

# Joining forces to boost electric vehicle uptake

Energy providers are joining forces with petrol companies to increase the number of electric vehicles (EVs) in New Zealand.

Guild New Zealand has joined forces with Mighty River Power, the supplier of its EV charging unit, launching its first charging station in 2015.

Charge.net.nz (Chargenet) entered the market, installing six rapid-charge EV stations in Auckland, Wellington and Christchurch. Currently it has 31 active stations and 11 more under construction.

More partnerships and charging unit installations have followed.

"The sooner we get more fast chargers around the country, the sooner we can enable the spread of EVs. These vehicles are going to be a game changer for New Zealand by lowering emissions and saving people money," says Charge.net.nz director Steve West.

Z sustainability manager Gerri Ward has gone as far as saying that Z was not an oil company but instead "a transport energy company and we're committed to meeting the



Gull has teamed with Mighty River Power to produce charging stations like this one on the North Shore

needs of our customers, whatever they might be".

David Vinsen, CEO of the IMVIA, agrees. He says most oil companies will be working along similar lines.

"I believe that we will see them transition from oil company to transport energy company, to transport service provider. They all see EVs as being a significant part of their future."

Gull retail development and sustainability manager Karl Mischewski says EVs will become common place.

"We are excited about what

the future may hold for fuelling options, be it increasing uptake of Gull's existing biofuel blends and electricity, provided it's sourced primarily from renewable feedstocks, or electricity generation," he says.

However, opinions vary over EVs being a viable alternative to petrol and diesel-fuelled vehicles.

Vinsen says an EV leadership group is researching the barriers to change. Known barriers include education and information (to the trade and public), training, vehicle and charging standards, charging infrastructure, the availability of suitably priced stock, and EV access to bus lanes in peak traffic.

He says the reluctance to move from petrol-powered vehicles to EVs mainly lies in the hands of the consumer.

A spokesperson for the Ministry of Transport told Autofile, the main barriers to EV uptake are range











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#### GUEST EDITORIAL

# Containers no longer viable option

John Davies is Managing Director of Autohub New Zealand and has been heavily involved in vehicle logistics for the past 13 years.

Recent events in the global and local shipping scene are causing some concern among those of us in the vehicle logistics sector. And with a number of those events evolving simultaneously it looks like we're headed for a perfect

we're headed for a perfect Autohub New Zealand storm in terms of disrupted services; which a at least compared to the services contain that were available to us. Prev

Recently we received notice from Maersk, informing us of a number of changes to their containerised services to the NZ market.

Auckland was no longer a destination for Maersk containers and if we wanted vehicles there, they would need to go via Tauranga and then railed to Auckland where they are de-vanned at Metroport. Not only is this causing delays, but security is an added problem – we recently had six high value UK cars stolen.

Totally unrelated to the Maersk issues was the demise of other port facilities due to natural disasters.

Centreport in Wellington has reduced capacity and can no longer offer de-van services. This is not so much of a problem for Japan sourced vehicles as they can ship Roro, but UK sourced vehicles now need to unload at Napier, or Tauranga.

Lyttleton Port is currently unable to de-van containers, so they need to be trucked off-site for unpacking. This has increased costs, making the use of containers to that port no longer viable.

Lastly the price was increased , the rate change for Autohub was t to increase by a whopping 40% per cent, and was to be effective immediately, so no way to warn our



customers in advance. Coinciding with the issues we are having with import container services, the latest NZ Shipping Gazette leads their front page with an article asking international shipping lines to sort out the glut of empty containers,

which are causing congestion, with container parks overflowing.

Previously there was high demand here for empty's, due to high volumes of exports, but this appears to have reversed. This may be the reason prices increased, as imported containers were no longer required in NZ.

Top this off with Phil Goff's ill-conceived crusade to remove vehicles from Ports of Auckland, with Northport looking like the natural winner in this bazaar scenario. I wonder what the people living between Auckland and Whangarei will think about a car transporter passing by every three minutes, 24 hours a day! How many extra traffic accidents or deaths might be attributed to impatient drivers overtaking the extra number of trucks. Instead of six runs a day from Port of Auckland transporters would only manage one or two at best from Whangarei.

If this hare-brained scheme goes ahead, the Auckland used import trade will into a downward spiral.

Finding the most efficient and cost effective way to get customer's cars from A to B is what a good vehicle logistics company does.

Without the various shipping options we have now, the industry and the consumer will ultimately pay the price.  $\bigcirc$ 

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### news

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anxiety, the variety of models available and cost.

The Motor Industry Association has surveyed its light vehicle members on their plans to distribute EVs to the end of 2021. The survey shows about 44 new models will be introduced to the market during the next five years. Many new vehicles will have a significantly better range than older models.

The statistics also show that a significant proportion of EVs entering the market are imported used vehicles. Used Nissan Leafs are now available for less than \$15,000 according to a ministry spokesperson.

"This range of new and secondhand cars to the market will go a long way to address range anxiety, variety of models and cost," he says.

"The EV fleet size (in New Zealand) at the end of 2016 was about 2500, well in excess of the target of 2000. At this early stage of 2017, we appear to be on track to reach the 2017 target of 4000 EVs."

However, there is no

Table: NZ	Passenger	and Light	Commer	cial Vehic	le Fleet Nu	umbers (W	/aka Scena	nrio)	
TYPE	<sup>3</sup> 2015 (A)	2015	2020	2025	2030	2035	2040	2045	2050
HEV	14,980	15,000	100,000	485,000	815,000	985,000	985,000	865,000	770,000
PHEV	474	25,000	25,000	95,000	270,000	540,000	820,000	995,000	875,000
EV	450	10,000	15,000	90,000	205,000	320,000	500,000	775,000	1,110,000
TOTAL	15,904	50,000	140,000	670,000	1,290,000	1,845,000	2,305,000	2,635,000	2,755,000
% FLEET	0%	2%	4%	18%	34%	47%	57%	64%	66%

government-led schedule for the roll-out of charging infrastructure even though the NZTA is working with public and private investors and other key stakeholders to progress work in this area.

According to BP chief economist Spencer Dale, rising demand for oil during the next two decades is likely to overwhelm the impact of the EV on crude markets.

"They'll have a huge impact in terms of air quality, but it's not a game changer over 20 years even with aggressive EV penetration," Dale said during a panel discussion at the Bloomberg New Energy Finance summit in London last year.

The clean-energy research unit of Bloomberg estimates that battery-powered EVs will displace 13 million barrels of oil a day by 2040. BP projects oil demand to increase by about 20 million barrels a day during the next 20 years, with about a quarter of supply going to passenger vehicles.

"I do think sometimes that if our objective has to do with climate, perhaps we should spend more time on how to encourage and capture those improvements in efficiency rather than on EVs," he says.

BP's Energy Outlook 2035

forecasts growth in EV numbers during the next two decades to go from 1.2 million vehicles today to about 100 million by 2035. It predicts the world's car fleet will double during this time.

But the report says that overall, the increase in demand for car travel from the growing middleclass in emerging economies will overpower the effects of improving fuel efficiency and electrification.

Insight into the future of EVs in New Zealand was published by the Business NZ Energy Council in October 2015. It was developed through a network of energy

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Table: NZ T	ransport E	nergy Dem	nand Scen	arios – Pe	trol (mlpa	)			
	2015 <sup>(A)</sup>	2015	2020	2025	2030	2035	2040	2045	2050
Kayak	3,050	3,185	3,230	3,135	2,980	2,820	2,685	2,585	2,500
Waka	3,050	2,870	2,845	2,450	1,975	1,530	1,200	1,190	1,180
$ riangle^{K}$ (cum)	-	135	180	85	(70)	(230)	(365)	(465)	(550)
$ riangle^{W}$ (cum)	-	(180)	(205)	(600)	(1,075)	(1,520)	(1,850)	(1,860)	(1,870)
$\triangle^{MP}(cum)$	-	(20)	(10)	(260)	(570)	(875)	(1,105)	(1,160)	(1,210)

sector expertise throughout New Zealand and through leveraging the World Energy Council's global modelling framework.

The report discusses two possible futures. One is labelled 'kavak', where markets drive supply chain decisions and consumers make decisions based on price and quantity. The other is named 'waka', where environmental awareness drives most of the future decisions.

The report states that if the waka scenario was an option, the number of vehicles in the light fleet will increase materially over

the period to 2050, a 12.1 per cent compound annual growth rate (CAGR), driven by wide availability at economic prices.

This is backed up by the government's positive approach to a future that involves EVs, recently announcing "an ambitious and wide ranging package of measures to increase the uptake of electric vehicles in New Zealand". The incentive scheme targets a doubling of the combined EV and plug-in hybrid (PHEV) fleet each year to reach 64,000 vehicles in 2021.

The current rate of turnover of the New Zealand light vehicle fleet makes a more aggressive EV demand growth scenario than waka seem implausible.

According to predictions for the future based on the report, increasing uptake of electric powered vehicles in the light vehicle fleet materially reduces demand for existing petroleum based fuel, particularly petrol. In fact, the impact on petrol consumption during the next 40 years ranges from 0.7 per cent CAGR under the kayak scenario and 2.5 per cent CAGR under the waka scenario.

The report states that New Zealand is one of the most

EV-ready countries in the world with its high base of renewable electricity and essentially the necessary network infrastructure to support EV and PHEV uptake.

Although there is some uncertainty over how smart charging could manage electricity distribution flexibility, New Zealand is uniquely placed in having planning consent for enough wind farms, hydro and geothermal power stations to cover a 25 per cent increase in demand for electricity.

In fact, the Electricity Networks Association consists of a working group of representatives from lines companies such as Contact Energy, Mercury and Drive Electric, that are working together to deliver accessible public charging infrastructure.

The 2021 target may appear ambitious, however there are potentially other incentives in the pipeline such as fringe benefit tax, road tolling and ACC levy exemptions, which should all work towards assisting people into buying an EV. 🕤

### President and managing director resigns

ohn Davies has tendered his resignation and will step down as President of Autohub (global), and managing director of Autohub New Zealand Ltd. He will leave the positions in January 2018.

In late 2003 Heiwa Auto commissioned Davies to do some consulting work regarding vehicle logistics between Japan and New Zealand. This initial operation was very successful, and eventually led to the formation of Autohub NZ Ltd, which started in January 2006 and operated from the Davies' home garage. Eleven years on and Autohub are now major players in the vehicle logistics business, employing over 20

people in NZ alone.

"It's time to take things a bit easier and maybe look at assisting the company in more of a consultancy role, says Davies, maintaining the best interests of a large group of loyal customers does command a lot of focus and I have reached the stage where my body is telling me to back off.

"It is time to let new talent bring some fresh ideas to the table. But hopefully I can still play some part in the direction of Autohub. To enter this next phase there needs to be a succession plan in place, to ensure Autohub continues to thrive. I have almost a year to see that is sorted, and I am well into

discussions with the Japanese Group Board of Directors." says Davies 🕤



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### Takata: biggest automotive recall in history

ehicles made by 19 different car makers have been recalled to replace front airbags on the driver and passenger side, in the biggest recall in motoring history.

The recall follows incidents throughout the world in which the airbags – made by Takata – didn't inflate or fired out pieces of metal when inflated in an accident, resulting in injury and, at times, death to vehicle occupants.

The cause of the problem has been attributed to the use of a cheaper ammonium nitrate-based propellant, which was assembled without including a chemical drying agent in the airbags.

In order to inflate, the airbags had to be filled with certain chemicals so that the bag would deploy quickly in the event of an accident.

United States-based TRW Automotive and Autoliv – a Swedish company – both chose to produce the airbags with chemicals such as guanidine nitrate and tetrazole to inflate the bags.

Unfortunately Takata, which was a smaller company in the 1990s, discovered that tetrazole could be replaced with a much cheaper chemical alternative,



namely ammonium nitrate.

The chemical in question is composed of two nitrogen, three oxygen and four hydrogen atoms and is commonly used as a fertiliser or blasting agent in mining and demolition.

