicle traders sold just over 1,600,000 used cars to members of the public, this includes new registrations of fresh

imports and changes of ownership between trader to public. New vehicle disputes (and registrations) were excluded.

Of the 592 cases heard, 40 per cent were found in favour of the dealer and 60 per cent, or 355 cases, for the purchaser. The ratio of cases appearing before the MVDT as a proportion of sales by trader is one case in every 2,700 sales or 0.037 per cent. If we remove cases found in favour of the dealer, this figure is lower still, at 0.002 per cent, or one in every 4,550 sales where a dealer has been deemed to supply a substandard motor vehicle.

The number of traders that appeared in front of the MVDT over the five year period was 373, of that



Autofile reviewed 592 cases between January 2012 and December 2016

number 70.5 per cent (263 traders) appeared once, 16.4 per cent (61 traders) appeared twice and 13.1 per cent (49 traders) appeared three or more times.

Of the 592 cases Autofile analysed over the five year period, 2 Cheap Cars Limited and Glenfield Wholesale Limited, trading as Real Wholesale Cars, each appeared in front of the MVDT twelve times. Both traders had nine out of the twelve cases (75 per cent) ruled in favour of the purchaser.

Eugene Williams, chief executive officer of 2 Cheap Cars, says "When there was a number of complaints to the Motor Vehicle Disputes Tribunal our company was growing very

> fast and we didn't have the systems in place to handle complaints well.

"We couldn't keep up with the development of our staff and this is one area that suffered. In the last year or so we have invested in staff and now have dedicated claims people providing superior

customer service. All of our staff now attend courses and seminars in customer

service; this along with a slowing of our expansion plans has meant we are able to concentrate on the customer and since doing this we have hardly been to the tribunal," he says.

"We sell 1,000 units per month so the number of cases is low as a percentage. Protecta Specialised training that's proven to increase profits









[continued on page 4]



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GUEST EDITORIAL

Time to start holding hands as an industry

Shane Breckon is a director of Limelight Software, developer/operator of the Motorcentral dealer management system. He has been associated with technology development and use in the used auto sales industry for more than 15 years.

I took my first Uber ride last week and I must say I was impressed. All the pain of ordering a taxi in an unfamiliar city was taken care of. No waiting to speak to an operator, no trying to explain my location, no having to guess when I would be picked up and no worrying

if I had enough cash on me to get to my destination. I simply opened the app, selected where I wanted to go (it already knew where I was), got an estimate on my fare and tapped 'Request Uber'.

The Uber team have really thought about the entire experience of getting people from A to B. All the points of contention or concern have been alleviated via automation and a mobile app.

In my opinion Uber is getting close to the perfect taxi service and I personally can't see myself switching back to the traditional format after just one ride. That's how big the impact was.

Which got me thinking...

What can we deliver in our industry that makes a similar impact, such that people are willing to write articles like what I've just written about Uber? What tools should we create that would make it easier to buy and sell vehicles or that allows people to alleviate themselves of the concerns they have when buying a new vehicle?

As technology evangelists to the



SHANE BRECKON Director of Limelight Software

auto sales industry, these are the types of questions we attempt to answer each day. While I'm adamant technology will play an extremely important role in developing the answers, equally important will be for us to work together as an industry, in an effort to produce an end-to-end

solution similar to what Uber is providing for their industry.

There is no doubt that datamining, automation and machine learning will help predict trends and provide instant answers, but as humans we must start the process first by connecting the various integral parts of our industry together.

These types of connections between parties, will allow the entire cycle to flow digitally from the manufacturer or import agent, right through to delivery to the customer. Manufacturers, import agents, mechanics, paint and panel experts, groomers, financiers, insurers to name a few, all need to begin sharing information in an effort to help us become a more relevant and responsive industry.

Our customers are beginning to expect this level of connectivity in car sales, as other industries begin to make end-to-end digital solutions the new norm. We can achieve it, but we must begin working together or we risk becoming outdated.

My advice: Let's reach out and begin to hold hands today. $\ \ \oplus$

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"Another thing we are doing is using our own company based in Japan to buy our cars. We use export agents but also employ a team of Kiwi buyers to ensure we control the cars coming to us. But the age of the cars we import are between five and seven years old so there will be issues from time to time," Williams says.

Vasya Chernomorets, yard manager at Real Wholesale Cars Ltd, says it is one of the biggest car yards in Auckland.

"With the amount of cars we have sold to our happy customers in the past five years, the occasions we appeared in MVDT over these years are well below 0.5 per cent of total amount of sales. We are proud of the fact that we can provide such quality cars and services to our customers," he says.

"We are doing our best to resolve any arising concerns or issues immediately and keep our customers happy and satisfied. In those few occasions when we could not find common grounds and resolve an issue we had to refer to MVDT - customers were not familiar or misunderstood the Consumers Guarantee Act (CGA)," Chernomorets says.

"MVDT treats everybody equally and with due respect, they are professionals in their field of expertise and consider every case with due diligence. We years old and has travelled close to 100,000km," Chernomorets says.

"At the moment, a car needs to be "fit for purpose and be of acceptable quality for its age and mileage" - which is not very clear. For example, if a 2000 Toyota Caldina which has done 290,000km breaks down within two months since date of

"Unfortunately, there is no transparent and clear rule when it comes to issues and faults with second-hand cars. All MVDT decisions are made on a case-by-case basis" - Vasya Chernomorets, Real Wholesale Cars

accept their decisions and follow recommendations and guidelines."

But he says the general public does not have a clear understanding of the CGA and has unreasonable expectations of getting hassle-free motoring from a second-hand car.

"To an average Joe Public it is "a new car", although it may be 10 purchase, is it fair to ask a dealer to fix it?"

When reviewing cases it appears that often the trader will do everything in its power to avoid a dispute hearing, but the purchaser has their mind set on seeing it proceed through the system.

Turners appeared in eight cases over the above period with only

three (37.5 per cent) being ruled in favour of the purchaser.

Jonathan Sergel, acting chief operating officer at Turners, says it has a robust claims system for customers which usually resolves any issues.

"We take all claims seriously and aim for an amicable solution. We usually come to a mutually agreed outcome," he says.

If a buyer does take a claim against Turners to the tribunal, Sergel says preparation is key and being able to show the actual events that have happened enables the adjudicators to make an informed decision.

The annual number of claims heard by the tribunal increased slightly during the years from 2012 to 2015 but between 2015 and 2016 increased from 154 to 209, a rise of 35.7 per cent.

However, tribunal rulings against the dealer have declined in the past five years. In 2012, dealers lost 69 per cent of the cases but in 2016 that number was down to 58 per cent.

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Frequency of dealer appearances at tribunal 2012-2016										
APPEARANCES	CASES	% OF TOTAL								
once	263	70.5%								
twice	61	16.4%								
3x	26	7.0%								
4x	10	2.7%								
5x	3	0.8%								
6х	6	1.6%								
7x	1	0.3%								
8x	1	0.3%								
12x	2	0.5%								
Total	373	100.0%								



 The tribunal encourages parties to meet and mediate their dispute before a hearing.

Tribunal adjudicator Nicola Wills says in her 2012/2013 report that it is difficult to draw any conclusions about the number of cases found for the purchaser or trader, particularly given that a case "found" for a party does not necessarily indicate that party has succeeded in the case they put forward. Historically, when an order is made for the trader to pay the purchaser compensation, that decision has been recorded as a case "found" for the purchaser even when the tribunal may have agreed with the case put forward by the trader."

During the five years, there's been a number of reoccurring issues that have been flagged by the tribunal in its annual reports:

1: THE BUYING OF VEHICLES "SIGHT UNSEEN"

Tribunal adjudicators Nicola Wills and Christopher Cornwell write in their 2013/2014 annual report that purchasers are regularly buying vehicles sight unseen online, which has sparked an increasing number of claims. About 12 per cent of the claims were related to sight unseen and uninspected purchases, including a vehicle bought for \$33,150, the adjudicators say. Although most of the vehicles bought sight unseen were sold for less than \$3,000.

"Most often, they (the vehicles) are badly worn, high mileage, poorly maintained and at the end of their economic life. They are often bought by unsophisticated buyers from outside of the main cities and result in greater grief than pleasure for the buyer," the adjudicators said.

And the purchaser, on receiving the vehicle, claims the trader misrepresented its quality in its advertisement in order to try and get the tribunal to order the trader to take the vehicle back.

MTA's chief executive Craig Pomare comments that this sort of transaction relies on the seller's description and the purchaser's ability to ask pertinent questions. "Customers can reduce the risks by arranging a pre-purchase inspection report on the vehicle before deciding to buy. Prior research is preferable to post-sale problems and disputes," he says

2: MANY TRADERS DON'T UNDERSTAND THEIR OBLIGATIONS UNDER CGA

Wills writes in her 2012/2013 annual report that her general impression was that a significant number of traders do not appear to fully understand their obligations under the CGA.

"What appears to be a common misconception is the belief that traders have the right to remedy any problem including substantial failures. However, if a vehicle has a substantial failure in the guarantee of acceptable quality, buyers have the right to reject the vehicle without giving the trader the opportunity to remedy the problem," she says.

Pomare says the CGA protections are built on the concept of "reasonable", which is a very difficult thing to pin down. "The widely variable nature of used vehicles (age, condition, odometer reading, and price, etc) all contribute to why consumers and many dealers struggle to understand what is "reasonable". Through our Mediation

Line, MTA tries to ensure that its members understand these compliance requirements and we also work to ensure consumers understand the position of our dealer members," Pomare says.

3: WOF INSPECTION QUALITY PRIOR TO PURCHASE Wills also mentioned that there was a number of cases where buyers had raised concerns about the quality of warrant of fitness inspections and she believed the issue was on the rise.

"It is not uncommon for mechanical problems to emerge after sale which throw doubt on whether the warrant of fitness issued just prior to sale ought to have been issued," she says.

On this issue Pomare says "Consumers often make the mistake of assuming that a WOF [continued on page 6]

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[continued from page 5]

is the same as a pre-purchase inspection - they are quite different. Consumers need to understand that a WOF is an inspection at a point in time, it is not a statement that the car is good for another six months.

He says if questions arise about the quality of a recent WOF inspection, buyers can apply to the NZTA for a review'.

4: STANDARD FORM CONTRACTS

THAT INCLUDE UNFAIR TERMS Wills also raises the point that she has noticed an increase in traders' use of standard form contracts which include unfair terms.

"In common use is a small print clause acknowledging that the vehicle purchased is being purchased for business purposes and that the parties are contracting out of the Consumer Guarantees Act. In almost all cases of this kind that come before me, the purchasers have not discussed contracting out of the act with the trader and are not aware



Tribunal adjudicator, Nicola Wills wants to see an amendment of the CGA to include "unfair contract terms provisions"

that they have signed any rights away until there is a problem with the vehicle. Many of the small business owners I see are commercially and legally naive." Wills wants to see an

amendment of the CGA to include "unfair contract terms provisions".

"An amendment to the CGA along these lines would enable the tribunal to assess on a case by case basis whether it was "fair and reasonable" for the parties to be bound by a provision to contract out of the Consumer Guarantees Act," she says.

5: DANGERS OF VEHICLE BUYING WITHOUT A CONSUMER INFORMATION NOTICE

Adjudicator Christopher Cornwell's 2013/2014 report stated that the tribunal frequently heard claims where the trader had not displayed with the vehicle or provided the purchaser with a signed copy of the Consumer Information Notice (CIN), which was an offence against the Fair Trading Act (FTA). The Commerce Commission was responsible for enforcing the penal provisions of the FTA.

The adjudicator noted a case that illustrated the risk a purchaser takes in buying a vehicle where a CIN notice was not displayed or provided to the purchaser, where a 2011 Mercedes-Benz AMG C63 was purchased for \$72,500 in December 2013. The trader did not display or provide a CIN with the vehicle.

The buyer discovered, by searching an Australian car history website, that his vehicle was a statutory write off as a result of a collision recorded in December 2011. All information necessary on a vehicle CIN card, had it been displayed.

The MVDT ordered the trader to refund the full purchase price and pay the Crown \$500 towards the tribunal's hearing costs.

The message from past MVDT cases are clear; fix faults quickly, resolve issues through mediation if possible and keep good records. ⊕



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Industry meets city mayor over port

meeting has been held between industry representatives and Auckland's mayor, Phil Goff, in relation to possible changes to the Ports of Auckland, which could affect the transport of new and used cars to and from Auckland harbour.

The meeting took place with the mayor at his Auckland office in early April between a delegation of industry insiders including chief executive of the Imported Motor Vehicle Industry Association (IMVIA) David Vinsen, representing the used vehicle trade, chief executive officer of the Motor Industry Association (MIA), David Crawford, representing the new vehicle industry, director of Armacup

Maritime Services Ltd, Mark Ching representing the vehicle shipping industry and director of Carr and Haslam, Chris Carr, representing the vehicle transport sector.

During the meeting the group presented detailed information to the mayor which highlighted the issues that could come if imported vehicles were excluded from the port all together. "He understands the gravity of our concerns, should the importation of cars be forced from Ports of Auckland. The mayor recognised the ports recent awards for efficiency however he reiterated his campaign pledge that there would be no further extensions into the harbour," says Vinsen. While Auckland Council's

Port Future Study Group favours shifting the Auckland Harbour port to Manukau Harbour, this seems an unlikely outcome.

In previous discussions to the media, Goff had stated that

"The mayor recognised the ports recent awards for efficiency however he reiterated his campaign pledge that there would be no further extensions into the harbour." valuable land in the CBD was being wasted on used cars and containers coming into the country.

Goff told the Herald, in early October, that any attempts to expand further into the Waitemata Harbour could lead to heads rolling at board level, as according to the survey of 326 businesses, only 13 per cent of the business owners wanted the port to stay in its downtown location. The mayor also told news website,

Stuff.co.nz, back in July 2016 that he would like to see the waterfront transformed into a public space which would offer residential housing and high value-

added commercial activities. Goff has previously discussed sending the vehicles to Northport in Whangarei, where there is 65 hectares of land at Marsden Point and an additional 115 hectares close by, with land holdings available for lease.

"The meeting was constructive. We believe this initial meeting has been a useful start to dialogue the port, and about the importation of vehicles," says Vinsen. \oplus

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Turners to raise funds through ASX listing

urners Limited is expecting a 12 per cent rise in annual earnings, according to a business update and financial guidance released in late March. Net profit before tax for the financial year ending March 2017 is expected to be between \$24 million and \$24.5 million, up from \$21.6 million last year.

"The Automotive Retail division continues to perform strongly and the multi-channel approach continues to deliver benefits for margins and finance sales," according to a statement.

The announcement follows Turners' acquisition of the Buy Right Cars Group last June, with the business performing in line with expectations and momentum building.

A \$150 million credit limit as part of a securitisation programme with BNZ was approved, which will reduce the cost of funds and facilitate further growth in the vehicle finance arm of the company. After acquiring Autosure from Suncorp New Zealand last November, Turners expects the insurance firm to be fully integrated within the Turners group with profit contributions to begin flowing in 2018.

The board has declared a thirdquarter dividend of four cents per share following the financial guidance, which takes the yearto-date dividends up to 10 cents per share. Final dividends are to be paid in June 2017.

"We have made good progress on a number of important initiatives, which all contribute and support the future growth of Turners," said CEO Todd Hunter.

"There are numerous growth opportunities available to us in the fragmented automotive market and we have a disciplined approach to identifying and assessing those that best fit our business and will add value to our shareholders."