Historically, the use of ammonium nitrate has resulted in a variety of disasters, including an explosion at a chemical plant in Germany, which killed almost 600 people in 1921. And another in Texas City where a ship carrying 2,200 tons of ammonium nitrate detonated, resulting in a number of explosions and 581 people were killed. According to a report by Fraunhofer Group for Life Sciences – commissioned by Takata – ammonia nitrate can cause the propellant used in inflators to become more volatile as a result of its ability to explode in high-humidity climates and its sensitivity to prolonged moisture and hot conditions.

The report adds that once the airbag bursts, the gas generates energy so fast that it can blow the inflator into small pieces of metal shrapnel, which spray out across the passenger cabin. As a result of its sensitivity to damp conditions, it is



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 recommended that the inflator has a chemical drying agent in place.

#### TAKATA TIMELINE

Takata secured a contract to supply airbags to Acura, BMW, Chrysler, Ford, General Motors, Honda, Isuzu, Mazda, Mitsubishi, Nissan, Subaru and Toyota, which installed them in their models from 2000 through to 2015.

However, disaster struck on May 27, 2009, when a teenager in Oklahoma died when the airbag in her 2001 Honda Accord exploded. The following year another person was killed in Virginia, after the airbag in the same model vehicle also detonated.

As both deaths took place in a Honda vehicle, the car maker was forced to issue a recall for 4,205 cars. It would go on to expand its

recall eight times over when further injuries occurred.

Eleven deaths and over 180 injuries in the US have been attributed to Takata airbags to date, with the most recent incident occurring in September last year, when a 50-year-old

woman died in California after her 2001 Honda Civic's airbag exploded. The vehicle, which was first recalled in 2008, had never been repaired.

By 2015, numerous lawsuits and court cases had Takata under immense pressure to survive.

#### REPLACEMENT BAGS

Currently it is anticipated that 70 million Takata airbag inflators are, or will be under recall by 2019. And although such a large number of vehicles were affected, as at January 6, 2017, only 13,035,556 of the potentially defective airbags had been replaced, according to the US' National Highway Traffic Safety Administration (NHTSA) website.

Takata for its own part has agreed to phase out ammonium nitrate in its bags and stop using inflators that don't have a chemical drying agent.

While the company struggles to keep up with demand, its

competitors are producing inflators to work with Takata-assembled repair modules in order to increase market share.

Autoliv, which owns 78 factories in 27 countries, is expected to benefit from the crisis. More than half of Autoliv's US\$9.2 billion in overall sales came from airbags in 2015 and the company says it secured about half of all frontal airbag orders for new vehicles last year.

In order to keep up with demand, Autoliv began production of replacement airbags and inflators in 2015 and is expected to continue working on the recall through to 2018.

#### TAKATA SHARE FALLOUT

By January 2017 Takata had agreed to pay \$1 billion in penalties in the US, at which time its shares rose

it is anticipated that 70 million Takata airbag inflators are, or will be under recall by the year 2019 sharply. A company statement also revealed Takata had pleaded guilty to one count of wire fraud for falsifying testing data and reports for car makers.

In addition it has agreed to pay a criminal fine of \$25 million and

establish a \$125 million restitution fund for individuals who suffer or have suffered from personal injury caused by Takata airbags and who have not resolved their claims.

On top of this, Takata has agreed to an extra \$850 million restitution fund for the benefit of car makers who received falsified testing data and reports or which purchased airbag inflators from Takata containing phase-stabilised ammonium nitrate.

"Reaching this agreement is a major step towards resolving the airbag inflator issue and a key milestone in the ongoing process to secure investment in Takata," said chairman and CEO of Takata Shigehisa Takada.

Takata is forecasting a record annual loss of about 24 billion yen or NZ\$281 million. This compares with a previous forecast of a 16 billion yen in profit.

By January 23, Takata's share price closed down 18 per cent at [continued on page 8]



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467 yen as investors sold ahead of a possible bankruptcy filing.

Bids are currently taking place for companies to take over Takata, with possible interest from Autoliv and Key Safety Systems. Possible creditors include the world's largest car makers such as Honda Motor Co, the Renault/Nissan alliance and Ford Motor Co.

Another option that Takata may pursue is to declare bankruptcy, something that most bidders see as its best option.

"Our preference would be to restructure debts through an outof-court settlement with creditors. This has been our position since the start, and has not changed," Takata CFO Yoichiro Nomura told reporters at a results briefing.

He added, an out-of-court settlement would be preferable to a court-ordered bankruptcy for all of the company's global operations, as it would ensure a stable supply of inflator replacement parts required in the recall.

#### RECALL IN NEW ZEALAND

Vehicles numbering 300,000 have been recalled in New Zealand and there have been no reports of injury or death from the airbags.

However, the Motor Industry Association (MIA) warns the risk cannot be ruled out and advises concerned vehicle owners to visit its website for the recall code of practice. Speaking to Radio New Zealand carpark once all the lawsuits are complete

in October last year, MIA chief executive David Crawford said, it was important to note that the number of malfunctions were low.

There may be even less cars in the Takata

"Our understanding is there may be as high as 100 million vehicles worldwide, and there's been, I understand, less than 200 incidents where it's malfunctioned.

"So the risk is very low, but from a vehicle manufacturers perspective we can't rule out the risk all together, so manufacturers are taking the responsible action of saying 'well if we can't rule it out, the parts have to be replaced'.

"We are aware that because there's 100 million vehicles worldwide, and if proven faulty they need to be replaced, it could take some years to replace.

"We understand it could be to 2018, 2019, before all vehicles have been checked.

"It's about 10 times larger than

we've seen in New Zealand, and certainly worldwide it's the largest by a very long margin."

In New Zealand the affected vehicle brands are: BMW, Chrysler, Daihatsu, GM, Ferrari, Ford, Honda, Isuzu, Mazda, Mitsubishi, Nissan, Subaru and Toyota.

And in a letter to the industry the same month Crawford stated:

Due to the scale of the worldwide recall, supply of replacement airbag inflators is logistically challenging and will take time. Takata is supplying replacement parts to manufacturers in batches. This means that for those vehicles subject to a recall New Zealand distributors are supplied with replacement parts as they are produced. This also determines parts for all affected vehicles are not available simultaneously. This is not under the motor vehicle distributor's control, however it is deemed the most effective and efficient manner to expedite the global vehicle recall.

Consequently, New Zealand Distributors are responding to the recall as parts become available. Distributors are recalling vehicles that are New Zealand new and for used imported vehicles (even though under New Zealand law the importer of the used vehicle is required to manage the recall or ensure the recall is undertaken prior to importing the vehicle).

The Imported Motor Vehicle Industry Association (IMVIA) is working across the industry developing protocols for recalls.

IMVIA chief executive David Vinsen stated, "We are working with the MIA to develop and align suitable systems and protocols that ensure recalled vehicles are repaired as quickly as possible.

"There have also been some questions raised regarding liability. Under NZ's consumer guarantees legislation, the manufacturer is responsible for the goods. In the absence of a local manufacturer the importer is construed to be the manufacturer. So we're seeking an opinion on where liability rests in that supply line. We don't think the initial legislation was set up to cover complicated logistics chains like we have in our industry, so that needs to be clarified." ⊕

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## China leading EV production

hina's long-term investment in electric vehicle (EV) technology development is reaping rewards.

During 2016, 351,861 EVs were registered in China, this represents about 46 per cent of all plug-ins sales throughout the world, with Chinese car makers responsible for 43 per cent of all EV production last year.

China's BYD Autos sold more EVs in 2016 than Tesla and Nissan.

The Chinese government's push for an estimated 5 million EVs by 2020 aims to reduce high air pollution levels in the country's major cities and lower its reliance on fossil fuels. It has spent billions assisting car manufacturers to reach large scale production of EVs, and it offers substantial subsidies to car buyers.

But will any of China's EV makes and models arrive on New Zealand's shores soon?

Drive Electric chairman Mark Gilbert says China is a major player in the production of EVs and plug-in hybrid electric vehicles (PHEV) and he predicts it will have a greater role in the export of left-hand-drive plug-ins in the future, especially into the United States.

But he says it is difficult to know how many electric car makes and models there are in China and what models would suit our market. There is some international brand copying and these vehicles cannot be imported into New Zealand. Plus the imported vehicles will need to



be priced to suit our market and meet New Zealand's safety criteria.

"Some Chinese (vehicle) brands are available in New Zealand but we have not seen BYD (Autos) which is their biggest electric vehicle brand. But because of the growth over there I am surprised we haven't seen any (Chinesemade electric vehicles) here."

In May 2016, the New Zealand government announced its EV programme which has a target of 64,000 EVs and PHEVs by 2021.

It also plans to address the barriers to the uptake of EVs, including the limited supply of models, the lack of awareness and misconceptions, such as range anxiety, and a lack of widespread public charging infrastructure. Gilbert says to reach the government's EV target by 2021, the public must be able to purchase affordable electric cars that will suit their transport needs.

"We will have to look at markets with electric vehicle prices Kiwis are prepared to pay."

Currently, there are about 2500 EVs and PHEVs on New Zealand roads, and it is estimated that the cost of electricity is about the equivalent of 30 cents per litre.

"New Zealand spends about \$7 billion on fossil fuel so there are a lot of good reasons to switch to electric vehicles," Gilbert says.

With energy production in New Zealand sitting at about 80 per cent renewable, we are considered to be ideal for electric vehicles.  $\oplus$ 



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### Sales success on the floor

MARK GREENFIELD Motorcentral

aving worked with many dealership over the years, a recurring trend I've noticed is that salespeople don't always understand the potential they have to make very successful careers from selling cars.

There seems to be an industry accepted level, that selling ten cars a month is good enough. Ten cars a month may be all you need to maintain the lifestyle and commitments you have, however what could you really achieve by doing some very basic steps more consistently. There are salespeople throughout New Zealand that have reached for a much bigger goal aiming for twenty, thirty or over forty vehicle sales every month, on their own, doing what they love.

The key here is what can you do differently today that will contribute to your sales in the future?

In my opinion there are three key areas to concentrate on over the short, medium and long term:

#### Selling more cars to the opportunity pool of customers we have right now.

The owner of your dealership has invested heavily in your premises, branding, vehicles and advertising in order to bring as many prospective customer opportunities to the dealership. If the dealership is doing all it can in this area, then the pool of potential customers that make contact with your dealership month in month out, isn't going to grow on its own and therefore cannot increase your vehicle sales without some input from you.

As a salesperson, you will need to take the bull by the horns, be

proactive and ensure you convert as many of the dealership's opportunities to appointments, testdrives and sales. Essentially, you must understand that without

outside influence, this pool of prospects is all you've got, so make the most of

them. Ensure at all times you have a sound record in your Dealership Management System (DMS) of who these customers are, so you can manage them through the process and not forget, or miss any.

and your dealership every time they are asked about their new car.

Continuing those referrals over time then switches to when someone they know mentions in conversation that they are thinking of

buying a new car. This is where the lasting memory of your service, combined with complimentary ongoing communication through your Customer Relationship Management (CRM) system, increases your odds significantly

"The key here is what can you do differently today that will contribute to your sales in the future?"

Increasing customers that refer family and friends to you and the dealership. Referrals all stem from the experience you create. Yes, YOU CREATE. From the moment a customer emails you, calls you and/or visits you, treat them with

respect and surprise them with the experience. The first 4 weeks after the customer purchases from you is

and you want them to mention you

when you will have your greatest chance of referral, as their new car is viewed by friends, family, neighbours and work colleagues. That experience YOU gave them needs to be lingering in their mind

of them mentioning you to that person. Those simple soft touchpoints over the years from Happy Birthday messages to WOF reminders, all keep the dealership and the experience you gave top of mind.

Increasing the number of customers that return to buy from you and the dealership. This really is dependent on the two steps above being completed effectively. Without giving a great customer experience and having continued contact with your customer, the chances of them returning have dropped to pretty low odds.

In my experience, the average dealership doing none of the above has less than ten percent chance of gaining repeat business, yet those that do it well can exceed forty percent. So if 1 & 2 above have been done well, then you remained top of mind with that valuable customer. Now all you need to do is start them thinking about upgrading the last car they purchased for a newer or different model, which might suit their current lifestyle better.