With the New Zealand market secure, Turners is also planning

to expand overseas, and the company said it is considering a foreign-exempt compliance listing on the Australian ASX, which will significantly grow its potential capital market.

Hunter told Autofile the ASX listing was "highly likely," and if successful, will go ahead in the middle of the year.

He said the company will continue to pursue its "integrated strategy" through FY2018. "Our focus is on growing all segments of the business – the automotive retail segment, the finance segment, the insurance segment." "Mergers and acquisitions is a core part of how we see our growth developing, and we will be looking at further opportunities within the retail sector. However we absolutely want to keep the businesses that we already own growing as well," he added.

Following the establishment of Cartopia last year, digital operations are set to become a major part of Turners' business. "Our thinking around Cartopia is it's going to happen," Hunter said. "People will want to buy cars that way, and the sooner we deliver it and implement it, the quicker we learn about it, and the quicker you get better at it."

Expanding into the online marketplace through platforms such as Cartopia while building on its bricks-and-mortar presence around New Zealand will be a delicate balancing act for Turners heading into FY2018 and beyond, but Hunter welcomes the challenge.

"I think they need to work handin-glove," he said."I don't think it's one necessarily at the expense of the other. We see the physical network as still very important. Like any business, you need to keep evolving and meeting the changing needs and experiences that your customers want."

Turners' full 2017 financial results and a final dividend will be announced in May. ⊕

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EV batteries report dispels myths

ith more used imported EVs arriving on our shores, it has become more important for dealers and customers to learn how sturdy and efficient the batteries in those vehicles are.

In response to this, the Energy Efficiency and Conservation Authority (EECA), has commissioned an independent report into EV batteries, how quickly they degrade and how to best maximise their projected lifespan.

According to the report, the vast majority of modern EVs are already using lithium-ion batteries, which are designed to allow motorists to drive and recharge their EVs for many years with high reliability.

While these batteries can be recharged several thousand times, and still be useful after 10 or more years of operation, the performance will slowly degrade over time. As

a whole, the report has found that batteries are being built to a standard in which they will last longer than most people expect.

"The report from EECA has reinforced the fact that these batteries are pretty robust and if people treat their batteries and their vehicles correctly they can ensure longevity of the batteries," says membership and technical services manager of the Imported Motor Vehicle Industry Association (IMVIA), Malcolm Yorston.

WHY AND HOW **BATTERIES FAIL?** The ultimate definition of

battery end of life is when it has degraded to the point that it can no-longer deliver the required performance. A wide variety of factors can contribute to the degradation of EV batteries,

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including the motorist's operating environment as well as how much tolerance it has for operation outside of what would reasonably be expected of the vehicle.

According to a study by Lawrence Berkeley National Laboratory (USA) there are two degradation mechanisms that may be influenced by how a motorist operates their EV, this includes calendar degradation, which arises primarily when the battery is at rest and cyclic degradation, which comes about when the vehicle is being charged or utilised.

The rate of degradation while the vehicle is idle depends on the temperature and voltage that the battery rests at, as well as the amount of time spent in this condition. For example, an EV that spends most of its time in a hot location, is likely to experience a higher rate of calendar degradation.

"It's important not to do things like parking your car on a rooftop carpark in the middle of the summer sun. Heat exacerbates the degradation of the batteries and therefore decreases their lifespan," says Yorston.

When it comes to cyclic degradation, it depends on the amount of charge that has flowed through the cells as well as the rate at which this charge has flowed. For example, an EV that travels many kilometres relative to its range, is often driven for long

periods to an empty state and is fast-charged on a regular basis, is likely to experience higher rates of cyclic degradation.

Of these two degradation mechanisms, most vehicles are likely to be affected by calendar degradation. For example, a series of real-world fast-charging tests on Nissan Leafs by the Idaho National Laboratory concluded that it was actually the hot climate in the testing location of Phoenix, Arizona that caused the most degradation in the batteries, rather than fast-charging.

The graph above shows an example of real-world battery degradation within a sample of the fleet of Tesla Model-S Evs currently on the road. The variance in the sample set is due to differences in the operating patterns and ambient climates for different motorists, whereas the shape of the trend line is due to how the Model S battery pack is designed and built.

WARRANTIES

There are already a range of EV battery warranties provided in the marketplace. For new EVs in NZ at the time of writing, a variety of workmanship warranties are available and they range between five years/100,000km and eight years/160,000km.

According to the EECA report, performance warranties are also [continued on page 12]

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available, to protect consumers against deterioration of their EV battery. This is a new type of warranty not previously associated with petrol/diesel vehicles, but is considered especially relevant for EVs since even a healthy battery will still degrade over time to some extent.

EV performance warranties are not mandatory in NZ and there are still some manufacturers who do not provide a performance warranty for their new EVs on sale in NZ. Of those that do provide warranties, the performance warranty was specified as guaranteeing between 75 to 80 per cent of original battery capacity after a specified period of time.

After a lot of research behind the scenes, Protecta Insurance has recently launched a new warranty which covers battery failure. According to general manager of Protecta, Tony Headland, the research has found that the average battery has approximately 10 good years in it, which is why the company cannot cover wear and tear. "The warranty has only been out for a month or so, but we are getting quite a few good enquiries already."

ADVICE TO DEALERS

There are many ways a prospective owner can ensure that the vehicle they purchase will not run out of battery life too quickly.

When giving advice to customers, discuss how they intend to use the EV, and compare that to the EV's performance specifications. For example, if their typical daily driving distance is closely matched to the range of their EV, then it is likely they will experience noticeable battery degradation. If they travel long distances regularly, it might be worth upgrading to a larger battery.

Most dealers importing EVs over from other countries need to have the ability to do a health-check on the battery. "Don't rely on any of the displays in the vehicle. These displays can be an indicator of the battery life only," says Yorston

It is also worth ascertaining whether the EV was parked in extreme environments for long periods of time and to check the



The user interface in your EV, such as this one from Mitsubishi's Outlander PHEV, may help you to learn to drive more efficiently and reduce stress and wear on its batteries.

"People who are fast charging their vehicles all the time are doing themselves a disservice. The only time a driver should be using a fast charger is on a long trip" - Malcolm Yorston, IMVIA

odometer reading and compare to the vehicle's age. If the EV has fastcharge capability, try to find out how often this was used.

"People who are fast charging their vehicles all the time are doing themselves a disservice. The only time a driver should be using a fast charger is on a long trip, when they still have a way to go. If the vehicle still has some life in it, it's better to wait till the driver gets home to top it up," says Yorston.

DEALING WITH A DEGRADED EV BATTERY

Even though EV ownership is still in its early stages, all NZ EV brands have reported that they either have or are in the process of organising facilities in the country that can fully service and replace EV batteries.

Mitsubishi Motors NZ has established a central handling facility in Porirua to assist the repair, recovery and recycling of EV battery packs in partnership with its dealer network. There are also third parties investigating the provision of battery maintenance and repair services.

Some EV batteries may be refurbished to restore their near-new performance. This is becoming available in the global EV market via specialist third party providers, as the quantity of used EV batteries grows to a volume substantial enough to make this business model viable. However at the time of writing, no commercial EV battery refurbishment factories have been established in NZ.

According to the EECA report, full replacement with a factorydirect new battery is the mostexpensive option, but battery prices are continuing to fall due to economies of scale.

Members of the Motor Industry Association (MIA) of NZ comply with a code of practice that states: "MIA members will have suitable systems in place to monitor the use, capture, return, re-furbish/reuse or recycle/dispose of traction batteries from EV/PHEV/HEVs. The systems will include recovery mechanisms capable of maximising the value from re-use of finite resources with the aim of no traction batteries ending up in landfills."

The current EV battery recycling plans of NZ EV brands include warehouse storage until recycling facilities are in place in NZ; and shipping to specialist offshore recycling facilities.

Independent director and chair of the electric vehicle programme leadership group, Mark Gilbert says that although most manufacturers haven't articulated whether they will take batteries back and recycle them or whether it is up to the owner to organise this, he believes that they will all have good sustainable policies to work around the environmental impact of EV batteries.

"All of these car companies are tremendously responsible on a world stage".

At present there is little data about what you can expect to spend on replacement batteries, however the report does note an example, which focuses on NZ's most popular EV, the Nissan Leaf, and compares its total cost of ownership to the petrolpowered Nissan Pulsar hatch.

The battery replacement costs for this analysis are based on the US market and the input data and results are based on local market data as provided by EECA's Vehicle Total Cost of Ownership Tool.

The results show that, even with the complete battery replacement included, the EV is still a competitive alternative that will become more viable as more people purchase them.

Although it is early days yet and only 3,000 EVs have been purchased in this country, the government is pushing towards a future where EVs will become more the norm. As part of the push towards the country reaching its EV target of 64,000 by 2021, the government has established a contestable fund to encourage innovation and investment that will accelerate uptake of EVs and PHEVs

"The future looks very good. We have a variety of programmes already, including the MEVO carshare project in Wellington and two or three electric buses which are in operation. Without the contestable fund, this probably would never have happened," says Gilbert.

"It is time for customers to start putting EVs on their shopping list. The cost to drive it is cheaper and you wake up and your cars full, what more could you want?"

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Valet company fined for law breaches

anukau Auto Valet Limited (MAVL) has been ordered to pay \$241,451.66 by the Ministry for Business, Innovation and Employment (MBIE), after an investigation found employment law had been seriously breached.

The payment includes \$96,541.66 in wage arrears and \$145,000 in penalties.

"For six years or more, Manukau Auto Valet Limited deprived some 221 employees of their most basic employment entitlements, failing to pay at least a minimum wage, or holiday pay to employees leaving the company," says Labour Inspectorate regional manager Loua Ward.

MAVL began trading in Manukau in August 2002. Dharmesh and Shareen Kumar are the directors and shareholders of the company.

An investigation was opened

on September 4, 2015 following a complaint made to the Labour Inspectorate, which found that a total of \$96,541.66 had not been paid in minimum wages and holiday pay for 221 employees between 2010 and June 2016.

Dharmesh Kumar assured the Inspector in June 2016 that he had reviewed all pre-2014 records and was following correct procedure. The Labour Inspector found this to be incorrect, and identified a further 106 employees who failed to receive their minimum entitlements.

The Labour Inspector then lodged a statement of problem in September with the Employment Relations Authority (ERA) and sought the payment of wage arrears and further penalties for breaching the Minimum Wage Act 1983 and the Holidays Act 2003.

The investigation found the

largest law breach was MAVL's failure to pay employees holiday pay at the end of employment. This affected 206 of the total 221 employees and amounted to \$66,515.87.

MAVL also failed to correctly reimburse employees for working on public holidays by providing time and a half and alternative holidays, or pay rostered employees for the public holiday. This amounted to \$4,628.76.

Minimum wage obligations were not met for 95 employees, with a total \$25,307 identified by the investigation.

The penalty was set at \$145,000 by the ERA, due to MAVL's cooperation with authorities and attempts to rectify the situation.

The MAVL continues to trade, and recent financial statements released to the ERA show profits rising 63 per cent in two years, from \$112,129 in FY2014, to \$148,933 in FY2015 and \$183,453 in FY2016. Kumar claimed his failure to

requirements, but the Labour Inspector and ERA authority member Vicki Campbell both disagreed.

"This is not a mitigating factor," Campbell said in her determination. "It is the obligation of all employers to understand and adhere to the law."

Ward emphasised that businesses who run afoul of the law should not expect lenience. "The Labour Inspectorate will not hesitate to pursue employers who fail to provide such longstanding requirements of New Zealand law for penalties which reflect the seriousness of their failures," she said.

MBIE is encouraging anyone who worked at MAVL since 2010 to get in contact, as they may be owed wage arrears. \oplus



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What do your customers think?

his is a more important question than you might first realise, or at least think about. But once vou break it down and begin to understand what you could learn from knowing what your customers think, including their perception of your dealership, you begin to realise how little you might know, and also how important it is to consider.

In most instances, we assume a customer had an amazing experience with us, otherwise why would they have purchased from us right? This can be true, but more often than not there will be a combination of reasons as to why a person purchased from one dealership over another.

At the recent Google Engage Auto presentation, a study of car buyers was referred to, which found the average buyer in New Zealand now only engages with 2.4 dealerships and test drives only 1.7 vehicles before buying. This tells us that once a customer is ready to go from digital to dealership they have generally picked out only 2-3 dealerships to visit.

At this early stage of the purchasing process, it is likely these dealerships are on a level playing field, simply by having the right car in the right price range for that customer. So what makes someone begin to choose one over another?

Simple answer: the experience they have. As a dealership, you want to do everything possible to ensure a customer has an experience that will greatly influence their decision to buy from you. This is why it's important to learn from your past customers and better yet,

compliment that with trying to understand why a customer didn't buy from you. Achieving this will give you a very good source of information to work from and improve your businesses success.

Focusing on

customers that have purchased from you will certainly be easier (you have their contact details) and likely lead to more constructive feedback. This could be in the form of a simple survey.

Begin by asking exactly what experience you and your staff delivered to them. Try to get insight into the performance of your dealership and your salespeople.

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MARK GREENFIELD Motorcentral

and efficiently how good or bad each customer's experience was.

Ensure you address quickly any areas of concern raised, so any future customers can avoid the same pitfalls. Improving in this area alone could provide those extra five or ten vehicle sales you've been chasing each month.



A recent study by Google showed that more customers used the internet over traditional methods when researching their car purchase



This way you can identify areas of amazing or poor performance to focus and work on, along with any missed opportunities. e.g finance, insurance or trading a car.

You can learn quickly

If on the other hand all your customers love what you do,

celebrate this. Publish their feedback and tell everyone about what your customers feel. Remember over 50% of buyers change their purchase decision of what and who they buy from based on customer reviews.

With that in mind, it makes sense for you and your team to do all you can to ensure your customers get the best experience possible, therefore providing you with the best feedback possible, which you can then turn around and share with potential new customers, all in an effort to influence them in their decision making process.

Great customer experiences combined with remaining present in their minds through active CRM disciplines all contribute significantly to increased referrals to your business and then when the time is right, being their first choice for their next purchase. The risk of not taking your customers seriously in this regard and your business will end up solely relying on new customers that you have to advertise heavily to get in the door. The new ones are your most expensive customers, therefore the more you can influence the balance to increase your referral and repeat business, which will ultimately be better for your bottom-line.

The saying that been around for many years, still rings so true today "your old customers, are your gold customers". Yet, ironically, it is common practice to focus all the dealerships energy, resources and money solely on getting new ones. Getting the balance right is the key to realising a much better overall result.



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Dealers receive BMW service award

B MW Group New Zealand has recently awarded two of its dealers for outstanding performance in 2016. Auckland City BMW and Coombes and Johnston were awarded at separate ceremonies in their showrooms in early April.

BMW Group New Zealand's managing director, Florian Renndorfer, and BMW's senior vice president for Asia Pacific region, Hendrik von Kuenheim, presented the awards.

"Our congratulations must go to both lan, Richard and their respective teams for this international BMW Group distinction," said Renndorfer.

The awards are based on global BMW Group standards and honour BMW dealerships that excel in customer service and satisfaction across all aspects of the business.

The Auckland City BMW



(I-r): Florian Renndorfer, Managing Director of BMW Group New Zealand, Ian Gibson, Dealer Principal of Auckland City BMW, and Hendrik von Kuenheim, Senior Vice President for Asia Pacific region, BMW Group

dealership team was awarded national metropolitan awards for achieving the highest level of customer service within vehicle sales criteria, and for service and aftersales criteria.