A very effective way of doing this is emailing your customer a friendly message with a selection of three similar, later model vehicles to what they purchased last time. Try and keep around a similar budget and in the case of the finance customer, try and keep their repayments around the same level if they were to trade in and refinance again. Make sure each of these vehicles displayed links back to your website so they can do more research in their time and see what else you have to offer if their circumstances have changed.

Of course, when they purchase the entire cycle begins again.

So if you can increase your conversion rate of customer contacts that the dealership generates, increase the number of people that are referred your way and increase your customer retention with sales to repeat customers, that ten units a month should double or treble, and remain there.

Utilise systems where you can, and if you have the luxury of automated CRM tools within your DMS, then great. If you don't, then get one that does!



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Performance car manufacturer HSV has unveiled their 2017 range, the last to be built on the Zeta platform in Australia. The MY2017 range will consist of eight models from two ranges – a '30 years' anniversary range which celebrates the company's thirtieth year in operation and a new GTSR range, the first since 1996.

The anniversary range, based on HSV's GEN-F2 supercharged collection, will include the ClubSport R8 LSA, ClubSport R8 Tourer LSA, Maloo R8 LSA, Senator Signature and GTS. The vehicles build on improvements introduced in the previous range, such as revised suspensions, new front and rear fascias and side skirts, new bonnet vents and a range of new wheels.

The ClubSport R8 LSA, ClubSport R8 Tourer LSA, Maloo R8 LSA and Senator Signature will have their 6.2 Litre V8 engine upgraded to 410kW of power and 691Nm of torque. Torque vectoring, which helps reduce understeer by generating a rotational moment in the rear axle when the vehicle is under power, is now standard across the '30 Years' range.

HSV's 6-piston brake package, formerly exclusive to the GTS model, is now standard across the '30 Years' range. The AP racing brake package contains forged 6-piston brake callipers and



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390mm (front) and 372mm (rear) discs, and will be available as a limited production option.

"We look forward to offering our loyal fans a unique opportunity to be part of our final range of the Zeta platform," said HSV managing director Tim Jackson. HSV confirmed production of its''30 Years' range has recently commenced, and dealers have taken pre-orders from interested parties.

Details on pricing have been released, with the Maloo R8 LSA (manual) beginning at \$98,990, ClubSport R8 LSA (manual) from \$102,990 and the ClubSport R8 Tourer LSA (automatic only) from \$106,990, Senator Signature (manual & automatic) starting at \$115,990 and the GTS (manual) priced from \$119,490.

As well as the anniversary range, the GTSR nameplate will also be reintroduced to the 2017 line-up for the final time. Three model variants, the GTSR, the GTSR Maloo and the GTSR-W1, will be available.

All three models contain a 6-piston brake package, featuring monoblock calipers and massive 410mm (front) rotors and large Ferodo 4488 brake pads. The rotor is a fully floating design using technology derived from racing cars and modified for road use.

The GTSR will also feature HSV's magnetic ride control suspension system, which responds to road inputs and driving conditions with dampers updated every 1000th of a second. The GTSR W1 will be

HSV's 2017 GTSR

fitted with the all-new 'SupaShock' suspension, which deliver the lowest frictional losses of any commercial damper available and a front coil design rated at approximately 2.2 times higher than the balance of the HSV range.

The 6.2-litre V8 engine has also been modified for the GTSR and Maloo models. A new hi-flow performance air filter increases the maximum power output to 435kW.

The GTSR W1 will contain the 6.2-litre Supercharged LS9 Generation IV Alloy V8 engine originally seen in the sixth generation Chevrolet Corvette ZR1. With a 2.3-litre supercharger and carbon fibre airbox, the engine will have a maximum power output of 474kW. The W1 will also contain a 6-speed manual gear box with a twin-plate clutch.

All three models will be fitted with performance and safety features, including traction control, launch control, torque vectoring, bi-modal exhaust and electric power steering.

Pricing for the GTSR Maloo (manual) begins at \$117,490. The GTSR (manual) will start at \$130,990, and the GTSR W1 (manual only) from \$189,990. A 6-speed automatic transmission will also be available for an extra \$2500.

Production of the GTSR range begins in April, and the GTSR W1 will be limited to approximately 300 vehicles in total, approximately 20 of which will be available for New Zealand buyers. 🕤

## Blackbird Finance helping you grow

Backbird is a specialist finance company for registered motor vehicle importers and dealers who operate from commercial premises in New Zealand.

The company's finance products are renowned for growing businesses by enabling dealers to improve their margins and increase profits. Blackbird also makes it easier for overseas agents to sell to New Zealand dealers by removing the Agents credit risk normally associated with extending credit.

According to Blackbird business development director Geoff Sinclair, three words are synonymous with Blackbird funding, namely "flexible", "easy" and "efficient", attracting dealers who are eager to grow their businesses in the current competitive climate.

The company's two types of funding are transit/compliance funding and floorplan funding.

The benefit of transit/compliance funding is that it can be secured for vehicles that are in transit to New Zealand or in the compliance process, while the benefit of floorplan is that the loan doesn't have to be repaid until the vehicles are sold or the funding term ends.

Sinclair underscores the significance of buyer independence that accompanies Blackbird funding. "This independence enables dealers to access vehicles from multiple vendors and, as cash buyers, to negotiate better prices.

"It's really about enabling dealers to access stock when, and from where, they want to, and at the best price possible."

He points out that if dealers are able to procure Japanese agency funding, they only get funding for that agency's vehicles, and in some cases may have to contend with access to a reduced pool of vehicles, upward-creeping prices and fixed terms.

"Also, the cost of finance from certain suppliers is often difficult to isolate from true vehicle purchase price," he claims. "Dealers using our funding can control and see all costs associated within the delivery process, as they negotiate and agree them, they are effectively cash buyers!"

Sinclair further points out that Blackbird funding smooths cashflow and enables many dealers to buy on a more regular basis, as opposed to having a glut of stock, and then no stock at all. "Having vehicles arrive which owe you the right money, and more regularly, is integral to the success of a dealer's business and improves both stock and cashflow management," he says.

"It also means dealers are not as exposed to currency fluctuations because Blackbird funding is invoiced in New Zealand dollars once they've drawn down the funds to pay for the vehicles. That means they'll know the vehicle's exact NZ\$ Free On Board (FOB) value. Overall, dealers tell us these Blackbird funding advantages can mean savings of many hundreds of dollars a vehicle are possible. Given the reduced gross vehicle margins dealers are operating on these days who wouldn't want the opportunity to make another 20 – 25%+ gross per unit."

The genesis of Blackbird's funding model

"Having vehicles arrive which owe you the right money, and more regularly, is integral to the success of a dealer's business and improves both stock and cash flow management"

Geoff Sinclair, Blackbird Finance

came after Sinclair saw a clear gap in the market for dealer funding for vehicles, machinery, trucks, trailers and caravans when initially employed as a consultant for Blackbird some years back.

This business acumen has been gained over many years working in the finance industry, specifically in motor vehicle, import, wholesale, retail and operations' finance.

It proved its merit as, according to Sinclair, Blackbird currently falls into New Zealand's top tier of companies in terms of volume of used import dealer stock funded monthly, with over 40 offshore vendors on its books for Japanese sourced vehicles alone, not to mention the UK, US, Australia and Singapore. Going back five to ten years, Sinclair elaborates that used car dealers still enjoyed good margins and so could afford to pay extra costs for "cradle to grave" services.

Those gross margins have decreased over time. Both with new markets coming on globally, competing for the same vehicles, and shifts in the domestic retail market with customers being so knowledgeable about the price of vehicles, from sources like Trade Me.

"This means that often the only room to make extra margin is through achieving savings in the supply chain, i.e. when buying the product and getting it to a facility for sale," he says.

In this regard he highlights that some dealers believe they're getting a funding discount from a supplier when in fact the costs have just been applied further up the supply chain, necessitating knowledge of the wider market to

remain truly competitive.

"Buying from more than one supplier means dealers are better informed regarding pricing and current buying conditions across the board"

"I can liken it to some consumer goods retailers who offer interest-free deals, which look good in isolation, but often don't really save the buyer any money as the interest cost is already built into the product price," says Sinclair.

"The beauty of Blackbird funding is that costs are transparent."

To gain access to the funding, registered New Zealand dealers are required to apply for credit, with approval usually granted within a few working days.

Blackbird Finance is a 'dealer only' service, "Our focus is ensuring the NZ dealer is in the best position to get a great deal when buying stock, and that they get as much margin as possible from each vehicle."

Due to a wider enquiry base Blackbird now have business relationship managers within easy reach of all NZ dealers, with representation in both the North and South Islands

If you're interested in greater access to a wider range of stock and the freedom to choose where and when you buy - call 0800 000 999, email info@blackbirdfinance.co.nz or visit online at www.blackbirdfinance.co.nz and find out how your dealership can benefit from using Blackbird Finance.

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### **NEWS in brief**

### MBIE reports good petrol quality in New Zealand

The latest fuel testing report released by Trading Standards at the Ministry of Business, Innovation and Employment has been positive, with petrol quality high across the country. Samples from 115 stations across New Zealand were tested



at the Independent Petroleum Laboratory between July 2015 and 2016.

The rate of suspect fuel samples decreased from 10 examples in the previous year to eight, with three suspect petrol and five suspect diesel results, and all samples were declared within tolerance levels after further analysis. "On the whole, our testing found fuel sold within New Zealand was of a good quality and compliant with specifications prescribed in the regulations," Trading Standards manager Stephen O'Brien said. The latest test results from MBIE are part of an ongoing testing programme of the 1200 petrol stations across New Zealand.

### PSA Group in merger talks with GM

General Motors and PSA Group, which produces the Peugeot, Citroen, and DS vehicle brands, are in advanced discussions to combine PSA with General Motor's European Opel business, according to a report by Reuters. The talks could lead to a merger of German-based Opel with PSA.

A PSA spokesman, Bertrand Blaise, confirmed the company was in talks with GM to deepen their partnership. "PSA confirms that it is exploring a number of strategic initiatives with GM with the aim of increasing its profitability and operating efficiency, including a potential acquisition of Opel," he said.

### Ford invests in autonomous technology

Ford Motor Co has announced plans to invest \$1.4 billion in tech start-up Argo AI over the next five years to help reach its goal of producing a selfdriving vehicle for commercial ride-sharing fleets by 2021. The investment makes Ford the largest shareholder in the company.

Argo AI will help build the virtual driver system, which is integral to the fully autonomous car Ford plans to develop within the next five years.

### Toyota to close Australian factory in October

Toyota Australia has announced it will cease production at its Melbourne plant on October 3. The closure was first announced in 2014, but the exact date was unknown. Toyota blamed high manufacturing costs, the "unfavourable" Australian dollar and low economies of scale for the closure.

Staff numbers will drop from 4000 to 1300, with the remaining workforce to move to a head office in Melbourne city and consolidate with its Sydney operations. Toyota said in a statement the plant would stop building Aurions in August, Camry Hybrids in September and Camry petrol models in October.

### GM and Honda to produce a hydrogen fuel cell

Honda Motor Co Ltd has announced it will jointly produce pollution-free hydrogen fuel-cell power systems with General Motors Co from around 2020. The venture will be overseen by a board of directors that includes three executives from each company and a rotating chairperson and president. Both companies are making equal investments of \$116 million in the project.

Honda and GM have been working together since a collaboration agreement was first announced in July 2013, when they integrated their development teams and shared hydrogen fuel cell intellectual property.

### Hyundai covers EV options

H yundai New Zealand have announced further details for its brand-new EV the IONIQ, including pricing and powertrain options, at a media event in Queenstown.

The IONIQ will be available as a full electric model, a petrol-electric hybrid, and a plug-in hybrid, which has a short electric range before turning to its hybrid engine. The plug-in hybrid will be available in New Zealand in late 2017.

The fully electric model's 28kWh battery produces 88kW of power and 295Nm of torque, with a range of 200km on a full charge. The car will typically take 20 minutes to charge to 80 per cent capacity using a rapid charger (or 30 minutes with a 50kW charger), and four to five hours to fully charge using a home wall-mounted EV plug. The EV has a top speed of 165kph, and three drive modes – normal, eco and sport – to prioritise battery life and performance in changing driving conditions.

Hyundai New Zealand general manager Andy Sinclair is satisfied with the car's range given the growing number of charging stations across the country. "We



have now moved beyond the concerns raised by early EVs over available range between charges," he said. "As the charge station network expands, the practicality of IONIQ becomes apparent."

The hybrid model is powered by a 1.6-litre direct-injected Atkinson Cycle engine and an electric motor with a 1.56 kWh battery for a total 104kW of power and 265Nm of torque. The car has a maximum speed of 185



kph with a petrol consumption rating of 3L/100km.

The IONIQ Electric and Hybrid Elite models contain both Apple Car Play and Android Auto systems, as well as wireless charging for some smartphones. Safety technologies include smart cruise control, blindspot detection, autonomous emergency braking, rear-cross traffic alert and lane change assist, available on Elite models.

Pricing for the electric model begins at \$59,990, with a highspec Elite available at \$65,990. The hybrid will start at \$46,990, and an Elite variant is priced at \$52,990. Pricing for the plug-in hybrid will be revealed closer to its launch date. ⊕

### New BMW wagons on the way

MW have released details of the upcoming 5 Series Touring ahead of the premiere at the Geneva Auto Show next month. Four new engines will be unveiled for the line-up.

The petrol engines of the BMW 530i Touring and BMW 540i xDrive Touring come with twin-scroll turbochargers and direct High Precision Injection and both are mated to an eight-speed auto.

The 530i rear-wheel drive features a 2.0-litre four-cylinder powerplant that generates 185kW and peak torque of 350Nm, launching it from rest to 100km/h in 6.5 seconds.

The 540i xDrive Touring has a 3.0-litre six-cylinder, producing 250kW and 450Nm. The more powerful 540i takes 5.1 seconds to reach 0-100km/h. The rear-wheel drive 520d Touring has a 2.0-litre four-cylinder turbo-diesel and is available with either a six-speed manual or eightspeed automatic. It produces 140kW of power and 400Nm of torque and takes 8.0 seconds to reach 100km.

The 530d comes in both rearwheel drive and xDrive, and has a 3.0-litre six-cylinder turbo-diesel with an eight-speed auto, generating 195kW and 620Nm.

Driver and safety features include crossing traffic warning, lane keeping assist, active side collision protection, evasion aid and active cruise control. Luggage capacity has also increased to 570 litres.

BMW NZ says the local availability, specific drivetrain options, and pricing for the 5 Series Touring, will be announced closer to the international launch date in June. ⊕



### motorsport

# Grand Prix hosting battle begins

The fight for the right to host New Zealand's premier motor race, the New Zealand Grand Prix, has begun and is already a three-way fight.

In theory all permanent circuits in New Zealand can seek to host the event, but only a few have the necessary infrastructure and budget to do so.

Motorsport New Zealand has the ultimate decision but must deal with the northern and southern circuit owners, juggling the needs of the current summer series promotors Speedworks, the championship categories and also Toyota, which runs New Zealand's premier singleseater championship category the Castrol Toyota Racing Series, and the leading single-make sports coupe championship, the Toyota 86 Championship. The Grand Prix has been the final and most prestigious round of the Toyota Racing Series since 2006. It is the most valuable 'product' in New Zealand motor racing, viewed on television

networks and digital channels in up to 70 countries worldwide each year. The three circuits that have expressed interest are Manfeild, Tony Quinn's newly upgraded Hampton Downs in the northern Waikato, and – this week – Pukekohe.

#### INCUMBENT VENUE:

Manfeild, 3.03 KM, FIA grade 3 Renamed the Circuit Chris Amon this year, Manfeild has run the event since 2008 but spectator attendance has been static in that time. This year's event brought slightly more than 3,000 through the gate, though Manfeild has not confirmed final numbers. CEO Julie Keene has said a 10,000 turnout over three days of competition would be 'ideal'.

Keene says Manfeild accesses New Zealand's 'middle million' of population from the lower end of the central North Island all the way to Wellington. Fireworks displays, hot laps, warbird flyovers and rock bands have been used to boost



gate numbers and audience buy-in to the event. This year the call was more direct: "come to the Grand Prix or risk losing it".

"We have sent a really strong message to Motorsport New Zealand and to the future promoter of what it is we have to offer."

Series promoter Geoff Short of Speedworks says the increase was significant but still far short of what he would like to see for the nation's flagship event.

#### CHALLENGER 1:

Hampton Downs, 2.63 km, FIA Grade 3 Owner Tony Quinn wants to bring the event to northern Waikato so that it is within range of major population centres. He made a determined pitch for the Grand Prix when the rights were last on offer but was not successful.

The upgrades at Hampton Downs build on a circuit with an FIA Grade 3 safety rating but the track extension completed in time for Quinn's 101 race meeting for the Australian GT cars cannot currently be used by TRS due to a pronounced level change where the extension meets the 'stage one' track.

The summer series round at Hampton Downs this year was not actively marketed to the 2.5 million people judged to be within its spectator reach, and did not attract a big audience. Marketing of a Hampton Downs Grand Prix is widely acknowledged to require a significant increase in effort and expenditure.

#### CHALLENGER 2:

Pukekohe, 2.8 km. FIA Grade 3. Pukekohe has backing in principle from Auckland Council CCO ATEED, which committed \$10m of public money to Pukekohe for upgrades and marketing required for the annual V8 Supercar event.

No further marketing spend has yet been mentioned by ATEED, though it is also in discussions with Pukekohe about the V8 Supercar event.

The 'wrap around' of public events and promotions for the V8 Supercars has tailed off year by year and spectator numbers are falling. There has not been a round of TRS at the circuit since 2009 when the championship switched to its current five-week, 15 race format in order to attract more international drivers.

Speedworks will feed back to Motorsport New Zealand its preference for the Grand Prix venue.

"This is the most prestigious event in motorsport in New Zealand and we definitely want to lift the profile of it. The on-track show is right, it is now a matter of getting the marketing and promotion right and building the rest of the event. It is not going to happen overnight, we need to have a plan that is going to take it forward," said Geoff Short. ⊕



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MotoGP - Losali International Circuit, Catar Monster Energy NASCAR Cup Series - Fontana, USA

significant damage to his Richards Team Motorsport Toyota Camry. The RTM crew put in an all-night repair effort to get him back on track for Sunday and his race win.

As NZV8 Touring Car managers work to bed-in the three subcategories that make up the series, a win for Barry's NZ Touring Car TLX Camry with its smaller 5.0-litre 'Daytona' engine is significant. ⊕



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he New Zealand Rally Championship is on its way back from the doldrums, and the single transformational factor is the arrival of the new AP4/ AP4 'plus' category.

A long-term commitment to Group N cars with high ongoing maintenance costs have whittled away competitor numbers; high charges from councils and forest managers for road restoration have chopped event numbers and

### 2017 Brian Green Property Group NZ Rally Championship

8-9 AprOtago Rally29-30 AprInternational Rally of Whangarei4 JunLone Star Rally Canterbury26 AugGoldrush Rally of Coromandel14 OctWaitomo Rally25-26 NovRally New Zealand

spectators have been staying away in numbers, disappointed at the lack of spectacle turned on by the safe but unexciting driving styles encouraged by Group N machinery.

For many, the highlight became the mostly rear-wheel-drive 'classic' rally cars – Ford Escorts, Mazda RX3s and RX7s and Toyota Starlets – which ran at some events.

But the advent of the new AP4 rules has revitalised the championship. Almost all built by Force Motorsport to a Kiwi version of the rules evolved after wide local discussion, the cars are short wheelbase hatchbacks with four wheel drive and 1.6-litre turbo engines. A 'joker' engine spec is available for manufacturers that do not have a suitable power plant, and the use of motorsport-specific transmissions brings more reliability and the ability to tailor ratios to suit the engine characteristics.

R

esu

The first such car, Andrew Hawkeswood's Mazda 2, pictured above, ran in 2014 and has since been followed by a slew of other marques such as Toyota, Mazda, Suzuki, Skoda, Mitsubishi, Ford, VW, Hyundai and two Holden Barinas, one of which is to be driven by Greg Murphy.

The 2017 championship, which starts In April with the Rally of Otago and features both singleand two-day events including the International rally of Whangarei, once more a round of the Asia-Pacific Rally Championship.

The standout is the final round, a test Rally NZ based in Tauranga. ↔

### \_awson's championship birthday present

Present, winning the 2016-2017 Formula 1600 championship at Manfeild on 12 February. The 14-year-old from Pukekohe sealed the championship in the first race of the weekend, putting any chance of Canterbury rival Michael Collins beyond reach. He is believed to be the youngest Formula 1600 (Formula Ford) winner in the global history of the category.

"It's fantastic to have achieved this," said Lawson. "We've worked very hard and had the support of heaps of people. To finally pull it off



was just outstanding for the team." Since starting the series at Timaru

last November, Lawson has won 14 out of the 15 races and set fastest time in qualifying in all five rounds.

Meanwhile, the three-way merger of New Zealand's V8 touring car classes was still dominated by the SMEG team of Simon Evans.

It wasn't plain sailing for Evans, however, who suffered a pit stop problem and met fresh opposition from Waipukurau's Sam Barry, who took his maiden class one win.

Barry was involved in a major accident in Saturday's opening race with Tom Alexander, causing

# Been there; but still doing that

allis (Wal) Dumper, who currently enjoys a plum position at Subaru New Zealand, shares that unbeknown to him his lifelong career in the automotive industry commenced when he "groomed" cars while still at school for David Slater's dealership across the road from his parents' home in Manurewa.

"We moved there from Hamilton in the 1960s. Slater sold the shop and I found myself working for 'Bill Russel', which dealt in Suzuki motorbikes. Later they changed the franchise to Honda, and soon I was working for Blue Wing Honda, which distributed Honda motorbikes in the 1970s and early 1980s. I worked initially in parts and later sales and marketing," says Dumper.

"This franchise change caused an uproar as Bill and the Colemans had built up Suzuki to be strong. Blue Wing Honda was owned by Motor Holdings, which was also the Subaru distributor.

"If I had known I would be running Subaru 20 years later – well, that would have been quite a thought!

"Also significant was seeing the Colemans sell off the local distribution to Japan at the time; a New Zealand first to have a wholly owned overseas company."

He shares that perhaps his parents' acrimonious divorce, resulting from his father's alcoholism, and his upbringing in a single-parent home gave him the determination to succeed.

"Cars and motorsport have always been my passion," he says. "My first car was a Ford Prefect 100E and when I was younger I was intensely involved in motorcycle racing from the Baypark Raceway in Mt Maunganui to the Castrol Six Hour Race and the Manfield Two Hour endurance race, which I won in 1982 with Alan DeLatour – a high point."

After finishing his time as Blue Wing Honda's promotions coordinator and gaining a love for branding, Dumper progressed to Champion Spark Plug New Zealand.

"This was a joint venture with Fisher & Paykel as a result of the protective law surrounding the Suzuki change," he says.

"Let me tell you spark plugs were a big thing in the 1980s. At that time the industry was being deregulated and the fact that I had some Japanese background as a result of dealing with NGK Spark Plug Co assisted me to deal with deregulation and in hindsight highlighted my strength as a change manager."

Dumper worked for Champion for seven years where he enjoyed some notoriety as a result of his participation in events like the first Australian Grand Prix in Adelaide and Indianapolis 500 in US, as well as for his motorsport race engineering services, which saw him expertly read spark plugs for tuning engines.

"During that time I was involved in events from the Western Springs Speedway and World Jet Boat Marathon to the Pukekohe Park race meetings," he says.

"I had a great time doing technical training, watching movies, working with great people and enjoying the odd beer at trade nights.

"I went with Champion to Australia where I ran sales, new products and technical, but I chose to return to New Zealand because I love it here, I'm a Kiwi boy."