(I-r): Wayne Kitchen, Aftersales Manager of Coombes Johnston BMW, and Richard Johnston, Dealer Principal of Coombes Johnston BMW

n May care in sales and aftersales business Gibson units. Dealer principal and founding vrooms director Richard Johnston told er Autofile he credited the longevity of e his staff members' employment for

> the success. "We do have some very strong relationships with clients because it goes back such a long time," he said. The dealership opened 20 years ago in June, with some original employees still working with the company.

Johnston, who is still actively involved in aftersales operations, said the smaller size of his provincial showroom was another advantage. "The relationship we can have with clients is often a lot more intimate and close than what it would be out of a very big metro dealership," he said.

"If we look after clients through the process of ownership; that will give us the ability to earn their business again when they come to replace or renew their car."

While highly appreciative of the new Te Rapa road showroom, which opened in July 2016, Johnston said the building was just one small part of the business. "Bricks and mortar is one thing, but it's the people within," he said.

"At the end of the day, we're measured as to the satisfaction we have with our client base, and the relationships that we build with them for the long term." \oplus



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After a refurbishment in May 2015, dealer principal Ian Gibson told Autofile the new showrooms had recreated the customer experience with interactive environments.

"Our customers enjoy a much nicer customer journey than the old traditional high pressure sales methods could provide," he said. "Customers have responded well to these changes."

But Gibson, who has been with the team for 10 years, said his staff members were the true key to Auckland City BMW's success, and they "work very hard to make sure we provide a premium experience for all customers."

"We did a great job all round, which makes me very proud of our entire team. The recognition belongs to everyone in our organisation."

The Auckland dealership has plans for more changes in 2017, including a 6:30am opening time to allow commuters to drop off their vehicles earlier, and an express drop-off and collection for vehicle servicing.

"Our main area of focus is on our customer journey and trying to enhance and improve the experience for every guest visiting our dealership," Gould concluded.

Coombes Johnston BMW of Hamilton was also awarded for exceptional customer service and

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Customers get to rate dealerships

staggering 78 per cent of consumers have walked out on a transaction or not made an intended purchase because of poor service, the results of a 2011 survey by American Express show.

And, to add to retailers' woes, once a customer experiences bad service, it is likely they will never deal with that company again and they will go on to tell their friends and family about the negative experience.

The probability of selling a product to an existing customer is between 60 to 70 per cent, whereas a new customer is only five to 20 per cent, according to the bestselling book Marketing Metrics.

As most clients won't bother to make a complaint, it is important to get feedback in a confidential and professional manner, says the general manager of Motorcentral, Mark Greenfield.

"Franchises and manufacturers

do a good job with surveying newvehicle customers, however the used-car buyers across the industry are well and truly left out," he says.

In order to assist business retail experience owners to find out how their Prizes will be customer service is perceived encourage buye Motorcentral is launching a the survey, and r customer survey programme CBUYERSCORE called BuyerScore.

BuyerScore will be free to all dealers and will provide an insight into how their business is performing in terms of customer service.

Once a dealership has signed up with BuyerScore, customers of that dealership will be sent a survey seven days after their purchase has been entered into their dealer management system (DMS).

"BuyerScore has been developed to work across any dealership in New Zealand whether they have Motorcentral DMS or not," says Greenfield.

A two minute survey will be sent to customers via email and will collect data on the customer's retail experience.

Prizes will be offered to encourage buyers to complete the survey, and reminders sent as a follow up if

required.

option is available on request. Once the survey is complete, the dealer will receive feedback immediately and reports on performance will be supplied to

them on a regular basis. The customer can choose to submit the survey information anonymously.

Greenfield says the survey results are confidential to the dealership unless they decide to publish the results.

BuyerScore will break down

the feedback and give each dealership an overall rating. If the dealer manager chooses to have this feedback advertised, there is a chance to showcase that rating on BuyerScore and the dealer's business website, along with any other participating sites. This allows customers to see which dealerships are offering the best service.

"This is very exciting for the industry," Greenfield says. "Dealers are starting to place more value on reviews but their only source currently can be somewhat destroyed by non-car buyers creating fake reviews which can be destructive to a business. BuyerScore delivers reviews that are from genuine customers of the dealership. Keeping the results confidential is another huge bonus that respects the dealerships and allows them to focus on the results before they choose to publish." ⊕

manager of TSI Group, is treasurer. First order of business for the new incorporated group was

new incorporated group was to apply to the NZTA for NAITA to be a representative industry body under section 241 of the Land Transport Act 1998, to gain authorisation for its members to access the MVR.

The group has also made an offer, to the NZTA, to build an online validation portal for the industry to access to the MVR. According to Greenfield,

"Currently there is nothing in place for validation, and most certainly nothing

at all for approved access once the current class authorisation is removed. Our offer would ensure that whichever service provider ownership checks are conducted through, they will all be able to get access through the same portal in an easy automated way."

Membership applications will be available through the NAITA website which will be operating from the end of April. ⊕



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NAITA now incorporated society

Since its initial formation in September last year, the National Automotive Industry Technology Association (NAITA) has been working to formalise its set up and offer immediate solutions to avoid motor vehicle

traders from being excluded from accessing the

Motor Vehicle Register (MVR); one of the catalysts that encouraged the groups formation.

NAITA has now been granted incorporated society status, with the office holders being the founders of the association. Mark Greenfield, general manager of Motorcentral has been appointed president, David Boshier, general manager of Autoplay is secretary and Darryn Crothall, general





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Benefits of first hand knowledge

have been spending a lot of my time recently becoming an expert in the intelligent transport field of "dynamic mapping". Admittedly, this might not seem the most intuitive thing for an employee of the import industry to be working on.

I want to take a few moments to answer a very important question. One of the most important questions we ask ourselves when we decide to work on a project is whether our efforts will help you sell more cars. The answer to that question, while always important, is not always a simple yes or no. I have to argue however, that this effort is clearly a requirement to keep the doors open for the best cars in the not too distant future. To explain...

We, the IMVIA, have been authorised by Standards NZ to represent the interests of New Zealand on the international stage. We have been appointed as experts to ISO, allowing us to be involved in the setting of standards that vehicles will be manufactured to internationally.

Firstly, can I get a brief nod to the drastic change in environment that this represents. At one time, the role of the IMVIA was one of constantly fighting the government for legislation just passed. The IMVIA was always in a defensive stance, ready to challenge decisions as they are made. Today, we hold a trusted position and we work very collaboratively with government to find solutions that are both in the best interests of New Zealand and the import industry.

In this case, I am working

very closely with government and private industry to ensure the interests of our industry are well served.

So, what is dynamic mapping? Dynamic Mapping is a new paradigm in mapping that optimises our ability to get the most important transport

related information to where it is needed. As communication becomes more important and data more ubiquitous in our daily decisions, demand for that data quickly will become an important driver. Some technologies will simply be impossible due to the inability of our infrastructure to deliver it on time.

Transport data, or more importantly, data that prevents accidents, cannot be delayed.

To address this, dynamic mapping is a proposed technology that will be used by connected vehicles and automated vehicles. It

is, at its most simple, a layered map. Each layer holds degrees of transient information in a way that allows data providers to update the most important aspects first. For example, we could have maps with six layers: road map (updated monthly), road furniture (updated weekly), road construction (updated daily), weather (updated hourly), road conditions/traffic (updated by the minute), and finally a record



Imvaa

of this system is a decrease in bandwidth; most updates can be made via wi-fi at home while your vehicle is parked.

All layers are

a centralised map

vehicles in any given

locale. The benefit

Back to how this benefits the industry; this technology will be built into connected and autonomous vehicles. Japan has decided that autonomous vehicles



will be their solution to many of the social problems they have; from providing mobility to the infirm and elderly to optimizing the efficiency of the entire system, this technology will be key.

Japan is coordinating the development of this technology in Japan through the SIP-adus program. The efforts at ISO are the opposite side of the coin, it is the same effort being promoted as an international standard.

Of course Japan is interested in seeing its standards related to this technology being adopted globally.

The IMVIA has been invited on both ends of this effort. We have been invited as a stakeholder and expert to participate in the discussion of this technology at the cabinet-level in Japan, and we are positioned to help shape global standards internationally.

This also puts us into a position to help shape thinking about the future of this technology here in New Zealand. Were we able to push for infrastructure and standards that mirror what is in Japan...

Imagine the possibility of not having to fight government...to see vehicles with this technology, new and used, able to roll off the

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ship, connect to local infrastructure, and have the entire map automatically update to local roads and conditions.

In closing, let me flip this problem on its head. The only other option is to knowingly ignore

the technology and the burden it might pose for our industry. The result might be a complete block on certain makes, models, years, and even technologies. Failure to comply would not be a matter of fines, it would be matter of the safety devices in the vehicles we sell harming our valued customers.

The real question then is not why are we participating in these efforts, but rather can we afford not to? 🕤



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Double World Car awards for Jaguar F-PACE

he Jaguar F-PACE won both World Car of the Year and World Car Design of the Year at the New York International Auto Show on April 12, beating out the Audi Q5 and Volkswagen Tiguan to take the top honour.

It's the second time in the 13year history of the awards that a car has won two titles, and the F-PACE is the first Jaguar to win an overall trophy at the World Car Awards.

"Jaguar has done the unthinkable by first securing the World Car Design of the Year award, then lifting the big one - the overall World Car of the Year trophy," said Mike Rutherford, juror, director and vice-chairman of the World Car Awards.

The F-PACE is the first performance SUV from Jaguar, that reported record sales since its launch in April 2016.

Other winners were celebrated on the night, with the World Performance Car title awarded to the Porsche Boxter Cayman. The Mercedes-Benz E-Class won World Luxury car for the third time, following back-to-back wins in 2014 and 2015.

The Prius Prime was declared the World Green Car award-winner for the second year in a row, and in a new category, the World Urban Car was BMW's i3 EV hatch.

NEWS in brief

Forex Brokers Ltd in liquidation

Forex Brokers Limited has gone into liquidation. Chartered accountants PKF Corporate Recovery and Insolvency has issued notice that on April 10, shareholders resolved, by special resolution, to liquidate Forex Brokers Ltd and appoint Chris McCullagh and Stephen Lawrence, both of PKF Corporate Recovery, as liquidators.

A statement from McCullagh said that claim forms have been sent out to all creditors who have contacted PKF Corporate Recovery but at this stage it does not know the total amount owed by Forex Brokers to foreign exchange customers.

"We have very little information about the company at this stage, but we are in the process of collecting the records and identifying and securing any assets. Our first report on the liquidation is due to be sent to creditors by Wednesday April 19, and it will also be available online at the Companies Office," McCullagh says.

Toyota begins import programme

Toyota has entered the New Zealand import market with the launch of Toyota Certified Imports, an official programme which will source Toyota vehicles directly from Japan.

"The launch of Toyota Certified Imports is a massive milestone for consumer choice and Kiwi motorists in the market for a reliable and affordable vehicle under \$15,000," said Andrew Davis, Toyota New Zealand's general manager of used vehicles and marketing.

Vehicles sold as Toyota Certified Imports will be selected and inspected by Toyota New Zealand and the AA to ensure full compliance with NZ safety regulations. The cars will also have their odometers independently certified.

Toyota New Zealand says prices will begin at \$8,990, and all vehicles will be subject to their warranty programme.

Lost keys bring record price for Mercedes

Losing the keys to their 1996 Mercedes-Benz SL500 meant a hefty pay day for a British driver, whose car – with only 80 miles (129km) on the odometer – sold at auction for a record £56,640 (NZ\$101,800).

The sole owner received the roadster as a birthday present in Mayfair and stored it in an underground garage shortly afterwards. The keys were then lost and the car was never driven again.

The SL500 was rediscovered earlier this year and sold by Coys at their Spring Classics auction in London.

Ebbett Volkswagen takes out top award

Hamilton dealership Ebbett Volkswagen was awarded Overall Dealer of the Year at the first Volkswagen NZ Awards, held in Auckland this month.

Ebbett Volkswagen was also awarded Metro Dealer of the year and Parts Department of the year at the awards ceremony, beating the other 16 dealers within the network.

The award takes into account the performance of each department within the business, for each month, over the full year, focussing on topline results, quality and delivery of brand experience.

Toyota NZ recalls another 5,803 cars over airbags

Toyota New Zealand has announced a recall of 4,313 Corolla and 1,490 Yaris New Zealand-new vehicles manufactured in 2009, citing concerns with the passenger side airbag inflator. This brings the total number of New Zealand vehicles affected, including NZ-new and used cars, to 113,804.

Replacing the faulty inflator will take up to five hours to install and is free of charge. Toyota will contact affected owners once the affected vehicles are identified. Concerned owners can fill out a recall form on the Toyota website.

Tourer beefs up Commodore range

he Tourer all-wheel drive crossover has joined the Commodore range and is set to debut in early 2018. It's the third model confirmed in the next-generation line-up, following the NG sedan (based on the Opel Insignia) and the Sportwagon.

It's the first attempt by Holden to release an all-wheel drive Commodore since the Adventra wagon, which ran briefly from 2003 to 2006 to mixed reviews and poor sales. But a surge in SUV popularity, driven by low oil prices, has encouraged a utility vehicle boom, with more crossover models entering the market.

The "rugged" Tourer borrows its looks and engineering from its European counterparts at Opel, which will begin producing the car in its German factories later this year. According to Holden, the silhouette is styled on the executive Opel Monza concept car, first produced in 1978.

Although powertrain specifications are yet to be released, it's expected the Tourer will contain the same engine options as the Sportwagon and NG, which include a V6 petrol engine generating 230kW and 370Nm of torque, and a 2.0-litre four-cylinder engine producing 191kW and 400Nm of torque, available in petrol and diesel.

"The Commodore Tourer comes with a high-tech all-wheel drive system and also lets customers select specific driving modes, giving them the flexibility to be able to get off the beaten track," said managing director of Holden New Zealand, Kristian Aquilina.

The new crossover wagon will be 110mm longer than the Commodore NG and 20mm longer than the Sportwagon, with an additional 20mm ground clearance, and the



exterior will feature wheel-arch th protection and roof rails as standard. sy

Designed for off-roading, the all-wheel drive system with torque vectoring contains two electrically-controlled multi-plate clutches for precise transmission of power to each wheel in all road and weather conditions.

Drivers can also change the car's behaviour by switching to 'Sports' mode at the touch of a button, which adjusts the calibration settings for the vehicle's steering, all-wheel drive system and transmission.

Safety and driver assistance systems include autonomous emergency braking, adaptive cruise control, speed-limit cruise control, lane departure warning, lane-keep assist, forward collision alert, side blind-zone alert and rear cross-traffic alert.

Holden will release details on pricing and availability closer to the Tourer's launch in early 2018. \oplus

Plug-in hybrid gets fast charge

itsubishi have upgraded the four-wheel drive Outlander PHEV, a plug-in hybrid which contains two electric batteries and a 2.0-litre petrol engine, with two model variants in the 2017 range.

The battery has an extended range of 54km and includes DC Fast Charge for the first time, which is capable of an 80 per cent charge in around 20 minutes.

The new Fast Charge socket sits alongside the regular AC mains connection, meaning the Outlander PHEV can charge overnight to full capacity and have a quick top-up on the road if needed. Fuel economy is rated 1.7L/100km, and a new EV priority mode can be activated to further boost fuel efficiency. A smartphone app matched to this system allows drivers to set charging times and climate mode for the vehicle.