This saw him join Moller Yamaha in New Zealand in 1990, which was still contending with the 1989 financial crisis. "During that time I learned a lot about dealing with adversity and the power of a superior product like Yamaha," he says. "Fascinating is the fact that a brand can go a

long way through the power of marketing but the power of a strong product will help get a company out of trouble too." Dumper explains that by 1996 he realised that he needed to broaden his professional horizons, which resulted in him securing employment from Inchcape Motors New Zealand, trading as Subaru of New Zealand (Subaru NZ), for a 10-year period until 2006.

He says that at the time Subaru NZ was in hot water and losing money as business was run on price and strong egos.

"Too many Subaru dealers didn't understand the value of all-wheel drive," he says. "This saw me purge the business of 17 dealers to 15 with a brand focus, and only retain allwheel drives," says Dumper.

Over this period Subaru was "uber" successful and "boy it felt good".

This success was acknowledged by the many awards the company

the Manfield r endurance n Alan r in 1982

Dumper with Michele Alboreto's Ferrari at the 1985 Australian Grand Prix



received from Fuji Heavy Industries.

Dumper reflects that the book that best reveals his success strategies can be found in James Kerr's "Legacy" which details what the All Blacks know about the "business of life", with the first step being to eliminate all "dickheads".

In 2006 Dumper was confronted with another decision when the Giltrap family proposed that he take the helm of a private ownership operation in New Zealand working with Jaguar and Land Rover brands.

"We set it up with nothing but good support from other directors," he says. "In one year it was up and running – lean and mean like Subaru and of course, profitable!

"Through this opportunity I learnt a lot about retail, a start-up and making a success in New Zealand out of prestige brands, which are surprisingly far more run on a discount and end of quarter distressed sale basis than Japanese brands.

"I thank Colin, Michael and Richard Giltrap for this experience and for all the expertise and knowledge they and the other directors brought to the table."

The GFC then hit the business, necessitating a downsizing and "all the pain that goes with laying off people who've done nothing wrong".

Dumper voluntarily chose to become redundant in 2009 and holidayed for a short time as a consultant. Then in 2010 Inchcape Motors, the owner of Subaru of New Zealand, invited him to return with a focus on trust, culture changes and setting new growth targets

"What was especially great was that over half the staff I had previously recruited were still there and are still with the company – currently numbering 20 – after 25 to 30 years of service," he says. So it's not surprising that the company has been voted "most engaged team/best employer" in the past global Gallup surveys.

"I think my philosophy of treating others the way I'd like to be treated has proven its worth," says Dumper.

He adds that he purposefully recruits toward a balance of "new blood" as he feels responsible for putting a succession plan in place for Subaru NZ.

"If anyone recruits someone from Subaru NZ they can know they're good people be they masters or millennials," says Dumper.

He elaborates that a typical working day keeps him busy in a variety of ways from mentoring his team and acting as a dealer mediator, to resolving a marketing challenge or even providing customer experience or technical services.

"I'm lucky that the team of Subaru dealers are such wonderful people. We can be at loggerheads and then have a beer together because of our mutual respect and desire to succeed," he says.

Through work, Dumper has sponsored events from the WRX Experience at Highlands Park through to the recent Kathmandu Coast to Coast as well as doing voluntary work for the Manea (Maori) Trust.

Currently Subaru has two percent market share in New Zealand from 2.4 percent previously.

"We have delivered our stakeholders successive record business results and, whilst pleasing, there is more to do. Frankly, we have no desire to be a commodity-type operation even though I have respect for the guys in the volume business as it's hard. We're running – not a boutique brand – but a brand that fits into the high ground and that has definite growth potential," he says. Dumper anticipates that the motor industry will continue to change and grow as long as there are people who need to get places and there is an influx of migrants into the country. However, he feels that at certain point there will be a slowdown. Overall he describes himself as "cautiously optimistic" and with good reason after weathering two global financial crises.

"I thrive in this demanding industry but that's not to say I don't love escaping with my wife Dianne to our Hokianga Harbour bach in Omapere, but in truth I can only spend so much time watching the tide come in and out," he says.

Dianne, his wife from his second marriage in 1999, came with daughter Eve, currently a chartered accountant, and son Jackson, currently a butcher and beekeeper, that he considers his own.

And even though he's not looking for a full-time escape he still has the Isle of Man, more NASCAR and MotoGP races as well as the occasional All Blacks tour on his bucket list.

"When I'm not escaping part time via my hobbies, the Chiefs keep me occupied, being Waikato born, as well as my Triumph Bonneville Newchurch – a long way from my first Suzuki TS 125, I know."

In conclusion he says that even though some say he's crazy for not working for himself, history suggests that he and his team have done a "half good job" running a company for Subaru Japan, the Subaru dealer team and the Kiwi customer experience. ⊕



### The month that was.... February

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

#### February 21, 2000 Odometer fraud could cost dealers millions

The auto industry was warned it would have to pay millions of dollars in Fidelity Fund payments if dealers charged by the Serious Fraud Office were convicted of odometer fraud.

Claims could be made against convicted dealers who may be bankrupt or have no significant assets, then the MVDI Fidelity Fund could be faced with a substantial liability.

The SFO had sent out 63 letters to people who bought cars with odometers that had allegedly been wound back, informing them that charges of fraud had been laid against the dealer who sold them that vehicle.

If each of those people lodged a claim against a convicted dealer, the auto industry faced a minimum bill of more than \$1.25 million.

Industry observers believed the potential for claims was so vast that retroactive legislation was needed to limit the amounts claimed by people who had bought clocked cars over the years.

The SFO confirmed more arrests were imminent following a five-year investigation into odometer clocking.

The IMVDA declined to comment and the MVDI could not be reached.

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### February 4, 2005 **Fidelity fund pay-out**

How much money was left in the old Fidelity Fund for distribution to ex-MVDI members was to be known by May.

There was an air of mystery around the size of the surplus in the fund – and the amount that would eventually be passed on to individual dealers.



Claims against the fund closed on December 15, 2004 – but it was expected to take some months to resolve outstanding claims.

Stephen Matthews, MTA's CEO, said he expected that a final position

would be known around May. However, it was subject to the Fidelity Fund's board's resolution of claims.

In 2003, a group of dealers campaigned strongly to reach an agreement with the merged MTA/MVDI that said: "The Fidelity Fund's funds after the settlement of court upheld liabilities would be paid back to contributors upon cessation of the fund".

Fund management fees would be paid by the MVDI and managers would actively recover losses from the fund.

Dealer Arthur Murray said there was about \$1.5 million in the fund when it was made redundant by new legislation.

#### February 3, 2006

### Second rogue trader prosecuted

Another unregistered trader was fined after being found guilty of breaching the 2003 Motor Vehicle Sales Act.



Brett Collins, of Auckland, was sentenced to pay a \$2500 fine for trading vehicles without being registered. Invercargill resident Nigel Hicks was fined \$1330 in June 2005.

IMVDA spokesman Malcolm Yorston said the IMVDA had been sending the Ministry of Economic Development's National Enforcement Unit (NEU) information on Collins for about two years.

"We feel the fine is a bit of a wet bus ticket," Yorston said. "We keep giving (the NEU) information on traders, and there have been a number of guys they've pursued who have put their hands in their pockets and paid up – although whether they've remain traders or not depends.

"But dealers continue to be frustrated by unregistered traders operating from front yards and roadsides. You just need to wander down to your local car fair on a Sunday to see the problem is still rife," he said.

### February 1, 2008 New meaning for online auctions

The Commerce Commission and the Motor Vehicle Disputes Tribunals clarified their views on online auction obligations, signalling a change with ramifications for dealers.

The Motor Trade Association spokesman Tony Everett said the MTA had always said online auction websites were not auction houses, but when the disputes

tribunals ruled otherwise, the MTA had to align itself with what the courts were doing.

Everett said dealers must adhere to the bounds of the auction so buyers were not misled. And note on the Vehicle Offer and Sale Agreement the purchase was made by online auction and the CGA did not apply.

He advised dealers to keep a record of the auction process so that if the sale reached a dispute tribunal, all evidence could be tabled.

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## Where are all the Electric Vehicles?

### Mark Gilbert, chairman of Drive Electric, ponders why there aren't more electric vehicles on our roads.

I t's coming up 12 months since the Minister of Transport announced the government's stimulus package for increasing the uptake of electric vehicles in New Zealand, so what has actually happened?

Sales of EVs better than doubled (2015 – 976 units; 2016 – 2127 units – excluding NZ Post's Paxters).

The first tranche of the EECA Low Emission Vehicle Contestable Fund has seen support for EV bus trials, smart street lighting, more EV charging infrastructure and an EV car sharing programme.

Some major corporates have committed to converting 30 per cent of their fleet to electric vehicles by the end of 2019, laying down a challenge to government agencies to match or better it.

The Ministry of Business, Innovation and Employment is consulting and studying how to get more EVs into the government fleet – listing all new models and one used model is a good start but traction appears lethargic.

And the IRD has consulted on fringe benefit tax and depreciation models for EVs but low submissions will not encourage change.

But it's encouraging to see more models being talked about, and at pricing closer to the mainstream (Autofile 10 Feb 2017 - Hyundai loniq models).

The motor industry has signalled 40-50 new EV variants will enter the





market in the next year or three. This is fantastic, and my own view is that this still underplays the potential.

Why? Because if car OEMs want to sell their products in Europe the law (as of 2015) requires new cars registered in the EU to not emit more than 130g of CO<sub>2</sub> per kilometre (about 5.6L/100km for petrol and 4.9L/100km for diesel).

From 2021, only a few years away, this target reduces to 95g of CO<sub>2</sub> per kilometre! I should also state that the EC has developed a "limit value curve" to ensure emission levels recognise the vehicle mass – meaning a heavy SUV will not be expected to achieve the same emission profile as say a Toyota Yaris.

New Zealand doesn't have emission standards – the Labour Government under Helen Clark was about to regulate a target of 170g of CO<sub>2</sub> per kilometre from 2015; but an incoming National Government kicked it into touch. The average emissions for New Zealand, is still high by comparison!

But as NZ is a technology taker, and given no OEM builds cars for NZ, we will benefit as the OEMs move into a product offensive to deliver more battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs), to ensure their average fleet emissions don't exceed the thresholds set in the highly attractive European markets.

So more EVs in the market, and not to bag efforts being made both present and past, but somehow more dealerships need (in my view) to get with the programme, get excited about the segment and talk more about the benefits with today's customers – preparing them for what's around the corner. Some do it very well, and some used car importers are employing specialists – but not enough.

I'm extremely aware that the industry - both at wholesale and retail – talk volume and profit and presently EVs likely contribute neither. I'm also aware that when Nissan had the Leaf and Holden had the Volt in the market, one had to run the gauntlet of sales people throwing huge discounts on Commodores or Maximas or SUVs not really interested in what I wanted - more it was what they wanted to sell. Also there is a strong focus on transactional pricing today; rather than a total cost of ownership model over a three to five year lifespan.

This will change, and I hope quickly. EV models will continue to arrive; they will continue to have a better range and performance; and with charging infrastructure being rolled out at a faster rate than EVs are entering the market, and pricing becoming more mainstream, more sales are inevitable.

At 30 cents per litre (and in many places journey charging is free), the true benefits of NZ's investment in generating 80 per cent renewable energy, will be seen in reducing demand for fossil fuels and the \$7billion-plus being spent on oil imports, slowly decreasing.

As the saying goes, "Rome wasn't built in a day". But it was built!

Connect your customers to the electric vehicle groups and websites and educate them. Then we will get the desired traction and see more EVs on our roads.  $\oplus$ 



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# EVs... what's in a name?

New Zealand is taking to meet our international obligations around climate change is to convert a sizable portion of our fleet to Electric Vehicles (EVs). This move will have benefits beyond the reduction of CO<sub>2</sub>, the most obvious being the reduction of other emissions. Pollutants are being linked directly to ever more long-term health issues such as cancer and dementia, so a decrease in the cause should result in a decrease in effect.

The government is exploring ways to encourage the uptake of EVs. Developing policy to do this has been, and continues to be, a challenge. Seemingly simple questions sometimes have profound impacts. For example, how should we define an EV?

The current working definition, as has been cobbled together from several official sources, is that an EV is any vehicle that:

- 1. drives directly, either wholly or partially, by electric motor, and
- 2. derives that power from the local power grid.

Initially I was hesitant about the fact that this would exclude any hybrid that derives its power from an on-board petrol motor, or any means other than a battery that charges via connection to the grid. I realised, however, that this makes sense if NZ's plan is to move toward more clean and efficient modes of electricity production.

More importantly, I am concerned that this definition is too readily gamed. Since no criteria are given for how much power is derived from the electric motor, nor perhaps just as importantly, for how long, what is to prevent the modification of vehicles to nominally meet the definition? In fact, what is there in the definition that ensures EV uptake will not become divorced from the goal of cutting emissions?

One solution that has been proposed is to add a caveat that the EV drive system must be installed by the manufacturer. Although this might solve part of the problem, I question whether we are simply protecting the right of the manufacturer to game the system, without competition.

This may not occur intentionally, but there are some examples in the fleet today where a vehicle would meet the definition of EV, but in normal operation lead to an increase in emissions.

Consider a vehicle that has an 'on-battery' drive range of 20km and a backup petrol V6 motor that uses approximately 11 L/100km. Assuming this vehicle travels approximately 40km a day, it would likely produce more emissions than many petrol driven vehicles.

In this case, there was no malicious intent to cheat the system, but the vehicle would qualify for EV incentives, yet not contribute to the overall goal of reducing emissions. This illustrates, however, the weakness of our current definition. It incentivises the development and sale of vehicles



Policy adviser and analyst kit@imvia.co.nz that meets the bare minimum definition.

Looking at other jurisdictions, the UK defines EV similarly to NZ, but they have focused on incentivising "allelectric EVs and plug-in hybrid EVs, which can complete a significant proportion of journeys electrically<sup>1</sup>". include meeting performance criteria as a prerequisite. The definition of EV can stand as is, but the incentives should be for EVs that contribute to the set goals.

One option might be to specify that a vehicle would be eligible for the benefits of being an EV if the manufacturer's reported range is greater than that calculated average of expected daily travel. Based upon official statistics, this value would likely be between 35km and 40km.

Since there could be different strategies for using electric motors to optimise vehicle efficiency, it does make sense to include an alternate minimum efficiency rating like Germany does.

Germany,

like us, have an ambitious goal of adding EVs to their fleet; in Germany's case, 1 million by 2020. Also similar to NZ; Germany has ruled out the use of subsidies and is instead looking to use other incentives. To benefit from many of the incentives, vehicles must be pure EVs (driven purely by electric motor) or must be plug-in hybrids (partially driven by electricity) and meet the performance criteria of "50 grams per kilometre or an electric range of more than 30 kilometres.<sup>2</sup>"

Coming full circle, binding our EV policies to the goals they are intended to achieve would ensure the goal does not get lost in the discussion of the means. We should consider either refining our definition of EV to include performance criteria or require that government-based incentives Personally, I am very supportive of the initiative to increase EV uptake and I look forward to the day I can trade my internal combustion engine car in for an EV. As they become more mainstream in NZ, they will filter into the secondhand market, ending up more affordable for everyone. Assuming we find ways to source replacement batteries economically, many of these vehicles will likely have longer lifespans than the current fleet.

Now all we need is for NZ to achieve 100% renewable power generation.  $\oplus$ 

Endnotes

- http://www.parliament.uk/ documents/post/postpn365\_ electricvehicles.pdf
- 2 https://www.bloomberg.com/ news/articles/2014-09-24/germanyproposes-free-parking-to-spurelectric-car-sales



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### **Industry movers**

**RICHARD PRETIOUS** was recently appointed as group general manager for the Armstrong Motor Group. Pretious has over 20 years' experience in the motor industry in the UK, most recently as dealer principal at Pendragon PLC, a Ford dealership in Blackburn, England. He joins the Armstrong Group after a fourteen month holiday - based in Singapore.



**AARON SAUNDERS**, the current COO of Turners Cars, has been appointed as Group CFO of Turners Limited and will be transitioning into the new role for the start of the new financial year in April. Prior to his COO role, Saunders was CFO of Turners Auctions.



**DION JONES**, current General Manager of Turners Finance, is taking on the role as Group General Manager Finance, responsible for all of Turners' financial companies including Oxford, Dorchester, Southern and Turners Finance. Jones has excellent

experience in intermediated finance business and the more traditional banking and insurance markets.

JAMES SEARLE has been appointed as Group General Manager Insurance. Searle has over 25 years' experience in the New Zealand insurance industry, having worked across underwriting, portfolio management, relationship management and



marketing roles for major insurance companies including Lumley and IAG. He has been with Turners since 2011 and played a key role in the Turners acquisition of Autosure in November 2016.

**DENISE HAY** has joined the Provident Insurance sales team as Auckland Sales Executive.



Hay has a wealth of experience from her previous employment in the Auto Industry, together with her most recent Admin role, held for over three years with Provident.

**AARON KIBBLEWHITE** has been appointed to the position of Central North Island Sales Executive.



He has extensive knowledge and experience directly related to Insurance within the Auto industry. His previous role with AMI has seen him actively

involved with many Motor Vehicle Traders in the Manawatu, Hawkes Bay and Gisborne Areas.

**ED BURSTON** joins McVerry Crawford Motor Group as Sales Manager of their Palmerston North branch, responsible for sales of new Hyundai and Mitsubishi vehicles as well as used cars. Burston has 22 years of experience in the auto industry. His first year with



Robertson Motors followed by 21 years at ANZA Motor Company, a Harley Davidson franchise with a long history selling fresh Japanese imports and second time around NZ vehicles.

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

#### labour market report

# Skills diversify and new risks emerge

#### ACCORDING TO A PWC REPORT

just released, New Zealand CEOs are optimistic about growth and plan to hire more people, but are worried about the skills needed and the rise of new technological risks.

The NZ findings show CEOs are concerned about cyber threats (91%), the availability of key skills (84%) and the speed of technological change (84%).

In PwC's 20th annual NZ CEO survey, almost all (97%) of respondents are confident about their revenue growth prospects for the next three years, while 91 per cent believe they will hit their growth targets for the next 12 months.

The survey also paints a clear picture of where CEOs see growth coming from within their organisations: people, technology and businesses working together.

Organic growth plans are still very much on the agenda with 75 per cent still counting on it to drive profitability (Global: 79%). Seventy two per cent said they see new opportunities in partnering with other firms, an area where NZ CEOs are well ahead of their overseas counterparts (48%). They are also more willing to work with entrepreneurs and start-ups than their global counterparts (NZ: 41%, Global: 28%).

Mark Averill, PwC CEO and Senior Partner, says: "Technology has had a massive impact on the speed at which we operate, especially when it comes to the global market. From our perspective at PwC, our clients expect us to always be available and to have the ability to access both people and information globally. It is transforming the way we work."

The challenge of finding, training and keeping the right people for the business has been top of mind for local CEOs for the past few years. This year is no different, with CEOs still finding it difficult to recruit people with the skills they need.

More than half (53%) of CEOs plan on increasing headcount this year with 81 per cent wanting to change their people strategy to reflect emerging skills and employment structures they will need in the future.

With the speed of technological change a concern for 84 per cent of CEOs, it's no surprise that skills in leadership and emotional intelligence, creativity and innovation and digital are identified as the most valuable yet difficult to recruit.

"Here in New Zealand, globalisation has also changed the demographics of our country. A recent World Migration report found that Auckland is more ethnically diverse than New York, Sydney and London. It's a huge opportunity for our companies, not just as a way to develop that diversity of thought, but also to create new growth opportunities and business connections across the Pacific region," says Averill

Trust is now more important than ever, with 72 per cent of CEOs reporting that it is harder to gain and keep trust in an increasingly digitised world.

Averill concludes: "Building a business that is driven by great ideas has to start with having the right people. You must then support them with the right technology.

"Trust is equally important, without it you can't solve the really important problems. Those businesses that are successful at building trust and creating transparency – not just with their clients and within society, but amongst their people as well – will have a competitive advantage." ⊕

# Training key to increased profits

E verybody in a motor vehicle or motorcycle dealership is a salesperson.

Each contact with a customer, or potential customer, will either increase or decrease your chances of them buying from you not just once, but again and again.

I'm sure we all recall an instance when we went into a retail store and left with the impression that the staff had no structured sales process and this left you feeling they didn't listen or have your best interest at heart. Many don't even have sufficient product knowledge to satisfy your questions.

In fact, you know they are probably just "winging it", doing the best they can with the lack of training they have received. "Good" salespeople are actually quite rare and when you find one you probably tend to seek them out at your next shopping venture. Your customers are no different.

"Winging it" is a common issue among sales people TC throughout many Ge businesses, but with Pro proper training and support, this issue that can be

eliminated.

Where is training in your list of business priorities? How do you choose which training course to use?

Here at Protecta we believe training is critical and we are continually investing in our staff to ensure we are able to satisfy our customers' expectations, so they are ready for any opportunities and are fully up to speed on



TONY HEADLAND General manager Protecta Insurance

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customers buying needs and lead to their buying solutions, while adding value to the relationship and increasing the chances of them buying from you again. The training also highlights legal obligations and helps to ensure that none of the myriad of regulations we have to conform with are breached.

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# Tribunal refuses to uphold rejection of faulty 2016 Mercedes-Benz

### Background

Ji Xiang Garden Development Limited bought a new 2016 Mercedes-Benz GL350 Blue TEC for \$158,995 from Ingham Motor Holdings Limited trading as Coutts on January 28, 2016.

The purchaser rejected the vehicle under the terms of Consumer Guarantees Act because it said the trader failed to remedy a fault with the vehicle's communications module within a reasonable timeframe.

The buyer wanted the tribunal to order the trader to supply it with a new vehicle of the same type and value, and award it damages of \$20,000.

The trader said it offered to fit a "work around" replacement communications module in the vehicle within a few days of becoming aware of the fault but the purchaser declined that offer. Therefore, the dealer said the purchaser was not entitled to reject the car.

#### The case

About a month following purchase, the buyer returned the car to the trader to repair a faulty handbrake. The fault was corrected by the dealer with a software upgrade.

On March 14, the handbrake fault reoccurred and the vehicle was again returned to the trader. A new park-brake control unit was fitted to the car on April 4.

Unfortunately, during the reprogramming of the parkbrake control unit, the trader's technicians damaged the vehicle's COMAND unit.

The COMAND (cockpit management and data system) unit is an electronic box fitted into the vehicle's dash and controls the car's radio, navigation, and telephone systems as well as the screen which shows images from the reversing camera and other warning messages.

On April 9, the trader told the purchaser's accountant about the failure of the COMAND unit. He asked the trader to return the vehicle to the buyer because its director was not comfortable driving the trader's loan car.

Nine days later, Mercedes-Benz told the trader that the damaged COMAND unit was irreparable and wanted it to fit a new unit in the car.

At that time, there were no new COMAND units available in New Zealand. But the trader did have access to a unit, which, although it was not the correct part number for the vehicle, was interchangeable with the car's COMAND unit and could be fitted until the correct part arrived from Germany.

But the trader said the buyer's accountant rejected this workaround solution.

It took the trader 15 weeks to obtain the correct COMAND unit. It rang the buyer on July 25 and asked for the car to be returned to fit the new unit.

On the same day, the dealer received a letter from the

purchaser's solicitors rejecting the vehicle.

#### The finding

In determining if the car complied with the act's guarantee of acceptable quality, the tribunal found that a new, high-quality Mercedes-Benz should not have faults with its park-brake control unit so soon after supply. And that the damage to the COMAND unit should not have happened.

Therefore, the vehicle was not as durable as a reasonable consumer would consider to be acceptable and the tribunal ruled it did not comply with the guarantee of acceptable quality under the act.

The tribunal accepted that the fault with the COMAND unit and the unavailability of the correct part to restore the functionality of the unit was an inconvenience to the purchaser.

However, the tribunal found that the buyer's rejection of the dealer's work-around solution was "illogical" and was possibly caused by a breakdown in communication between the buyer, its accountant and the trader.