The Outlander PHEV also comes with a five-star ANCAP safety rating and a suite of safety features, including ABS, active stability control, active traction control, adaptive cruise control, forward-collision mitigation, lane departure warning, rear-view parking camera and seven airbags.

The VRX model also contains blind-spot detection and rear-cross traffic alert as standard.

Pricing begins at \$60,990 for the Outlander PHEV XLS and \$67,990 for the Outlander PHEV VRX, and both are available in New Zealand. \oplus



Ford's MD - experiences aplenty

S imon Rutherford's first car was a red Morris Minor. "It was very cool at university but I wrote it off. It wasn't my fault, of course, I was sideswiped at a roundabout," says the Ford Motor Company's New Zealand managing director, who now drives a race red Mustang convertible.

"I've enjoyed many cars over the years." He has fond memories of the blue Escort Cosworth he owned in England, but says the Ford Focus RS is the most complete car he has ever driven.

"It's fun and precise," he says.

Rutherford, who took over the top role at New Zealand's Ford head office 13 months ago, has enjoyed a stellar 25-year career with Ford that has seen him travel throughout the world and live in Bangkok, Shanghai and the United States.

His wife Helen, who grew up in Christchurch, was keen to move back to New Zealand and so he jumped at the opportunity to continue his career with Ford and live in Auckland.

"Helen always wanted to come back to New Zealand. I wanted our boys (now aged 12 and 14) to live somewhere that was more familiar to their culture and to be near their grandparents."

He says variety and travel, as well as Ford's culture of looking after its people, have kept him with the company.

Although Rutherford was born in the UK, he spent his first three years in Nigeria and then South Africa followed by Malawi as his father moved countries with his job. He attended boarding school in England but joined his family during the school holidays before studying at Oxford Brookes University and graduating with a Bachelor of Arts with Honours degree in business studies.

"I always harboured an ambition to have a career that would allow me to see the world," he says.

The 47-year-old joined Ford in 1992 after working as a brand specialist with Carlsberg.

His first role was working as a sales promotion specialist in Ford UK, which involved attending major events, such as Formula One, the World Rally Championship and the British Touring Car Championship.

"I loved that job. I was looking after all the Formula One sponsorship. I would go to all the events promoting the company.

"We would take customers around to experience the different tracks. They would meet the drivers and have driving training with a professional driver on the tracks.

At that time, Michael Schumacher was driving for the Benetton-Ford team and Rutherford also met British F1 driver Johnny Herbert and retired driver Jackie Stewart, as well as mixing socially with the various teams and drivers off the track.

"The drivers were great. They are incredibly relaxed and calm and very focused. When Michael Schumacher was driving us around Silverstone, he would turn around and talk to us in the back seat while we were travelling at 170mph. He could drive the track in his sleep.

"I did the European circuits. We would go to Germany, Spain and



Italy for the European Grand Prix. It was great. We had access to the pits and were able to bring in customers to meet the drivers.

"Rally drivers have something special about them – it's their complete commitment to the sport and how they can extend themselves mentally beyond people's usual fear (of crashing) is amazing.

Rutherford was a passenger in a rally car when the driver lost control and it left the road: "Nothing major, just a few spins and things but the driver was so calm about it."

However, after 12 months in the role, Ford "obviously decided to move me on to do some real work".

He then moved back to London and completed a number of dealer facing field roles, including zone manager for south-west England, and brand management roles, including three years as general sales manager at Brunel Ford Group in Bristol.

"It was very valuable experience

to understand the dealership and retail side."

But Rutherford had no plans of settling down in Britain.

"I had itchy feet syndrome and talked to Ford and said I was putting my hand up for something different. Ford mentioned Thailand and coaching their field team and I knew it would build on all my experience in the UK."

In 2004, he moved to Bangkok with Helen and their young son to oversee Ford's regional fleet operations.

He says Thailand's Ford dealerships have a similar franchise structure to New

Zealand but many had only been open at that time for about five years and the showroom model range was smaller – only Laser, Ranger, and Everest.

"It's a similar process but a different market."

He says buyers want Ranger utes which make up half the market in Thailand because many people are self-employed and need a solid working vehicle to carry goods – including people – often off-road.

"Buyers like the flexibility the ute offers."

It also helped that the Thai government was offering tax incentives to encourage business people to buy utes to grow manufacturing and the domestic market, he says.

Rutherford says group meetings with dealers weren't effective as everyone would nod in agreement even if they disagreed with the outcome. One-on-one meetings with dealers were a must.

"Thai people are lovely and very independently minded. If they didn't want to do something they wouldn't do it. I was helping the field team to get established and then moved on to look after fleet sales in the region for multi-nationals, which also involved working with Ford's global team in the US."

Rutherford's next career move in 2009 was to Shanghai where he





industry profile



With wife, Helen, and family at the Great Wall in 2007

 led a number of important One Ford global initiatives, including key sales programming and vehicle ordering roles for Asia Pacific during the launch of Ford's China growth.

"It's an enormous market about the same size as Europe and the US combined, and there is still more growth."

He says the Chinese like big cars and have a driver if they can afford that luxury. The Ford Focus, Lincoln Brand product, Explorer and Edge "have led the way".

"English is widely spoken and the Chinese are quick learners."

Although Ford has established its traditional franchised dealership model in China, there's about 600 dealerships, he says the Chinese are keen to buy online and have high internet usage.

However, China's government has put strict emissions standards on vehicles in big cities as well as licenseplate caps. As a result, the high cost of obtaining a license plate adds to the expense of buying a vehicle.

"It's a big hurdle for young people living in the cities."

He says the Chinese government is focused on the development of electric vehicles and public transport to lower pollution levels in cities. Car sharing and fractional vehicle ownership/lease models where people have agreed access to a car, could also work well in the metro areas.

Ultimately, Rutherford and his family, which had expanded to four after the birth of their second son in Bangkok, wanted to escape China's pollution. "The outside environment is not great."

The family was living in a large compound of about 100 American-style homes and gardens with other ex-pats.

"When we moved in, the compound had a two-lane highway

Receiving the 20 year service award

about 100 metres away from the compound's wall. When we left three years later, the highway was six lanes."

The United States beckoned and Rutherford moved to Dearborn, Michigan, where he was responsible for transforming the way Ford and dealers manage vehicles orders globally while managing dealer connectivity initiatives to enhance consumer experience.

"I had always wanted to live in the US. I was able to experience how head office worked. It was very educational and I established a network of contacts," he says.

He worked under Elena Ford, vice-president, global dealer and consumer experience. Ford was responsible for leading the development and global launch of Ford's global brand promise of Go Further with mobility advancements – including autonomous and electric vehicles, ride sharing, ride-hailing and connected vehicles.

"We were looking at future-type scenarios. EVs have a lot less moving parts and a lot of maintenance will be done remotely with software updates. It will change how people will access a (repair) service. They will plug in their car to the internet to get upgrades and diagnosis."

Rutherford believes EVs will take off before autonomous cars.

"People will want to feel 100 percent confident with the autonomy before it takes off. But I see it coming together in the end. EVs have to have a bigger range, access to fast charging and be durable. Fully autonomous cars are 10 to 15 years away in my view."

He says it will be possible to retrofit some vehicles with the autonomous systems.

"I think autonomous shuttles will lead the way on shorter routes in the cities."

He doesn't see an end to the dealership model.

"Customers want to be looked after. Dealers are interested in the changes but they are the interaction point with customers and that core relationship will not change. It's more important than ever to listen to dealer partners and customers."

Rutherford says customers are looking for an experience when they buy a car and many value guidance when buying such a big-ticket item.

"As a customer, I would like a product overview so I could compare it effectively with something else."

However, Rutherford says innovation is a must in a fastchanging world. He helped man Ford's pop-up store in Auckland's Sylvia Park mall during Christmas.

"It was about talking to people, getting feedback and learning what customers want.

"Not everyone wants to go to a dealership. The pop-up store gets people to have a look at the vehicles and they don't have to make a deliberate action. Even if you

> Perks of being MD is getting to choose a red Mustang convertible as your daily drive



don't buy, you might talk to others about the car."

But he says the Ford team were surprised by the number of mall shoppers who wanted to buy a car from the store during the pop-up branding exercise and referred potential buyers on to dealerships.

He says the pop-up store became a "man creche" site – where men, who were bored with following their partners around the shops, relaxed in the store's chairs and talked to staff.

"We don't always have to do what we have always done. We have to learn what our customers are looking for and that takes experimentation. Simplicity and value are important because we have so much going on in our lives. Accessibility and transparency are key elements of success such as publishing a price for routine service and explaining in detail what has been done and the benefits of servicing at your Ford dealer.

"It's important that we understand the trends, experiment and learn. We need to lead the way.

"There is a lot of activity around electric vehicles and that will be driven by markets bigger than New Zealand. What happens in China and the US will impact on New Zealand, and the metro areas will lead the way," he says.

"EVs make sense in New Zealand. It will start with more hybrid technologies that are convenient to us. When the cost of plug-ins comes down then they will take off. Within the next five years, you will not be the odd one out to have some sort of EV transport," he predicts.

"People will also be looking at different vehicle ownership models, perhaps ride sharing and pay as you go type mobility solutions."

Rutherford says that now is a very interesting time for the motor vehicle industry. $\ \ \oplus$

The month that was.... April

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

April 28, 1997

Importers and distributors on collision course

Members of the Motor Industry Association met to discuss ways to protect the new car market in New Zealand from being further undermined by near-new imports coming in from Japan.

At the time, newer used imports such as many 1996 and 1997 models only displaying a few thousand kilometres on the vehicles' adapteters were being offered for sale as used

odometers, were being offered for sale as used imports.

While no firm decisions had been made, one plan put forward by affected companies was to register brand names of vehicles as copyright, which would supposedly make it illegal for anyone other than the registered holder of the copyright to import that particular make and model of vehicle.

In the meantime, the Customs Department was being extremely cautious about accepting responsibility for policing breaches of copyright and trademark protection against parallel importing - encouraged by the success of a personal watercraft distributor in halting used imports of near new machines carrying the same brand name.

At the time of print, establishing the parameters of protection against parallel imports, such as what age of vehicles can be protected this way - had yet to be established by courts.





April 19,1999

Mazda joins Ford's Auckland retail network

A joint venture between Ford New Zealand and the Colonial Motor Company known as the Auckland Auto Collection purchased the three Auckland Mazda dealerships of Greenlane Mazda, Manukau City Mazda and North Shore Mazda.



CMC, the largest owner of Ford dealerships in the country, was also set to

buy Wellington Mazda, which was owned by Sri Temasek Ltd - a joint venture between Mazda New Zealand and Cycle and Carriage of Singapore.

Mazda NZ announced it would move its head office from Mt Wellington out to Ford's Wiri headquarters in September; where parts facilities for both Ford and Mazda began to be combined.

CEO of the combined operation, Trevor Walmsley, said the addition of Mazda would strengthen the ability for the individual brands to compete in the Auckland market and provide customers with the best possible buying and service experience.

Walmsley said that approximately 450 people would be employed under the Auckland Auto Collection umbrella.

The company was also appointed the Wellington City Nissan dealer, replacing long-serving dealer, Williams and Adams. At the time of print, Cycle and Carriage's parent company in Singapore was experiencing trading difficulties, with reports that the company had posted a net loss of nearly \$30 million dollars, compared to a net profit of \$160 million the previous year.

April 7, 2003 **40 egg clusters in imported cars**

The discovery of 40 clusters of Asian moth eggs in imported used cars during 2002 highlighted the particularly high chance of the pest arriving in the country, according to a MAF spokesperson.

Mosquitoes were also found in used vehicles, mostly in the mobile machinery end of the market - such as concrete trucks and diggers - where

there were opportunities for water to pool in the vehicles.

"The fact that the detection of egg clusters is being made means the current systems are working," said the MAF spokesperson, who pointed out that 100 per cent of imports were checked. This included 60 per cent in Japan and the rest on arrival in New Zealand.

"I think it is extremely difficult for them (MAF) to prevent insects coming in at any rate - so the potential is always there for it to happen," said IMVDA chief executive Chris Drake.

"Two years ago, we were faced with the same possibility that used imports could have been targeted as a carrier - and as good corporate citizens we will do all we can and continue to work with MAF to make sure that we all do the responsible thing."



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Local job market in strong form

THE LATEST JOB MARKET FIGURES

show an increased demand for labour fuelled by high vacancy numbers in key industries, with 76 per cent of businesses polled in the latest Business Operations Survey reporting staff vacancies.

47 per cent of those were considered hard to fill, and the most difficult skills to find in job applicants were trade-related skills, management and professional and technical skills.

Advertisements for employment continue to rise in the midst of this high demand. New advertisements on SEEK rose 17.3 per cent this February when compared to last year, with information technology, trades and services, manufacturing, transport and logistics the most advertised categories.

Job advertisements increased, with listings up 15 per cent for the first quarter of 2017. Average applications per job are down 13 per cent, as jobseekers have a greater choice of jobs to apply for. Transport and logistics, manufacturing and construction sectors led the jump in listings on Trade Me.

This growth isn't necessarily contained to one city. "Advertising on SEEK has increased across most of New Zealand's major regions this February, with Auckland enjoying a staggering 19.2 per cent year-onyear increase," said SEEK general manager Janet Faulding.

"In Wellington, advertising on SEEK also continued to rise, up 11.8 per cent year-on-year. However, in Canterbury job ads dipped 2.6 per cent this February."

While ICT remained the topperforming jobs in Auckland and Wellington, SEEK reported that trades and services was the standout market in the Canterbury region, with electricians, automotive mechanics and labourers the most advertised positions. Listings in other regions have exploded. "Almost every region in the country had double-digit percentage jumps in new listings compared to last year," said head of Trade Me Jobs Jeremy Wade.

Gisborne led the boom, with listings up 40 per cent, followed by the Waikato, up 36.5 per cent, and the West Coast, up 32.4 per cent. "Job growth in most regions is outstripping that of the main centres," Wade added.

This job growth is set to continue across the country, according to economic analysts Infometrics. The latest Regional Perspectives report, published in March, forecasted strong job growth for the next four years.

"Many other parts of the country are expected to perform well, with job growth in each of Northland, Waikato, Bay of Plenty, Nelson, Tasman, Marlborough, and Otago expected to exceed two per cent per year over the next couple of years," said chief forecaster Gareth Kiernan.

This boom in new jobs won't stretch to Canterbury, according to the report. Kiernan noted that economic growth in the city has slipped below the national average, and Infometrics expects employment growth of only 1.1 per cent per year in Christchurch between 2017 and 2019.

Despite the recent growth in new jobs and industry demand, wage rises were sluggish in 2016. The Ministry for Business, Innovation and Employment said annual wage inflation was at 1.6 per cent, largely unchanged from 2015.

Wade also noted static wages amongst current Trade Me listings. "The job market is in great health and we've seen incredible jumps in the number of roles advertised, but, with a few exceptions, wage growth has been surprisingly flat by comparison," he said. \oplus



Auto Centre

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● In June 2015 we applied for and bought the AA Auto Centre in **Palmerston North** from an existing franchisee. Brendan is a qualified mechanic and I've previously worked in insurance. After running a large farming business and starting a family, we were looking to purchase a business that would give us a better **work-life balance**. The support we've received from the AA Auto Centre business and the franchisor has been fantastic. We now have an improved balance between life and work, and have greater control over our expenses, margins and overall profitability. We get great feedback from our customers, most of which are AA Members. We

are so pleased with the franchise that we are looking to open another AA Auto Centre.

> - **Lisa and Brendan Sharland**, AA Auto Centre Palmerston North



Visit aa.co.nz/franchise to find out more

Commitment to your plan takes courage

ver the past couple of years the New Zealand economy has been doing well and we have all been experiencing buyers with more confidence to spend.

The last 12 months have shown very strong (or record) vehicle sales and March 2017 finished the financial year with a "bang".

Many traders are experiencing rapid growth and it is times like these that we all need to focus on implementing systems and processes in our businesses that will maximise this opportunity.

Growth can often bring growing pains where your business is not necessarily prepared or resourced to efficiently cope with the increased consumer activity. It is critical to maintain profitability, customer service and satisfaction as you want these customers to return to you in the future.

At Protecta Insurance we have

been going through the same challenges over the past three to four years. In our case we had a target of where we wanted the business to be in the future and then we set about building achievable plans to get us to these goals.

Plans need to be measurable and

monitored regularly, however. Be honest with your assessment and don't make excuses if performance isn't meeting the plan. Most of all, these need to be supported by significant commitment and investment. The challenge is whether you have the commitment to invest in your plans, business and future.

For Protecta we realised that we needed to ensure we had enough human resource to meet our



General manager Protecta Insurance

goals. We have been growing rapidly in the last few years and this has accelerated even more in recent months, especially through our motor trader channel. The changes we announced recently are already proving to have a positive effect and delivering better service

to our customers.

Erin Mills, Protecta's national training manager, is busier than ever delivering targeted finance and insurance (F&I) training. Dealerships across the country are benefiting from the results of this training, through increased skills which, in turn, increase profitability.

Ray Meharg, Protecta's national and key account's manager, is working closely with these accounts developing plans to increase F&I sales and profitability and then visiting the dealers nationwide to help execute the plan.

Protecta has organised many group training courses, in-dealership training, breakfast meetings and we are happy to provide specific and tailored training to help individual dealers achieve their goals.

Other areas that required resourcing were claims, customer service and sales.

Planning is a continual and evolving process and through this process we have ensured Protecta Insurance is well positioned to take advantage of our growth and provide exceptional customer service to our valued customers and business partners.

Goal setting, planning, resourcing and commitment take courage but if they are well thought through and executed it is worth the time, effort and investment. \oplus



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KartSport the heart of NZ racing

hat's the most influential form of motorsport in New Zealand? With Hayden Paddon fulfilling his dream to drive for a factory team with Hyundai in the WRC, Brendon Hartley and Earl Bamber in the FIA WEC with Porsche, Mitch Evans racing Formula E as part of the Williams-run Jaguar team, this tiny country punches well above its weight. It's tempting to see the circuit racing category or even the resurgent rally scene as the big mover in motorsport.

But to the surprise of some, the answer is karting. Every weekend of the year, a Kiwi KartSport graduate is racing – or preparing to race – somewhere in the world and Hartley, Bamber, Evans and most of the circuit racing crowd have risen through karting.

Regarded as the incubator of top talent around the world, karting has long been seen as the essential first step on the career ladder of any aspiring boy or girl looking to carve a motor racing career. Robert Hutton, Development Manager of KartSport New Zealand, is challenging enthusiasts to see karting as a fully functioning sport in its own right.

He points to the hundreds of racers who rise through the ranks from the schools competition and are still dedicated to karting competition in their adult years.

With 1,040 members nationwide and 840 competition licence holders, he has a point. Membership statistics show racers around the country from 6 ½ years old all the way to 65. The sport signs up 200 or more new racers every year, but struggles with retention as drivers



slip away into other four wheel categories and/or simply find the

competition too tough. "Total membership peaked in 2005-2006 at 1,350. Membership to March is up 3.2 per cent,

and we are constantly in the position of introducing young people to motorsport.

The sport runs up to 240 race events a year. Members compete on the 19 tarmac circuits around the country or in the case of the high output Superkarts they race at Motorsport NZ circuits, while others are racing offshore.

"In the 2016 calendar year 5.2 per cent of our competitors were issued with international licences/ visas. Most weekends there are Kiwis racing somewhere in the world – Australia, Europe and North America," he said.

The Kartsport academy is a hands-on affair and uses current and recently retired racers to coach and mentor the next crop of young stars.



Robert Hutton

"We are revamping the academy to further enhance the coaching being provided and to help upskill the parents, who these days often have little motorsport or mechanical background but are of course each

driver's pit crew in their formative racing years."

KartSport's biggest challenge in 2017, he says, is to cause a perception shift among the motorsport public – and media.

"We are the nursery for not only KartSport in its own right but also for a lot of drivers who move on to other four wheeled motorsport disciplines. Now we need people to understand that for many, karting is what they want to do."

THE MISSION

KartSport is the governing body of kart racing in New Zealand, affiliated to Motorsport New Zealand with the sole delegation from the Federation Internationale de l'Automobile (FIA) to organise the sport in New Zealand.

It works directly with the FIA's Commission Internationale de Karting (CIK) which controls most international karting and organises the World Karting Championships.

Kiwi driver, Wade Cunningham, won the world championship in 2013 and Daniel Bray and Marcus Armstrong have been contenders

Hutton says some of the pressures the sport faces are unique.

"We desperately need a worldclass karting facility in Auckland. Work is under way at Prices Road [Colin Dale Motorsport Park] in Manukau but it's going very slowly. Then apparently unrelated issues like housing density changes that mean there's no longer room in many suburbs to park your kart trailer at home or have a workshop - and of course urban sprawl which means our circuits are increasingly constrained by noise and other issues. These are all things we have to manage to keep the sport moving forward." 🕀



Endurance and GT to the fore

s Motorsport New Zealand continues to seek feedback on the future of touring car racing in this country, the GT categories are continuing to expand.

News of the arrival this month of a shipment of Porsche's Cayman GT4 race cars has set tongues wagging in the sport, with many noting the 'around' \$250,000 purchase price and speculating that GT4 could form a credible touring car class to replace the faltering NZV8s.

The factory Cayman racers are lightweight, purpose-built competition-focussed cars similar in concept to Porsche's bigger 911 GT3s. In New Zealand they are being bought up by drivers for use in endurance events and even just for drive days, with at least one heading



directly from Porsche in Auckland to a new home at Tony Quinn's Highlands Park circuit in Cromwell.

Given that Quinn is behind the hugely successful Australian GT race series and runs New Zealand rounds of that series at his two tracks, some are saying it would be a short step from filling the garage of 'hobby racers' to a formal proposal to replace the old-school V8s with 'off the shelf' factory GT4 race cars The FIA GT4 category is for what can be referred to as track day cars: factory-built race cars available to the public. All cars are test driven by the FIA and then modified so that they all have near identical performance levels.

Cars from Aston Martin (Vantage), Audi (TT), BMW (M3), Ford (Mustang), Mazda (MX5), and Toyota (GT86) are among those homologated for the category. ⊕



th a decision looming on the venue of the New Zealand Grand Prix (NZGP) for the next few years, Auckland Council's Auckland Tourism, Events and Economic Development (ATEED) has waved off media speculation that it might back a bid for Pukekohe to host the premier event. The Grand Prix is raced as the final round of the annual Castrol Toyota Racing Series (TRS), but Pukekohe has not hosted the event during the 'TRS era'. The last NZGP at Pukekohe was in 2000, when Andy Booth won in a Reynard Formula Holden.

ATEED is focussed on the need to tie down a decision on the future

of the V8 Supercars event hosted by Pukekohe, which lacks a proper pit complex and modern hospitality areas required by the V8SC 'circus'. In the current cost-cutting environment at Auckland Council a proposal to add a multi-million dollar spend at Pukekohe is not favoured.

Though the Toyota operation currently holding the right to contest the Grand Prix as part of the Castrol Toyota Racing Series can and does operate from marquee garages where required, increasingly modern circuits like Hampton Downs and Highland Park have fully-featured all-weather pit garages.

Toyota's home circuit, Manfeild also has pit garages with hospitality



units built above them and an ongoing relationship with Toyota.

In 2011, Pukekohe's long back straight had a kink formed to slow the big V8s down, but even so a lack of run-off over the 'mountain', the ongoing issues with the swampy nature of the ground under the circuit and a combination of Armco and horse fencing in other areas would be a significant obstacle for the circuit to overcome. These safety issues would be key to luring the fast and agile Toyota FT50 race cars back. \oplus





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Tribunal finds rejected Audi of 'merchantable quality'

Background

Andrew Ballantine purchased a 2006 Audi S6 V10 with 174,445km on the odometer for \$20,000 from Fivefifteen Holdings Ltd (trading as Grant Ward Nissan) on December 14, 2015. He took the car for a test drive before agreeing to buy it.

Ballantine, the director of luxury rental car business Devine Rentals Limited, bought the car in his own name.

When he collected the vehicle, Ballantine noticed some "worrying faults", including that the car revved up to 1,500rpm while in park. However, the vehicle drove satisfactorily, so Ballantine drove it to Queenstown.

He then headed to Greymouth in the car. The vehicle drove well for a few hours then began to lose power. Ballantine had the vehicle towed to a mechanic. He said the mechanic gave a "very bleak prognosis", noting the car had many fault codes and was not running on all cylinders.

Ballantine emailed the trader on December 21 advising that the vehicle's idle "wouldn't hold", the engine was shaking, warning lights were on and a mechanic had told him there was oil in the water. He wanted to reject the vehicle.

The trader asked Ballantine to return the vehicle so the their mechanics could fix any issues. Ballantine agreed but then a representative from the garage found a fault in the vehicle's second ECU; oil residue in the coolant reservoir; welded joins in the rear exhaust, and also issued a warrant of fitness.

The car was returned to the

trader in Apil where it was assessed and its cylinder actuator o-ring was replaced. Soon after, Ballantine noted the free-revving idle issue had recurred and the "check engine" light was on. The trader reset the "check engine" light and said there was no significant problem with the vehicle. After driving for a couple of hours, Ballantine discovered the vehicle had a coolant leak.

He texted the trader that the vehicle was not fit for purpose because after three attempts, it had not completed a long drive. Ballantine stated he was rejecting the vehicle, pointing out he had given the trader an opportunity to remedy faults on previous occasions. The trader inspected the car, confirmed there was a leak and replaced the radiator.

Ballantine drove the car on short trips and said the "check engine" light started flashing and the engine began shaking when accelerating the car to 80kph.

Ballantine asked Roses Auto Electrical to scan the car's computer. Faults were found in the engine control modules and a technician replaced the spark plugs and the air flow meters.

However, the trader had asked Ballantine to take the vehicle to Vantage Auto Diagnostics and offered to pay for the repairs.

Although the buyer said he had bought the car for his personal use, the tribunal asked him to confirm whether he had purchased the vehicle for the purposes of resupplying it as a rental car through his company. He denied he had done so. The tribunal said a black Audi S6 had been advertised for rental on Devine Rentals' Facebook page. The buyer's partner said the vehicle on Facebook was a different Audi from the car under dispute.

After the hearing, the trader supplied the tribunal with a report showing that, two days after purchasing the Audi, Ballantine submitted an MR14 form at VTNZ to change the vehicle's use from private to rental. He also obtained a certificate of fitness. Ballantine was provided with a copy of that information and was invited to comment, but failed to do so.

The tribunal was also shown that Ballantine completed another change of use form for the Audi on December 22, changing its use back to private. As Ballantine purchased the vehicle with the purpose of resupplying it in trade as a rental vehicle, the tribunal found he was not a consumer under the Consumer Guarantees Act.

However, the tribunal said it was sufficient under the Sale of Goods (SOG) act that Ballantine made it known to the trader "by implication" he was buying the vehicle for the purpose of driving it.

In determining whether the vehicle was reasonably fit for purpose, the tribunal considered the vehicle's outstanding issues. Ballantine said the vehicle was never fit for purpose.

The buyer's mechanic Aaron Clifford said the Audi was running better than previously, but "nowhere near perfect". **The case:** The buyer wanted to reject his 2006, high-mileage Audi due to reoccurring faults during long distance driving. The trader said it wasn't given an adequate opportunity to assess and fix outstanding issues with the car.

The decision: The tribunal ruled the buyer had failed to establish the nature and extent of any defect. His rejection of the Audi was dismissed.

At: The Motor Disputes Tribunal, Christchurch

The finding

According to the tribunal, Ballantine failed to establish the nature of any defect and there was insufficient evidence of the cause of, or solution to, the current problems and the cost of repairs. The trader had attempted to help Ballantine solve the problems but its efforts were spurned by the buyer.

Evidence showed the vehicle was roadworthy and a new warrant of fitness was obtained immediately after purchase and on March 4.

It was found that Ballantine had not established that the vehicle was not of merchantable quality under the SOG act. The vehicle was driveable and warrantable. It was an old, high-mileage, highperformance vehicle.

A reasonable consumer would expect a vehicle of this model, age, mileage and price would be "nowhere near perfect". But Ballantine failed to establish that the vehicle was not commercially saleable. The tribunal found the vehicle was of merchantable quality.

The order

The buyer's application to reject the vehicle was dismissed. $\ \oplus$

MEDIATION SERVICE FACILITATING RESOLUTION

Buyer refuses to allow trader to repair 2007 Outlander

Background

Carly Sanders bought a 2007 Mitsubishi Outlander for \$13,400 from Asset Motors Limited on October 4, 2016.

The vehicle was a Japanese import which had an odometer reading of 100,380kms at the time of sale.

The purchaser experienced several issues with the vehicle and sent the trader a letter rejecting the Outlander claiming the vehicle's faults were of a substantial character within the meaning of the CGA.

The trader said the buyer had refused to return the vehicle to allow it to assess the faults. However, the dealer said it was willing to fix the faults.

The case

The purchaser took the Outlander for a test drive before agreeing to buy the Japanese import, which had a 12-month Provident Mechanical Breakdown Insurance cover. The vehicle was supplied with a fresh warrant of fitness, issued by Sky One.

In early November, the vehicle's ASC and ABS warning lamps came on. The buyer took the vehicle to Highbrook Automotive for an inspection on November 9 and they suspected the right-hand-front wheel sensor was not reading and suspected it was faulty.

Highbrook Automotive also noted that the rear-trailing arm bushes were worn, there was a minor oil leak from the timing chain cover and VVT solenoid, and the front lower-control arm bushes were starting to perish.

The buyer spoke to the trader's salesman and informed him of the faults found by Highbrook Automotive. She said the salesman promised to discuss the matter with the trader's director and get back to her.

Sanders, without waiting for the trader's director's response, sent the trader a letter on November 10 rejecting the vehicle for what she claimed was a fault of a substantial character and cited the faults, estimated to cost \$1,722 to repair, found by Highbrook Automotive.

The trader told the buyer via email on November 11 that the vehicle was more than nine years old and therefore it would have been subjected to general wear and tear.

The dealer said the correct procedure was to allow it to remedy any faults.

After filing an application to reject the Outlander with the tribunal on November 18, the purchaser began to experience instances of the car stalling and lagging during acceleration.

The buyer took the car back to Highbrook Automotive which recommended that the throttle body be cleaned.

She told the tribunal that she had not noticed any oil marks deposited by the vehicle or any unusual smells coming from the engine during use.

The trader said the company

had not been given the opportunity to inspect the vehicle since it was supplied to the buyer, but the company would pay to repair any warrant of fitness defects as well as replace the faulty speed sensor and clean the throttle body.