The tribunal agreed that the 15 weeks it took the trader to source the correct COMAND unit to fit in the vehicle was too long. But because the trader offered to rectify the fault caused by the damage to the unit by fitting the work-around COMAND unit on April 9, the trader complied with its obligation under section **The case:** The buyer rejected its new Mercedes-Benz because it said the trader failed to fix a fault with the car's communications module within a reasonable timeframe. The trader said the buyer refused a work-around solution while it was waiting for a new part to arrive from Germany and was not entitled to reject the car.

**The decision:** The purchaser's application to reject the vehicle and for \$20,000 in damages was dismissed. The buyer was ordered to pay costs of \$750 to the tribunal.

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

18 of the act and attempted to rectify the fault, which would have restored full function to the purchaser's vehicle.

The tribunal ruled that the trader did not fail, refuse or neglect to remedy the fault and its failure to do so within a reasonable time was caused by the purchaser's refusal, which the authority considered to be unreasonable, to allow the trader to fit the workaround COMAND unit.

The tribunal had authority under the MVSA to order costs against a party if, in its opinion, the proceedings should not have been brought.

The tribunal said the application should not have been lodged because it must have become clear to the purchaser and its legal advisers, Loo & Koo, that the trader had a strong defence to the buyer's claim.

#### Order

The purchaser's application to reject the vehicle was dismissed. The buyer's claim for damages was also dismissed because it provided no evidence of its loss.

It was ordered to pay costs of \$750 to the tribunal.  $\oplus$ 



# Buyer misled by trader's deliberate failure to disclose water damage

### Background

Ancil Poulose bought a 2012 Hyundai Santa Fe for \$42,990 from Darryn C Limited on December 8, 2015. The vehicle was imported from Australia as damaged, according to the vehicle offer and sale agreement signed by the parties.

Poulose said he discovered in September 2016 that the vehicle was a statutory write-off in Australia. He said the trader did not disclose that information to him, and that the vehicle had also suffered water damage and was "flagged" by the New Zealand Transport Authority as "flood damaged", before he agreed to buy the car.

Poulose said the dealer misrepresented the vehicle to him and he would not have bought the vehicle knowing it was a statutory write-off and flood damaged. He wanted to reject the car under the Consumer Guarantees Act and obtain a refund of money paid to UDC Finance Limited and other sums he had spent on the vehicle.

The trader said its salesman told Poulose the car was damaged in Australia and was a statutory write-off.

The trader denied misrepresenting the vehicle to the buyer.

#### The case

Poulose inspected and test drove the vehicle before agreeing to buy it. The trader arranged finance for him including the full purchase price and mechanical breakdown insurance. The consumer information notice showed the vehicle was not imported as a damaged vehicle. Poulose said he was told by the trader the vehicle's suspension had been damaged, but was adamant he was not told the car was a "statutory write-off" and flood damaged. He said he would not have bought the vehicle if he had that information. Poulose said the VOSA showed the vehicle was "imported as damaged". He asked the trader's representative what that damage covered and was told it recorded the damage to the vehicle's suspension.

The tribunal said the trader knew the car was a statutory write-off. The dealers' invoices showed the major cost to prepare the vehicle for sale was to replace its transmission. The dealer said the vehicle was imported with a two-wheel-drive transmission but should have been fitted with a four-wheel-drive transmission. The trader bought a second-hand, four-wheel-drive transmission and had it fitted.

The trader failed to provide to the tribunal the entry certificate or the compliance certification inspection sheet to show the vehicle's faults when it entered New Zealand. But it did supply a copy of a letter from Paul Downes, a light vehicle structural repair certifier at Thames Panelbeaters. He advised the trader that the NZTA was unable to supply the car's damage codes, and there was fresh water damage inside the front bumper.

On November 19, the NZTA emailed Downes confirming deviation from 9-1-1 of the VIRM for the vehicle was appropriate as he had "been able to establish that the level of water ingress indicates no significant water damage exists in structural or electric/ electronic system affecting safety or control systems".

The trader had Automotive Advantage Compliance & Inspection Centre Limited carry out a compliance inspection and complete repairs.

On August 3, Poulose began to experience issues with the vehicle's electronic control systems. The dealer asked Poulose to take the car to Ingham Hyundai. It repaired the faults and charged Poulose the excess under the MBI policy of \$250.

During September, Poulose had Ingham Hyundai replace the split left hand front outer CV boot. Mechanics told him it was unusual for the CV boot to fail on a 2012 vehicle. Ingham Hyundai told Poulose that his claim for the repairs under the manufacturer's warranty was declined because the vehicle's warranty had been cancelled by the manufacturer due to the vehicle being written-off due to flood damage. Poulose told the trader and he said it claimed it knew nothing about the flood damage.

Poulose sent the dealer a letter rejecting the vehicle on September 8.

The trader offered to buy the vehicle from Poulose for \$36,000 but he rejected that offer.

The trader said the fresh water damage in the vehicle referred to in Downes' report could have been caused by a drink bottle spill.

The trader's salesman said he told Poulose the vehicle was a statutory write-off and explained what that meant, and that the **The case:** The buyer rejected his imported 2012 Santa Fe after he discovered it was flood damaged and a statutory writeoff in Australia. The trader's salesman said he told the buyer that the vehicle was a damaged statutory write-off.

**The decision:** The tribunal ruled the dealer misled the buyer and declared the vehicle offer and sale agreement between the purchaser and the trader void under the Fair Trading Act.

At: The Motor Vehicle Disputes Tribunal, Hamilton

transmission had been replaced.

### The finding

In determining whether the trader misrepresented the vehicle to Poulose, the tribunal took into consideration that English was not the buyer's first language; that he was told by the trader the car was imported as damaged; and he was told about some of the damage. But the tribunal did not believe Poulose was told that the vehicle was a statutory write-off or "flood damaged" or "water damaged" and ruled the trader's explanation for the damage was not credible.

The tribunal ruled the purchaser was misled by the trader's silence in failing to disclose that the vehicle was a statutory write-off in Australia because it was flood damaged.

#### **Order**

The tribunal ruled under the Fair Trading Act that the contract for the purchase of the vehicle was void from December 8, 2015. The trader was ordered to pay to Poulose all payments he had made under the collateral UDC Finance Limited agreement as well as reimburse him for vehicle repair costs of \$833. ⊕

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		L	ATEST SC	HEDULE		
	Port Calls	Spring Wind v1751	Carrera v1703	Lake Taupo v1704	Tokyo Car v1705	Carrera v1706
	Мојі	-	-	14 Feb	-	16 Mar
AN	Osaka	-	3 Feb	15 Feb	3 Mar	17 Mar
JAPAN	Nagoya	-	4 Feb	16 Feb	4 Mar	18 Mar
	Yokohama	4 Feb	5 Feb	17 Feb	5 Mar	19 Mar
	Auckland	18 Feb	20 Feb	7 Mar	22 Mar	7 Apr
N	Wellington	22 Feb	24 Feb	10 Mar	26 Mar	10 Apr
NZ	Lyttelton	4 Mar	4 Mar	9 Mar	1 Apr	9 Apr
	Nelson	6 Mar	6 Mar	11 Mar	3 Apr	14 Apr

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Imported Pa	ssenger	Vehicle <u>S</u>	ales by	Make	January <u>2</u>	.017	Imported	l Pa <u>ssen</u> a	ger Vehicle	e Sales	by M	lodel - <u>J</u>	2 <u>0 000 000 000 000 000 000 000</u>	2017
МАКЕ	JAN'17	JAN'16	+/- %	JAN'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE	MAKE	MODEL	JAN'17	JAN'16	+/- %	JAN'17 MKT SHARE	2017 YEAR	20 MKT SHA
Toyota	3,396	2,794	21.5	26.3%	3,396	26.3%	Mazda	Axela	606	546	11.0	4.7%	606	4.7
Nissan	2,268	2,075	9.3	17.5%	2,268	17.5%	Nissan	Tiida	549	550	-0.2	4.2%	549	4.2
Mazda	1,979	1,859	6.5	15.3%	1,979	15.3%	Suzuki	Swift	542	567	-4.4	4.2%	542	4.2
Honda	1,308	1,324	-1.2	10.1%	1,308	10.1%	Honda	Fit	485	479	1.3	3.8%	485	3.89
Suzuki	622	679	-8.4	4.8%	622	4.8%	Mazda	Demio	465	447	4.0	3.6%	465	3.6%
BMW	568	470	20.9	4.4%	568	4.4%	Toyota	Wish	320	295	8.5	2.5%	320	2.5%
Subaru	543	558	-2.7	4.2%	543	4.2%	Mazda	Atenza	292	256	14.1	2.3%	292	2.3%
Mitsubishi	469	404	16.1	3.6%	469	3.6%	Volkswagen	Golf	289	261	10.7	2.2%	289	2.2%
Volkswagen	467	421	10.9	3.6%	467	3.6%	Toyota	Prius	267	157	70.1	2.1%	267	2.1%
Mercedes-Benz	275	208	32.2	2.1%	275	2.1%	Subaru	Legacy	259	307	-15.6	2.0%	259	2.0%
Audi	264	224	17.9	2.0%	264	2.0%	Mitsubishi	Outlander	256	210	21.9	2.0%	256	2.0%
Volvo	107	69	55.1	0.8%	107	0.8%	Toyota	Corolla	245	229	7.0	1.9%	245	1.9%
Ford	102	131	-22.1	0.8%	102	0.8%	Toyota	Vitz	241	211	14.2	1.9%	241	1.9%
Lexus	65	49	32.7	0.5%	65	0.5%	Toyota	MarkX	239	124	92.7	1.8%	239	1.8%
Chevrolet	56	61	-8.2	0.4%	56	0.4%	Mazda	MPV	226	230	-1.7	1.7%	226	1.7%
Jaguar	54	35	54.3	0.4%	54	0.4%	Toyota	Estima	211	128	64.8	1.6%	211	1.6%
Land Rover	47	28	67.9	0.4%	47	0.4%	Toyota	Auris	198	148	33.8	1.5%	198	1.5%
Holden	43	48	-10.4	0.3%	43	0.3%	Mazda	Premacy	194	146	32.9	1.5%	194	1.5%
Mini	40	47	-14.9	0.3%	40	0.3%	Nissan	Dualis	182	122	49.2	1.4%	182	1.4%
Porsche	34	13	161.5	0.3%	34	0.3%	Honda	Odyssey	168	162	3.7	1.3%	168	1.3%
Dodge	27	20	35.0	0.2%	27	0.2%	Toyota	Blade	164	109	50.5	1.3%	164	1.3%
Bentley	25	2	1150.0	0.2%	25	0.2%	Nissan	Note	148	143	3.5	1.1%	148	1.19
Hyundai	25	44	-43.2	0.2%	25	0.2%	Nissan	Bluebird	139	96	44.8	1.1%	139	1.19
Jeep	24	18	33.3	0.2%	24	0.2%	Toyota	RAV4	139	100	39.0	1.1%	139	1.19
Daihatsu	14	13	7.7	0.1%	14	0.1%	Nissan	Murano	138	185	-25.4	1.1%	138	1.19
Chrysler	12	7	71.4	0.1%	12	0.1%	Nissan	Wingroad	128	98	30.6	1.0%	128	1.0%
Peugeot	12	17	-29.4	0.1%	12	0.1%	BMW	320i	124	92	34.8	1.0%	124	1.0%
Kia	8	5	60.0	0.1%	8	0.1%	Honda	CRV	118	107	10.3	0.9%	118	0.9%
Renault	8	3	166.7	0.1%	8	0.1%	Nissan	March	118	115	2.6	0.9%	118	0.9%
Infiniti	6	0	600.0	0.0%	6	0.0%	Subaru	Impreza	116	93	24.7	0.9%	116	0.9%
Alfa Romeo	5	3	66.7	0.0%	5	0.0%	Honda	Stream	112	110	1.8	0.9%	112	0.9%
Aston Martin	5	3	66.7	0.0%	5	0.0%	Toyota	lst	109	157	-30.6	0.8%	109	0.8%
Maserati	5	1	400.0	0.0%	5	0.0%	Nissan	X-Trail	105	94	11.7	0.8%	105	0.8%
Rover	5	6	-16.7	0.0%	5	0.0%	Toyota	Avensis	104	114	-8.8	0.8%	104	0.89
Ferrari	4	1	300.0	0.0%	4	0.0%	Nissan	Teana	99	99	0.0	0.8%	99	0.89
Others	41	35	17.1	0.3%	41	0.3%	Others		4,838	4,388	10.3	37.4%	4,838	37.49
Total	12,933	11,675	10.8	100.0%	12,933	100.0%	Total		12,933	11,675	10.8	100.0%	12,933	100.0%

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### Axela most popular used car

here were 12,933 used imported passenger vehicles sold in New Zealand last month, a 10.8 per cent increase compared to January 2016, when 11,675 vehicles were registered.