The finding

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

Within six weeks following supply to the buyer, the vehicle's ABS and ASC warning lamp indicated a fault and the buyer was told by Highbrook Automotive that the vehicle had a faulty wheel sensor and its rear trailing arm bushes were worn.

It suggested that the throttle body probably required cleaning to stop the stalling and acceleration lag the purchaser had experienced.

The tribunal found these faults indicated the vehicle was not of acceptable quality at the time of sale because it was not as durable as a reasonable consumer paying \$13,400 for a nine-year-old Outlander with mileage of 100,380kms would regard as acceptable.

The tribunal's assessor said he considered the vehicle's faults to be minor.

The tribunal was satisfied after listening to the evidence given by

The case: The buyer wanted to reject her Outlander under the terms of the Consumer Guarantees Act (CGA) due to a number of faults. The trader said the buyer had refused to return the vehicle so it could assess the faults but said it remained willing to repair the vehicle.

The decision: The purchaser was ordered to return the car to the trader so it could fix three faults and obtain a new VTNZ warrant of fitness at its own expense.

At: The Motor Vehicle Disputes Tribunal, Auckland

the purchaser that the trader had not been given an opportunity, much less a reasonable time in which to remedy the faults.

Therefore, itl found that the buyer should have allowed the trader to fix the faults and her rejection of the vehicle on November 10 was premature.

The order

The tribunal considered that the trader was not given a reasonable time or an opportunity to rectify the vehicle's faults and the trader should have a chance to fix the issues within a reasonable timeframe.

The purchaser was told by the tribunal to deliver the vehicle to the trader which would, at its own expense, replace the rear trailing arm bushes, replace the faulty wheel speed sensor and clean the throttle body.

The authority ruled the trader should supply the buyer with a loan car free of charge while her vehicle was being repaired.

The trader was also ordered to obtain a fresh VTNZ warrant of fitness for the Outlander before returning it to the purchaser. \oplus

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	Port Calls	Lake Taupo v1707	Tokyo Car v1708	Carrera v1709	Lake Taupo v1710	Tokyo Car v1711							
	Мојі	-	15 Apr	-	16 May	-							
AN	Osaka	4 Apr	16 Apr	3 May	17 May	2 Jun							
JAPAN	Nagoya	5 Apr	17 Apr	4 May	18 May	3 Jun							
	Yokohama	6 Apr	19 Apr	5 May	19 May	4 Jun							
	Auckland	21 Apr	7 May	21 May	1 Jun	21 Jun							
N	Wellington	25 Apr	11 May	24 May	10 Jun	25 Jun							
Ż	Lyttelton	29 Apr	10 May	22 May	9 Jun	19 Jun							
	Nelson	2 May	11 May	29 May	10 Jun	20 Jun							

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Imported Pa	assenger \	Vehicle S	Sales by	Make - I	March 20	17	Imported	Passeng	er Vehicle	e Sales	by N	lodel - N	larch 20	17
MAKE	MAR'17	MAR'16	+/- %	MAR'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE	МАКЕ	MODEL	MAR'17	MAR'16	+/- %	MAR'17 MKT SHARE	2017 YEAR	2017 MKT SHARE
Toyota	3,722	2,910	27.9	25.7%	10,156	25.6%	Suzuki	Swift	617	544	13.4	4.3%	1,710	4.3%
Nissan	2,543	2,240	13.5	17.6%	7,011	17.7%	Mazda	Axela	593	487	21.8	4.1%	1,769	4.5%
Mazda	2,058	1,796	14.6	14.2%	5,908	14.9%	Nissan	Tiida	576	612	-5.9	4.0%	1,665	4.2%
Honda	1,449	1,369	5.8	10.0%	4,065	10.2%	Honda	Fit	477	469	1.7	3.3%	1,430	3.6%
BMW	713	470	51.7	4.9%	1,809	4.6%	Mazda	Demio	470	442	6.3	3.2%	1,382	3.5%
Suzuki	711	657	8.2	4.9%	1,976	5.0%	Toyota	Prius	389	198	96.5	2.7%	927	2.3%
Subaru	605	593	2.0	4.2%	1,694	4.3%	Toyota	Wish	379	288	31.6	2.6%	978	2.5%
Mitsubishi	548	422	29.9	3.8%	1,430	3.6%	Volkswagen	Golf	335	299	12.0	2.3%	887	2.2%
Volkswagen	548	489	12.1	3.8%	1,454	3.7%	Subaru	Legacy	307	265	15.8	2.1%	835	2.1%
Mercedes-Benz	356	230	54.8	2.5%	898	2.3%	Mitsubishi	Outlander	304	221	37.6	2.1%	765	1.9%
Audi	297	241	23.2	2.1%	788	2.0%	Mazda	Atenza	298	242	23.1	2.1%	847	2.1%
Ford	130	129	0.8	0.9%	341	0.9%	Toyota	MarkX	286	169	69.2	2.0%	770	1.9%
Volvo	94	87	8.0	0.6%	275	0.7%	Toyota	Vitz	281	258	8.9	1.9%	746	1.9%
Lexus	93	55	69.1	0.6%	234	0.6%	Toyota	Corolla	237	217	9.2	1.6%	695	1.8%
Chevrolet	80	51	56.9	0.6%	189	0.5%	Toyota	Estima	222	116	91.4	1.5%	608	1.5%
Land Rover	64	32	100.0	0.4%	182	0.5%	Nissan	Dualis	213	116	83.6	1.5%	567	1.4%
Holden	61	42	45.2	0.4%	165	0.4%	Mazda	Premacy	212	161	31.7	1.5%	608	1.5%
Mini	54	44	22.7	0.4%	138	0.3%	Mazda	MPV	211	246	-14.2	1.5%	608	1.5%
Jaguar	51	49	4.1	0.4%	144	0.4%	Nissan	Note	199	127	56.7	1.4%	479	1.2%
Hyundai	39	40	-2.5	0.3%	94	0.2%	Honda	Odyssey	195	164	18.9	1.3%	549	1.4%
Porsche	39	12	225.0	0.3%	104	0.3%	Nissan	Bluebird	191	102	87.3	1.3%	474	1.2%
Jeep	37	18	105.6	0.3%	85	0.2%	Toyota	Auris	175	162	8.0	1.2%	537	1.4%
Chrysler	25	14	78.6	0.2%	51	0.1%	Nissan	Murano	159	149	6.7	1.1%	430	1.1%
Dodge	24	22	9.1	0.2%	76	0.2%	Nissan	Skyline	153	129	18.6	1.1%	354	0.9%
Peugeot	17	20	-15.0	0.1%	48	0.1%	Honda	Stream	148	132	12.1	1.0%	374	0.9%
Daihatsu	13	10	30.0	0.1%	46	0.1%	Subaru	Impreza	145	114	27.2	1.0%	375	0.9%
Maserati	11	1	1000.0	0.1%	28	0.1%	Toyota	Blade	140	130	7.7	1.0%	411	1.0%
Bentley	8	1	700.0	0.1%	39	0.1%	Toyota	lst	134	129	3.9	0.9%	359	0.9%
Kia	8	7	14.3	0.1%	28	0.1%	Toyota	RAV4	134	98	36.7	0.9%	394	1.0%
Renault	5	33	-84.8	0.0%	21	0.1%	Honda	CRV	133	155	-14.2	0.9%	367	0.9%
Aston Martin	4	2	100.0	0.0%	11	0.0%	Nissan	X-Trail	130	106	22.6	0.9%	339	0.9%
Buick	4	1	300.0	0.0%	6	0.0%	Toyota	Ractis	129	89	44.9	0.9%	333	0.8%
Cadillac	4	5	-20.0	0.0%	11	0.0%	Nissan	Teana	128	145	-11.7	0.9%	330	0.8%
Ferrari	4	2	100.0	0.0%	10	0.0%	Bmw	320i	125	87	43.7	0.9%	345	0.9%
Lincoln	4	1	300.0	0.0%	8	0.0%	Honda	Civic	120	76	57.9	0.8%	296	0.7%
Others	51	58	-12.1	0.4%	144	0.4%	Others		5,529	4,709	17.4	38.2%	15,124	38.1%
Total	14,474	12,153	19.1	100.0%	39,667	100.0%	Total		14,474	12,153	19.1	100.0%	39,667	100.0%



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NZ-wide spike in used car sales

massive 14,474 imported used cars were sold last month, the third-highest number ever, behind July 2003, with 14,709 sales, and March 2004, which recorded 14,877 sales.

Registrations of imported used cars last month were 19.1 per cent higher than March last year, which had 12,153 sales, and 18.1 per cent ahead of February this year, which had 12,260.

Toyota topped passenger sales yet again, with 3,722 units sold last month, a 27.9 per cent increase on the same time last year, when 2,910 vehicles were sold, and a 22.5 per cent increase on February, which had 2,760 sales. Toyota holds a 25.6 per cent market share of the year to date.

Nissan followed, with 2,543 registrations, a 13.5 per cent increase in sales compared to March last year, when 2,240 used imported cars were sold. The market share holds steady at 17.7 per cent. In third, Mazda recorded a 14.6 per cent increase in March sales, up to 2,508 units. There were 1,796 used Mazdas' registered during the same month last year.

Hatchbacks continue to be the used vehicle of choice for New Zealand drivers, taking out the top five positions. The highest-selling used car was the Suzuki Swift, with 617 sales in March 2017, up 13.4 per cent on the previous year.

The Mazda Axela came second, with 593 sales, a 21.8 per cent increase, and rounding out the top three models was the Nissan Tiida, the number-one selling car of March 2016, with sales falling 5.9 per cent to 576 units.

In the hybrid market, sales of the Toyota Prius jumped a massive



96.5 per cent to 389 units, up from 198 registrations in March 2016, making it the sixth-highest selling used imported passenger vehicle in March 2017.

Every region across New Zealand increased sales year on year in March.

Despite Westport still suffering from an economic downturn, the region had a massive 120 per cent increase in used car sales during March. There were 11 used car sales in the region compared to five during March 2016 and the jump followed a solid 13 sales in February 2017.

Not to be outdone, Gisborne

recorded a 64.1 per cent increase in year-on-year sales with 64 used vehicles registered in March compared to 39 in 2016. Down south, Oamaru's used car registrations jumped by 42.1 per cent from 19 in March 2016 to 27 last month.

As to be expected, Auckland had the most used vehicles registered for the month, 7,080, compared to 5,952 during the same month last year – an increase of 19 per cent.

John Gugich, owner of Richards Motors in Westport, was surprised by the region's year-on-year sales increase.



"There's no boom here. A lot of the cars we sell are in the \$5k to \$10k bracket because of the economic downturn," he says.

During the past two years, 800 jobs were lost to the area due to mining redundancies.

"It's had a huge effect, so we try to diversify our stock and we have dropped our vehicle price range. We try to push the Japanese brands because they are reliable and it's easy to get parts. We don't tend to go into the European market. We don't sell anything out of the ordinary just good sedans and family wagons," Gugich says.

"We still sell SUVs and utes to the farming community. The twin-cab utes are so nice that the farmers use the vehicles for farm work and driving into town. Farmers don't tend to own a car (sedan) that they drive into town anymore.

"I try to sell one vehicle a week. During the past 10 years, the best year we sold 85, the lowest was 30," Gugich says.

Brian Watts, owner of Watts Motors in Gisborne, says the dealership shunned the stats and did not have a good month for used car sales.

"We have had trouble getting used car stock. We mostly get New Zealand-new trade ins and Japanese imports. We tend to stick to the \$15k range."

He says SUVs, seven-seater vehicles and small hatchback cars sell well.

Watts has no explanation for the regional spike in used car sales.

"It's business as usual. We are getting a lot of tourist ships in but the tourists don't buy cars. Forestry is still big in the region." \oplus





Massive month for vehicle imports

arch was a recordbreaking month for vehicle imports, with Customs New Zealand reporting 32,800 new and used vehicles arriving in the country.

19,579 used cars were imported last month, up 50.6 per cent on March 2016. This is the largest month in recent history, with the previous record of 16,450 entering in May 2014.

18,446 of these vehicles came from Japan, taking 94.2 per cent of the market. Japanese imports increased 50 percent in March compared to the same month last year. Next was Australia, with 630 used imports, increasing 33.5 per cent year-on-year, and Great Britain, with 241 imports; a massive 288.7 per cent year-on-year increase.

Year to date, used cars are 27 per cent ahead of the same period for 2016.

Used commercial imports also increased, up 34.2 per cent to 722 units. 94 per cent of these vehicles came from Japan.

New passenger vehicles rose 21.7 per cent year-on-year to 9,200. Of these, 3,399 were from Japan, a 36 per cent market share. Cars arriving from Korea rose by 1,461 units and Germany exported 1,255 units to our shores. OZCars Ltd, operates from a warehouse in Henderson, Auckland, and has about 70 vehicles imported from Australia.

Director Tony Burrowes says it's a growing market and most of the cars they import are statutory write-offs in Australia.

"We have imported cars with nothing wrong except smashed windows or the tyres were stolen," Burrowes says. The vehicles undergo any repairs and certification before being sold on the local market.

"These Aussie cars are the most scrutinized imports coming into New Zealand," he says.

The dealership lists its stock

on Trade Me but still gets plenty of foot traffic to the yard. Brands include Holden, Ford and Mazda.

Burrowes says they sell a lot of light commercials to South Island buyers, with the vehicles selling on Trade Me and then being shipped sight unseen to the South Island.

"We bring in a variety of utes, vans and sedans. Some are near new but most are two to three years old."

According to Burrowes, there's strong demand from other countries, such as the Middle East, for Australia's statutory write-off vehicles.

"They want diesel Landcruisers in Africa so we don't get the chance to import those." ⊕



Used Imported Passenger Vehicles By Country Of Export

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COUNTRY OF EXPORT		2017					2016					20	D15	
	JAN '17	FEB '17	MAR '17	MAR MRKT SHARE %	2017 TOTAL		Q1	02	Q3	Q4	2016 TOTAL	MRKT SHARE	2015 TOTAL	MRKT SHARE
Australia	380	538	630	3.2%	1,548		1,233	1,201	1,264	1,453	5,151	3.4%	4,893	3.2%
Great Britain	273	174	241	1.2%	688		166	210	387	774	1,537	1.0%	939	0.6%
Japan	9,698	12,926	18,446	94.2%	41,070		32,722	40,969	34,514	34,875	143,080	93.7%	143,125	94.9%
Singapore	47	82	97	0.5%	226		201	362	310	358	1,231	0.8%	611	0.4%
USA	153	100	135	0.7%	388		251	287	349	388	1,275	0.8%	1,041	0.7%
Other countries	27	21	30	0.2%	78		61	124	112	141	438	0.3%	253	0.2%
Total	10,578	13,841	19,579	100.0%	43,998		34,634	43,153	36,936	37,989	152,712	100.0%	150,862	100.0%

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Sales still favour private trades

ealer-to-public sales dropped in eight regions during March, compared to the same time last year. Gisborne had the biggest fall in dealer to public sales - down 23.3 per cent, followed by Masterton dropping 18.6 per cent, and Blenheim falling 6.7 per cent.

However, overall there was a 1.2 per cent increase in sales, thanks to relatively small percentage increases in cities with large volumes. Hamilton increase dealer sales by 385 units, Tauranga gained 274 and Wellington 227 but the stand out region was Christchurch with 842 more transactions, compared to last March.

Total trader-to-public sales for last month were 18,131 units. Year to date this figure is 50,657, 267 less than for the same period last year when 50,924 changed hands.

Although many used car dealers have told Autofile that there's a lack of quality New Zealand-new used cars, there were 15,152 public to dealer sales last month, an increase of 1,563 units or 11.5 per cent on the same month last year. Year to date, there has been 39,260 trade ins, 5.1 per cent more than the corresponding period in 2016, 1,902 more units have been traded in the first quarter of 2017 than 2016.

Oamaru had a massive 72.2 per cent increase in trade ins with 31 trades compared to 18 in the same month last year, Palmerston North was up 51.5 per cent with 1,218 trade-ins and New Plymouth up by 28.6 per cent with 274 units. Public-to-public transactions during March increased by 4 per cent on the same month in 2016. A total of 46,054 cars changed hands privately compared to 44,265 in March last year. Despite the region still suffering from an economic downtown due to mining job redundancies, Westport made

the biggest percentage increase, year on year, with a 33.3 per cent increase in public-to-public sales with 96 units changing hands compared to 72 during the same month last year. Not to be outdone, Oamaru had 206 private sales compared to 159 during the same month in 2016 – an increase of 29.6 per cent.

Of the 79,337 changes of ownership last month, 58 per cent of these transactions were not carried out by registered motor traders. Sales from dealers made up 22.9 per cent of total ownership changes whilst trade -ins accounted for 19.1 per cent. \oplus

SECONDHAND CAR SALES - February 2017

	FEB '17	DEALER-TO-P FEB '16	JBLIC +/- %	MARKET SHARE	FEB '17	PUBLIC-TO-PUBLIC FEB '16	+/- %	FEB '17	PUBLIC-TO-DEALER FEB '16	+/- %
Whangarei	585	547	6.9	3.23	2,105	1,977	6.5	280	261	7.3
Auckland	6,281	6,423	-2.2	34.64	15,826	15,238	3.9	5,335	4,983	7.1
Hamilton	1,515	1,429	6.0	8.36	3,715	3,344	11.1	1,485	1,341	10.7
Thames	242	249	-2.8	1.33	585	613	-4.6	125	106	17.9
Tauranga	1,001	964	3.8	5.52	2,371	2,211	7.2	678	617	9.9
Rotorua	318	288	10.4	1.75	935	922	1.4	119	99	20.2
Gisborne	145	189	-23.3	0.80	451	403	11.9	87	114	-23.7
Napier	617	532	16.0	3.40	1,732	1,545	12.1	425	422	0.7
New Plymouth	394	386	2.1	2.17	1,074	1,017	5.6	274	213	28.6
Wanganui	188	192	-2.1	1.04	544	591	-8.0	133	129	3.1
Palmerston North	850	788	7.9	4.69	1,772	1,693	4.7	1,218	804	51.5
Masterton	153	188	-18.6	0.84	427	456	-6.4	104	98	6.1
Wellington	1,655	1,593	3.9	9.13	3,169	3,132	1.2	1,390	1,278	8.8
Nelson	329	326	0.9	1.81	1,073	997	7.6	219	223	-1.8
Blenheim	182	195	-6.7	1.00	478	455	5.1	115	145	-20.7
Greymouth	81	76	6.6	0.45	219	185	18.4	33	35	-5.7
Westport	30	18	66.7	0.17	96	72	33.3	0	0	0.0
Christchurch	2,185	2,123	2.9	12.05	5,499	5,611	-2.0	2,157	1,796	20.1
Timaru	226	235	-3.8	1.25	634	543	16.8	152	152	0.0
Oamaru	68	71	-4.2	0.38	206	159	29.6	31	18	72.2
Dunedin	716	711	0.7	3.95	2,127	2,064	3.1	515	471	9.3
Invercargill	370	388	-4.6	2.04	1,016	1,037	-2.0	277	284	-2.5
NZ total	18,131	17,911	1.2	100.00	46,054	44,265	4.0	15,152	13,589	11.5



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New Passeng	ger Vehi	de Sales	by Mał	ke - Mard	h 2017		New Pass	senger Veh	icle Sa	les by	Model	- March	2017	
Make	MAR'17	MAR'16	+/-%	MAR'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE	MAKE	MODEL	MAR'17	MAR'16	+/- %	MAR'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	1,213	999	21.4	13.1%	3,847	14.0%	Toyota	Corolla	396	302	31.1	4.3%	1,337	4.9%
Mazda	905	816	10.9	9.8%	2,439	8.9%	Kia	Sportage	349	206	69.4	3.8%	968	3.5%
Suzuki	734	618	18.8	8.0%	2,086	7.6%	Mitsubishi	Outlander	287	170	68.8	3.1%	702	2.6%
Holden	711	608	16.9	7.7%	2,746	10.0%	Toyota	RAV4	261	183	42.6	2.8%	965	3.5%
Mitsubishi	691	567	21.9	7.5%	1,885	6.9%	Mazda	CX-5	248	242	2.5	2.7%	660	2.4%
Hyundai	686	731	-6.2	7.4%	1,832	6.7%	Hyundai	Tucson	239	181	32.0	2.6%	636	2.3%
Kia	626	405	54.6	6.8%	1,742	6.4%	Mazda	Mazda3	223	201	10.9	2.4%	535	2.0%
Ford	625	509	22.8	6.8%	2,014	7.3%	Holden	Captiva	217	133	63.2	2.4%	727	2.7%
Honda	519	468	10.9	5.6%	1,297	4.7%	Suzuki	Swift	201	304	-33.9	2.2%	715	2.6%
Volkswagen	386	304	27.0	4.2%	1,215	4.4%	Volkswagen	Tiguan	199	40	397.5	2.2%	638	2.3%
Nissan	341	378	-9.8	3.7%	1,165	4.2%	Honda	HR-V	193	143	35.0	2.1%	453	1.7%
Mercedes-Benz	253	271	-6.6	2.7%	720	2.6%	Mitsubishi	ASX	185	121	52.9	2.0%	537	2.0%
Subaru	242	216	12.0	2.6%	783	2.9%	Toyota	Yaris	185	158	17.1	2.0%	311	1.1%
Audi	203	181	12.2	2.2%	533	1.9%	Mazda	CX-3	172	129	33.3	1.9%	423	1.5%
BMW	196	199	-1.5	2.1%	554	2.0%	Suzuki	Vitara	169	179	-5.6	1.8%	503	1.8%
Land Rover	107	127	-15.7	1.2%	311	1.1%	Holden	Commodore	168	137	22.6	1.8%	618	2.3%
Jeep	94	107	-12.1	1.0%	221	0.8%	Honda	Jazz	168	225	-25.3	1.8%	433	1.6%
Ssangyong	81	86	-5.8	0.9%	234	0.9%	Hyundai	Santa Fe	165	198	-16.7	1.8%	495	1.8%
Skoda	72	127	-43.3	0.8%	282	1.0%	Nissan	Qashqai	161	169	-4.7	1.7%	477	1.7%
Lexus	66	60	10.0	0.7%	183	0.7%	Ford	Focus	150	115	30.4	1.6%	445	1.6%
Volvo	63	58	8.6	0.7%	155	0.6%	Toyota	Highlander	148	127	16.5	1.6%	491	1.8%
Mini	59	50	18.0	0.6%	177	0.6%	Suzuki	Ignis	148	0	14800.0	1.6%	334	1.2%
Peugeot	56	46	21.7	0.6%	177	0.6%	Hyundai	i30	136	73	86.3	1.5%	331	1.2%
Dodge	55	47	17.0	0.6%	93	0.3%	Subaru	Outback	131	106	23.6	1.4%	394	1.4%
Jaguar	38	23	65.2	0.4%	102	0.4%	Mitsubishi	Mirage	129	131	-1.5	1.4%	378	1.4%
Porsche	34	37	-8.1	0.4%	114	0.4%	Mazda	CX-9	104	0	10400.0	1.1%	338	1.2%
Renault	25	3	733.3	0.3%	84	0.3%	Suzuki	SX4 S-Cross	98	48	104.2	1.1%	211	0.8%
Fiat	20	32	-37.5	0.2%	58	0.2%	Nissan	X-Trail	97	112	-13.4	1.1%	361	1.3%
Tesla	18	2	800.0	0.2%	42	0.2%	Honda	Civic	96	0	9600.0	1.0%	251	0.9%
Maserati	17	7	142.9	0.2%	62	0.2%	Mazda	Mazda2	96	159	-39.6	1.0%	313	1.1%
Citroen	15	13	15.4	0.2%	53	0.2%	Kia	Rio	94	62	51.6	1.0%	228	0.8%
Yamaha	14	13	7.7	0.2%	20	0.1%	Ford	Mondeo	93	61	52.5	1.0%	250	0.9%
Alfa Romeo	11	13	-15.4	0.1%	21	0.1%	Kia	Cerato	88	42	109.5	1.0%	176	0.6%
Infiniti	10	0	1000.0	0.1%	30	0.1%	Ford	Escape	88	0	8800.0	1.0%	435	1.6%
Aston Martin	9	1	800.0	0.1%	24	0.1%	Ford	Mustang	79	64	23.4	0.9%	271	1.0%
Others	35	69	-49.3	0.4%	129	0.5%	Others	J	3,269	3,670	-10.9	35.4%	10,090	36.8%
Total	9,230	8,191	12.7	100.0%	27,430	100.0%	Total		9,230	8,191	12.7	100.0%	27,430	100.0%

Boom in new car sales continues

egistration data for March 2017 shows further growth in new passenger vehicles with sales for the month hitting 9,230 units. This figure was 12.7 per cent up on March last year when 8,191 new cars were sold, and 14.7 per cent up on February this year.

Year to date, the total for new car registrations is 27,430; 13 per cent or 3,149 units up on the first quarter in 2016. Toyota was the market leader for new car sales with 1,213 registrations a 13.1 per cent market share for the month. Followed by Mazda and Suzuki on 9.8 and 8.0 per cent share respectively.

Toyota Corolla was the month's most popular passenger vehicle with 396 sales – up 31.1 per cent on March 2016. Kia Sportage came in second with 349 sales the Mitsubishi Outlander was third with 287 units sold.

Aston Martin was a big mover, up a massive 800 per cent from one sale in March 2016 to nine last month; which was 36 per cent of the marques total sales for 2016, when 22 units were sold.

Tesla also took off with 18 sales compared to two in March 2016, and year to date, it has registered 42 units.

Infinity has registered 10 units each month since its launch in January and now sits on 30 sales year to date. In terms of regions that stood out, Westport had a 500 per cent increase albeit on very low numbers, from one in March 2016 to six last month. Masterton sold 93 new cars last month compared to 64 for the same month last year, this was a 45.3 per cent increase. There were two other regions that increased sales over 30 per cent compared to March 2016, Timaru was up



39.4 per cent with 92 new car registrations this year (66 in 2016) and Invercargill on 146 units, a rise of 36.4 per cent on March last year, when 107 were sold.

Brent Cooper, dealer principle of Wairarapa Mitsubishi in Masterton, says sales of new cars, especially the ASX and Outlander, during March were "brilliant".

"We had our best March in 27 years."

Although 50 per cent of the franchised dealership's sales are utes, he says SUV sales continue to rise due to the cars practicality and popularity with families.

"It is a trend moving across Australasia."

He credits the rise in the new car sales down to the region's diverse farming community.

"The economy is buoyant. There is a lot of confidence out there. Dairy farming is improving, although sheep and beef are flat.

Only three regions, Blenheim, Rotorua and Greymouth, sold less new cars than during March 2016. ⊕

NEW VEHICLE SALES BY BUYER TYPE - March 2017

	MAR '17	MAR '16	MTH %	2017 YTD	2016 YTD	% YTD
Passenger	3,849	4,241	-9.2	11,647	12,545	-7.2
Private	1,650	1,981	-16.7	4,864	5,185	-6.2
Business	1,842	1,889	-2.5	4,864	5,318	-8.5
Gov't	273	274	-0.4	551	602	-8.5
Rental	84	97	-13.4	1,368	1,440	-5.0
SUV	5,310	3,905	36.0	15,629	11,596	34.8
Private	2,759	1,942	42.1	7,325	5,213	40.5
Business	2,336	1,877	24.5	6,587	5,457	20.7
Gov't	76	59	28.8	227	171	32.7
Rental	139	27	414.8	1,490	755	97.4
Light Commercial	3,987	3,438	16.0	10,385	8,819	17.8
Private	958	878	9.1	2,551	2,348	8.6
Business	2,793	2,376	17.6	7,227	5,969	21.1
Gov't	141	91	54.9	366	273	34.1
Rental	95	93	2.2	241	229	5.2
Sub Total	13,146	11,584	13.5	37,661	32,960	14.3
Private	5,367	4,801	11.8	14,740	12,746	15.6
Business	6,971	6,142	13.5	18,678	16,744	11.6
Gov't	490	424	15.6	1,144	1,046	9.4
Rental	318	217	46.5	3,099	2,424	27.8
Heavy Commercial	555	431	28.8	1,320	1,052	25.5
Other	168	81	107.4	465	254	83.1
Total	13,869	12,096	14.7	39,446	34,266	15.1

NEW VEHICLE MARKET SEGMENTATION - March 2017

	MAR '17	MAR '16	MTH% DIFF	2017 YTD	2016 YTD	% YTD
Passenger	3,849	4,241	-9.2	11,647	12,545	-7.2
SUV	5,310	3,905	36.0	15,629	11,596	34.8
Light Commercial	3,987	3,438	16.0	10,385	8,819	17.8
Heavy Commercial	555	431	28.8	1,320	1,052	25.5
Other	168	81	107.4	465	254	83.1
TOTAL MARKET	13,869	12,096	14.7	39,446	34,266	15.1
Micro	204	247	-17.4	696	481	44.7
Light	1,103	1,411	-21.8	3,175	3,713	-14.5
Small	1,541	1,437	7.2	4,633	4,642	-0.2
Medium	509	610	-16.6	1,522	1,767	-13.9
Large	259	283	-8.5	878	1,128	-22.2
Upper Large	7	15	-53.3	30	89	-66.3
People Movers	59	58	1.7	137	140	-2.1
Sports	167	180	-7.2	576	585	-1.5
SUV Small	1,580	1,126	40.3	4,424	3,175	39.3
SUV Medium	2,042	1,497	36.4	6,224	4,407	41.2
SUV Large	1,622	1,237	31.1	4,758	3,852	23.5
SUV Upper Large	66	45	46.7	223	162	37.7
Light Buses	90	60	50.0	255	174	46.6
Vans	694	471	47.3	1,588	1,275	24.5
Pick Up/Chassis Cab 4x2	1,416	1,365	3.7	3,661	3,090	18.5
Pick Up/Chassis Cab 4x4	1,787	1,542	15.9	4,881	4,280	14.0
Heavy Commercial	555	431	28.8	1,320	1,052	25.5
Other	168	81	107.4	465	254	83.1
TOTAL MARKET	13,869	12,096	14.7	39,446	34,266	15.1

New commercials demand continues

here seems to be no end in sight to buyer demand for new commercial vehicles. Although 2016 was considered a bumper year for new commercial vehicles, 2017 looks like it will keep the smiles on dealers' faces. There were 4,639 units registered during March, up 18.4 per cent on the same month last year.

Toyota is holding on to its number one spot as top selling marque, which it gained in February this year. It has a 23.8 per cent market share for March and 21.2 per cent year to date. Toyota's success was on the back of 740 Hilux and 336 Hiace registrations.



Ford is number two, with 890 registrations, 810 of which were Ranger sales. Ranger was the top selling model for the month and still sits atop the year to date table with a market share of 18.4 per cent.

Holden is in third place with 380 sales, all of which belong to the Colorado

Other marques taking a bigger slice of the market were LDV with 114 registrations, up 178 per cent on March last year, and Fiat with 92, up 119 per cent.

Warren Willmot, LDV's sales and marketing manager, says they have had a great month for new van sales and already have more than 100 orders from businesses for the brand's fully electric vans, which will be available to buyers at the end of the year.

"Sales will just get bigger and bigger when our new ute arrives in July. People want the best valued vehicle they can find and we offer low cost parts and service. We are a disrupter in the van industry and we are gaining market share.

"But we do have to work harder because we are new to the market." ⊕

New Commercial Sales by Make - March 2017												
Make	MAR'17	MAR'16	+/- %	MAR'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE						
Toyota	1,103	851	29.6	23.8%	2,548	21.2%						
Ford	897	752	19.3	19.3%	2,398	19.9%						
Holden	393	284	38.4	8.5%	1,140	9.5%						
Mitsubishi	365	462	-21.0	7.9%	866	7.2%						
lsuzu	350	318	10.1	7.5%	876	7.3%						
Nissan	290	234	23.9	6.3%	912	7.6%						
Mazda	190	151	25.8	4.1%	530	4.4%						
Hyundai	122	76	60.5	2.6%	287	2.4%						
Volkswagen	115	124	-7.3	2.5%	314	2.6%						
LDV	114	41	178.0	2.5%	302	2.5%						
Fiat	92	42	119.0	2.0%	219	1.8%						
Mercedes-Benz	83	53	56.6	1.8%	174	1.4%						
SsangYong	68	96	-29.2	1.5%	203	1.7%						
Volvo	65	45	44.4	1.4%	120	1.0%						
Fuso	62	0	6200.0	1.3%	114	0.9%						
Hino	53	48	10.4	1.1%	140	1.2%						
Foton	47	85	-44.7	1.0%	180	1.5%						
Mitsubishi Fuso	40	50	-20.0	0.9%	120	1.0%						
Kenworth	27	19	42.1	0.6%	56	0.5%						
MAN	27	17	58.8	0.6%	49	0.4%						
Others	136	171	-20.5	2.9%	498	4.1%						
Total	4,639	3,919	18.4	100.0%	12,046	100.0%						

New Commercial Sales by Model - March 2017

		<u> </u>					
MAKE	MODEL	MAR'17	MAR'16	+/- %	MAR'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE
Ford	Ranger	810	661	22.5	17.5%	2,215	18.4%
Toyota	Hilux	740	601	23.1	16.0%	1,720	14.3%
Holden	Colorado	380	263	44.5	8.2%	1,091	9.1%
Mitsubishi	Triton	365	462	-21.0	7.9%	866	7.2%
Toyota	Hiace	336	235	43.0	7.2%	766	6.4%
Nissan	Navara	290	234	23.9	6.3%	912	7.6%
lsuzu	D-Max	222	190	16.8	4.8%	581	4.8%
Mazda	BT-50	190	151	25.8	4.1%	530	4.4%
Hyundai	iLoad	122	73	67.1	2.6%	281	2.3%
Fiat	Ducato	89	41	117.1	1.9%	208	1.7%
Ford	Transit	86	78	10.3	1.9%	181	1.5%
SsangYong	Actyon Sport	68	96	-29.2	1.5%	203	1.7%
lsuzu	F Series	66	34	94.1	1.4%	149	1.2%
LDV	V80	62	27	129.6	1.3%	172	1.4%
LDV	G10	52	14	271.4	1.1%	130	1.1%
Mercedes Benz	Sprinter	44	42	4.8	0.9%	111	0.9%
Volkswagen	Amarok	41	66	-37.9	0.9%	122	1.0%
Foton	Tunland	41	79	-48.1	0.9%	157	1.3%
Volvo	FM	40	40	0.0	0.9%	71	0.6%
lsuzu	N Series	39	77	-49.4	0.8%	100	0.8%
Others		556	455	22.2	12.0%	1,480	12.3%
Total		4,639	3,919	18.4	100.0%	12,046	100.0%

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March record for used commercials

arch saw the highest registrations for used imported commercial vehicles since 2008. Last month 1249 units were sold, a massive 40.2 per cent increase on March 2016, when 891 units were registered.

The Toyota Hiace again dominated the used commercial's market, with 455 registrations in March, taking a 36.4 per cent market share. This is a 41.7 per cent increase on March 2016, when 321 units were sold.

The Nissan Caravan came second, with 106 sales and an 8.5 per cent market share. This is 51.4 per cent higher than the previous March, when 70 units were sold.

The Mazda Bongo was third yet again, with 75 sales, a 44.2 per cent



increase on March last year, when 52 units were sold, The Bongo has a 6 per cent share of the used commercial market.

Gareth Karrasch, owner of 317 The Van and Ute Specialists,

says they were heavily sold out of utes and vans during the first two months of 2017 and as a result they were not as busy during March. The dealer imports light trucks and Toyota Hiaces from Japan – mostly stock that has been on the road for less than five years. 317 also buys New Zealand-new Mazda and Toyota trade-ins from franchises.

"It is a battle to get NZ-new secondhand and there is a slim margin on these. I think the NZ-new stuff is tricky. Turners are getting a lot of the ex-lease vehicles and selling them on Trade Me. Turners have taken a big chunk of the market, Karrasch says.

"We have a lot of repeat customers which helps. It is easier to deal with people who know you and they know they are being looked after so they come back.

He says he prefers to stock latemodel, imported used vehicles as it is easier to sell a better product. \oplus

Used Commercial Sales by Make - March 2017												
МАКЕ	MAR'17	MAR'16	+/-%	MAR'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE						
Toyota	602	431	39.7	48.2%	1,472	46.4%						
Nissan	263	188	39.9	21.1%	651	20.5%						
Mazda	90	63	42.9	7.2%	267	8.4%						
Isuzu	64	46	39.1	5.1%	150	4.7%						
Mitsubishi	45	27	66.7	3.6%	118	3.7%						
Hino	41	26	57.7	3.3%	91	2.9%						
Ford	30	30	0.0	2.4%	95	3.0%						
Holden	23	17	35.3	1.8%	55	1.7%						
Chevrolet	19	15	26.7	1.5%	53	1.7%						
Mercedes-Benz	10	3	233.3	0.8%	22	0.7%						
Fiat	9	8	12.5	0.7%	41	1.3%						
GMC	8	3	166.7	0.6%	20	0.6%						
Volkswagen	8	5	60.0	0.6%	28	0.9%						
Dodge	7	6	16.7	0.6%	13	0.4%						
Daihatsu	4	0	400.0	0.3%	13	0.4%						
lveco	3	1	200.0	0.2%	6	0.2%						
Volvo	3	1	200.0	0.2%	5	0.2%						
Citroen	2	0	200.0	0.2%	4	0.1%						
Kenworth	2	4	-50.0	0.2%	10	0.3%						
Mitsubishi Fuso	2	1	100.0	0.2%	4	0.1%						
Others	14	16	-12.5	1.1%	57	1.8%						
Total	1,249	891	40.2	100.0%	3,175	100.0%						

Used Commercial Sales by Model - March 2017

			•				
MAKE	MODEL	MAR'17	MAR'16	+/- %	MAR'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE
Toyota	Hiace	455	321	41.7	36.4%	1,115	35.1%
Nissan	Caravan	106	70	51.4	8.5%	252	7.9%
Mazda	Bongo	75	52	44.2	6.0%	227	7.1%
Toyota	Regius	50	26	92.3	4.0%	126	4.0%
Nissan	Vanette	45	42	7.1	3.6%	132	4.2%
Nissan	NV200	42	37	13.5	3.4%	98	3.1%
Toyota	Dyna	39	36	8.3	3.1%	73	2.3%
lsuzu	Elf	39	30	30.0	3.1%	93	2.9%
Nissan	Atlas	27	15	80.0	2.2%	53	1.7%
Toyota	Toyoace	25	20	25.0	2.0%	54	1.7%
Mitsubishi	Canter	24	9	166.7	1.9%	65	2.0%
Hino	Dutro	22	16	37.5	1.8%	50	1.6%
Toyota	Hilux	19	12	58.3	1.5%	56	1.8%
Nissan	NV350	18	1	1700.0	1.4%	28	0.9%
Hino	Ranger	17	7	142.9	1.4%	33	1.0%
Nissan	Navara	16	11	45.5	1.3%	52	1.6%
lsuzu	Forward	14	9	55.6	1.1%	31	1.0%
Ford	Ranger	13	10	30.0	1.0%	33	1.0%
Mazda	Titan	11	7	57.1	0.9%	25	0.8%
Chevrolet	Silverado	10	5	100.0	0.8%	25	0.8%
Others		182	155	17.4	14.6%	554	17.4%
Total		1,249	891	40.2	100.0%	3,175	100.0%

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tock of new cars decreased slightly last month as 30 more vehicles were sold compared to those entering New Zealand. Overall stock of unregistered new cars sits at 64,299, up 17.8 per cent on March last year, when there were 54,581 units in stock.

Average daily sales continue to climb with 290 new cars being sold each day, on average, for the past 12 months. At the current rate of daily sales there is enough stock to last for more than seven months (222 days) before running out.

There were 9,200 new cars

imported during March, which was a 21.7 per cent increase on the same month last year when 7,561 units were brought into the country. New car registrations increased by 12.7 per cent with 9,230 units sold compared to 8,191 during March 2016.

Year to date, 25,808 new passenger vehicles have entered the country and 27,430 have been registered, reducing stock at the end of the first quarter of 2017 by 1622 units, compared to the start of 2017. Geoff Shepherd, sales manager of GWD Holden in Invercargill, says the dealership is having a good year and has plenty



of stock available on its yard. "We offer a full range of new vehicles, and people want the last of the Australian-made Commodores. We also have a good range of small cars."

He says the margue gave the Colorado a facelift in October 2016 and as a result the vehicle's popularity has soared.

Dealer principal of Brian Tunnicliffe Nissan in Thames, Brian Tunnicliffe, says new car sales are going strong and his yard is wellstocked for potential buyers.

"Pathfinder is going like a rocket, SUVs are easy to get in and out of and Navara is selling well. The Tiida is still popular and has been for years because it is so reliable," he says.

Dealer principal of Wairarapa Mitsubishi, Brent Cooper, says 50 per cent of the dealership's sales are Triton utes.

"We have a lot of new product coming through that is priced correctly. Farmers usually buy flat deck utes, tradies need utes and duel-cab utes are popular with families."

"We've had a good March and this year is ticking away nicely. Things are going really well down here and we have a real mixture of buyers," he says. 🕤

Dealer stock of new cars in New Zealand											
	CAR S	ALES Registered	VARIANCE	STOCK	DAILY SALES - 12-Month Average	DAYS Stock At hand					
Mar '16	7,561	8,191	-630	54,581	261	209					
Apr '16	8,816	6,790	2,026	56,607	262	216					
May '16	8,184	7,502	682	57,289	264	217					
Jun '16	8,924	9,186	-262	57,027	264	216					
Jul '16	9,279	7,701	1,578	58,605	265	221					
Aug '16	13,210	8,894	4,316	62,921	269	234					
Sep '16	10,291	9,704	587	63,508	271	234					
Oct '16	10,115	10,795	-680	62,828	274	229					
Nov '16	11,059	9,722	1,337	64,165	279	230					
Dec '16	9,825	8,069	1,756	65,921	281	234					
Jan '17	8,496	10,150	-1,654	64,267	285	226					
Feb '17	8,112	8,050	62	64,329	287	224					
Mar '17	9,200	9,230	-30	64,299	290	222					
Year to date	25,808	27,430	(1,622)								
Change on last month	13.4%	14.7%		-0.1%							
Change on Mar 2016	21.7% MORE IMPORTED	12.7% MORE SOLD		17.8% MORE STOCK							



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used cars in New Zealand increased dramatically during March due to a massive influx of imports.

All up, 19,579 used passenger vehicles entered the country. That was a massive 50.6 per cent increase on March 2016 and 41.5 per cent higher than February this year.

As for sales, there were 14,474 used passenger vehicles registered, an increase of 19.1 per cent on the same time last year and a rise of 18.1 per cent on the previous month.

The increase in imports over registrations means that stock rose by 5,105 units, taking the overall stock of unregistered used cars to 33,044, a 34.1 per cent rise on March last year and an increase of 18.3 per cent on February.

43,998 used cars imported into New Zealand and 39,667 registrations of used passenger vehicles, an increase of 27 per cent and 21.5 per cent respectively, when compared to the same month last year.

The average daily sales of imported used cars continues to increase with 421 units sold compared to 396 during the same month last year and 415 in the previous month.

There are currently 79 days of stock available.

Dealer principal of Brian Tunnicliffe Nissan in Thames, Brian Tunnicliffe, says he buys a small amount of used Japanese imported cars each year from a wholesaler in New Zealand.

"We buy from a wholesaler so we can see the cars before we buy and we get quality product.

eight Japanese-imported vehicles a month. That's almost 100 a year," Tunnicliffe savs.

"Although we do sell imports, I prefer to sell New Zealand-new used cars. But it is very hard to get good New Zealand-new stock. We don't get a lot of trade ins on new vehicles because many people put their cars on Trade Me. They think they can get a better price on Trade Me but we will pay good money for good secondhand stock."

He says that although his dealership is well stocked with new and used cars: "We are always on the look-out for good used cars. We always need more stock. Used Tiida and Pulsars are still popular and have been for years because they are so reliable.

"Dairy farmers are doing better this year and we get lots the seaside towns going. There are plenty of rental cars around the Coromandel," he says.

"Last year was good for us and this year has started off in the same mode."

Pacific Toyota Tauranga used vehicle consultant Darren Steele says they stock a small number of Toyota Signature Class vehicles which were used imports from Japan, however the dealership mostly sells New Zealand-new secondhand cars.

"People can get an import that has been checked by Toyota and buy with confidence and with a warranty," he says.

The dealership has sold two imported plug-in hybrid Prius this year.

"The buyers use them to drive to work and there are changing stations in Tauranga," he says. ⊕



Dealer stock of used cars in New Zealand DAILY SALES CAR SALES DAYS 12-MONTH AVERAGE STOCK AT HAND VARIANCE STOCK REGISTERED IMPORTED Mar '16 12,999 12,153 846 24,633 396 62 Apr '16 16,960 12,140 4,820 29,453 399 74 May '16 12.563 12.567 -4 29,449 399 74 Jun '16 13.630 11,991 1.639 31.088 398 78 Jul '16 11,249 13.055 -1.806 29.282 396 74 Aug '16 14,058 12,993 1,065 30.347 399 76 Sep '16 11,629 12,564 -935 29,412 401 73 Oct '16 12,311 12,709 -398 29,014 405 72 Nov '16 13,400 12,762 638 29,652 408 73 Dec '16 12,242 13,181 -939 28,713 410 70 Jan '17 10.578 12.933 -2,355 26.358 413 64 Feb '17 27.939 415 67 13.841 12.260 1.581 Mar '17 19,579 14,474 5,105 33,044 421 79 Year to date 43,998 39,667 4,331 Change on last month 41.5% 18.1% 18.3% Change on Mar 2016 50.6% 19.1% 34.1% MORE STOCK MORE IMPORTED MORE SOLD

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