Toyota were again the top margue, with 3396 registrations and a market share of 26.3 per cent. Nissan and Mazda followed with sales of 2268 (17.5 per cent) and 1979 (15.3 per cent) respectively. These top three brands accounted for 59.1 per cent of total used imported car sales for the month.

Mazda Axela regained the top model spot for the first time since September last year, with sales of 606 units and a market share of 4.7 per cent, up from 546 on January 2016, an increase of 11 per cent. The Axela was joined in the top three by Nissan Tiida, with 549 registrations and Suzuki Swift on 542, they both had a market share of 4.2 per cent.

There were only two regions, out of 22, that did not show an increase in used imported car sales, when compared to January 2016. Greymouth and Wanganui sold less last month than they did in January 2016, but all others were up. Westport topped the list with an increase over the same month last year of 50 per cent, from 10 units in 2016 to 15 last month. Whangarei added 89 more sales to its total of 214 last year, a 41.6 per cent gain.

Wellington was another centre with big increases, up 24.2 per cent compared to January 2016, and as far as Cameron Nathanson, manager of Capital City Cars is concerned, business at their yard is always steady.

"The business here in Wellington is quite different, there are only about two or three non-franchised vards in Wellington itself, the rest are out of it a bit. We concentrate on high-volume, low-margin fresh imports and we do around 100 or so a month, although this month (February) we should do around 120, as we've had a good start to the month. January was good, but nothing special, we ended up with 107."

Capital City Motors began business in 1976 and moved onto the site they now occupy in Newton, in 1981. According to Nathanson, who has been with the firm for 17 years, they follow a formula that works: fresh imports under \$10,000 and a big turnover with small margins.

"I think you've got to stick to what your business is," says Nathanson, "and ours is fresh imports. We don't normally put trades on the yard, we just send

14000

13000

12000

11000

10000

9000

8000

Feb Jan

Mar



in good condition, like today we traded an Axela we sold a year ago and we'll keep that, but anything that's pre-2004 we wouldn't touch. We stock real basic stuff, no European, no turbos, nothing that can break down."

John Beck, from Top Cars and Commercials in Invercargill, has just returned from following motorbike racing. But sales continued while he's been away.

"Yes, we've been selling stuff but it's the buying that's the problem," he says. "We don't stock nana car imports, and the rest of

Used Imported Passenger Registrations - 2014-2017

Apr May Jun Jul Aug Sep

just keep a few Holdens and Fords, mid-2000s mainly, maybe the odd 2006/07 Ford Territory that sort of thing. Trying to buy stuff is the tricky bit. We trade vehicles and we buy other dealers' trades. We do have trouble buying stock as we don't import any ourselves. We rely a bit on other yards selling stock and we pick up their trades.

"We do a lot of repeat business through previous customers and their families and extended families, without them it would be hard work. We've been around since '91 so have built up a lot of clients over that time, I wouldn't want to be starting a business from scratch," Beck says

In Kerikeri, where used imported car sales were up 41 per cent in January, Ron Barker has recently moved to Waipapa Auto Court from a larger dealership after 18 years, and is loving it.

"We had another record month, with 26 for January and it was a short month with a lot of people on holiday. We only hold about 35 on the yard so that's not a bad result," he says. "We mostly stock cars in the \$8,000-\$30,000 range and 95 per cent would be

fresh imports," Barker says. 🕤



### ER AND TRUE WHOLESAL

2014

2015

2016

2017

Oct Nov Dec



## Imports increase on last year

anuary's import figures show a decrease against December 2016 but healthy increases when compared to the same month last year

There were 10,578 used passenger vehicles imported, this was 12.5 per cent down on December but 9.8 per cent up on January 2016 when 9,748 entered the country.

New cars were similar compared to December with numbers being down 13.5 per cent but up massively on January 2016 when only 6,647 new passenger vehicles entered. Last month 8,496 new cars came in, an increase of 27.8 per cent

The biggest difference was in new light commercial vehicles. In January last year, 1609 units entered the country, compared to last month's figure of 2,996 vehicles – a considerable 82.6 per cent increase.

The vast majority of used imports continue to arrive from Japan but that county's market share is down 2 per cent on last year's figure of 93.7 per cent with a year to date market share of 91.7 per cent.

Australia and the UK make up the top 3 with 3.6 and 2.6 per cent respectively, both up on their market share figures for 2016. Since the Brexit vote and the devaluation of the British Pound, cars entering New Zealand from the UK have increased to 2.1 per cent of overall imports.

The exchange against the pound is sitting at its most favourable cross rate since the mid 1980s, as the New Zealand dollar hovers just under the 60 pence rate, making the UK market attractive to some New Zealand car buyers.

Australia continues to hold its market share, in spite of the new regulations regarding flood damaged vehicles needing to have their electronics and pyrotechnics replaced.

Many in the industry believed this action would make importing cars from Australia, that had been statutory write offs due to flooding, no longer viable. These vehicles may have either been replaced with some other similarly priced vehicle or a method has been found to repair the cars economically.

Also bucking the trends was the ratio of used to new imports, with last month having more new light vehicles imported than used, for the first time since August 2014.  $\oplus$ 



#### Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT		2017				201	16			2015	
	JAN '17	JAN MARKET SHARE %	2017 TOTAL	Q1	02	Q3	Q4	2016 TOTAL	MRKT SHARE	2015 TOTAL	MRKT SHARE
Australia	380	3.6%	380	1,233	1,201	1,264	1,453	5,151	3.4%	4,893	3.2%
Great Britain	273	2.6%	273	166	210	387	774	1,537	1.0%	939	0.6%
Japan	9,698	91.7%	9,698	32,722	40,969	34,514	34,875	143,080	93.7%	143,125	94.9%
Singapore	47	0.4%	47	201	362	310	358	1,231	0.8%	611	0.4%
USA	153	1.4%	153	251	287	349	388	1,275	0.8%	1,041	0.7%
Other countries	27	0.3%	27	61	124	112	141	438	0.3%	253	0.2%
Total	10,578	100.0%	10,578	34,634	43,153	36,936	37,989	152,712	100.0%	150,862	100.0%



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# **Dealer transactions slipping**

rader to public sales amounted to 23.2 per cent of all change of ownership for January, and together with trade-ins at 16.7 per cent traders are dealing with less than 40 per cent of vehicles sales for those that are already in the fleet, and changing ownership.

In terms of regions 8 traded in less cars than they did for the same month last year and 14 traded more, overall for public to trader transactions they were up 3.9 per cent on January 2016.

Oamaru was the best performing region for year on year increases for trade-ins, with 150

#### SECONDHAND CAR SALES - January 2017

"This seems like an indictment on the industry's ability to get the message across that dealing with a registered motor vehicle trader is much safer under New Zealand's consumer protection laws."

per cent increase, from six units in January 2016 to 15 last month. Thames were up year on year 16.1 per cent from 87 to 101 last month. Rotorua suffered the biggest fall in trade-ins down from 107 in January the previous year to 80, a drop of 25.3 per cent.

Trader sales to members of the

public were also up 3.9 per cent for the month. Westport (47.1%), Gisborne (29.4%), Greymouth (28.8%) and Christchurch with 19 per cent were the best performing regions. Wanganui (-23.4%) and Rotorua (-22.3%) were the worst compared to this time last year.

Public to public transactions

made up 60.1 per cent of all changes of ownership, and compared to the same month a year earlier, was up 3.2 per cent.

For the full year of 2016, total transactions for changes of ownership were 888,353 increased – an increase over the 2015 year (when 862,949 changed hands), up a 25,403 units. Public to public trades made up 74 per cent or 18,851 of these transactions.

This seems like an indictment on the industry's ability to get the message across that dealing with a registered motor vehicle trader is much safer under New Zealand's consumer protection laws.  $\oplus$ 

		DEALER-TO-P				PUBLIC-TO-PUBLIC			PUBLIC-TO-DEALER	
	JAN '17	JAN '16	+/- %	MARKET SHARE	JAN '17	JAN '16	+/- %	JAN '17	JAN '16	+/- %
Whangarei	534	498	7.2	3.19	1,866	1,849	0.9	234	222	5.4
Auckland	5,444	5,493	-0.9	32.49	14,849	14,567	1.9	4,211	4,180	0.7
Hamilton	1,362	1,312	3.8	8.13	3,378	3,146	7.4	1,154	1,121	2.9
Thames	207	204	1.5	1.24	538	636	-15.4	101	87	16.1
Tauranga	900	882	2.0	5.37	2,218	2,093	6.0	612	520	17.7
Rotorua	269	346	-22.3	1.61	907	879	3.2	80	107	-25.2
Gisborne	185	143	29.4	1.10	379	353	7.4	85	92	-7.6
Napier	596	581	2.6	3.56	1,584	1,457	8.7	360	368	-2.2
New Plymouth	419	389	7.7	2.50	1,081	979	10.4	245	235	4.3
Wanganui	151	197	-23.4	0.90	492	522	-5.7	130	143	-9.1
Palmerston North	811	743	9.2	4.84	1,725	1,649	4.6	618	546	13.2
Masterton	194	175	10.9	1.16	448	431	3.9	87	97	-10.3
Wellington	1,477	1,420	4.0	8.82	3,047	2,931	4.0	1,073	1,068	0.5
Nelson	306	305	0.3	1.83	1,031	1,038	-0.7	216	236	-8.5
Blenheim	155	165	-6.1	0.93	437	412	6.1	109	109	0.0
Greymouth	76	59	28.8	0.45	229	228	0.4	25	34	-26.5
Westport	25	17	47.1	0.15	76	78	-2.6	0	0	0.0
Christchurch	2,319	1,949	19.0	13.84	5,388	5,232	3.0	1,924	1,682	14.4
Timaru	232	212	9.4	1.38	561	518	8.3	149	136	9.6
Oamaru	58	61	-4.9	0.35	181	158	14.6	15	6	150.0
Dunedin	703	616	14.1	4.20	2,027	2,026	0.0	403	406	-0.7
Invercargill	331	360	-8.1	1.98	1,039	969	7.2	247	226	9.3
NZ total	16,754	16,127	3.9	100.00	43,481	42,151	3.2	12,078	11,621	3.9



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Make	JAN'17	JAN'16	+/-%	JAN'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE	MAKE	MODEL	JAN'17	JAN'16	+/- %	JAN'17 MKT SHARE	2017 YEAR	2017 MKT SHARE
Toyota	1,644	1,774	-7.3	16.2%	1,644	16.2%	Toyota	Corolla	590	719	-17.9	5.8%	590	5.8%
Holden	1,381	964	43.3	13.6%	1,381	13.6%	Toyota	RAV4	556	391	42.2	5.5%	556	5.5%
Mazda	779	855	-8.9	7.7%	779	7.7%	Holden	Captiva	362	71	409.9	3.6%	362	3.6%
Ford	778	745	4.4	7.7%	778	7.7%	Holden	Commodore	348	366	-4.9	3.4%	348	3.4%
Suzuki	728	376	93.6	7.2%	728	7.2%	Suzuki	Swift	343	189	81.5	3.4%	343	3.4%
Mitsubishi	647	368	75.8	6.4%	647	6.4%	Kia	Sportage	340	90	277.8	3.3%	340	3.3%
Kia	603	265	127.5	5.9%	603	5.9%	Volkswagen	Tiguan	263	50	426.0	2.6%	263	2.6%
Hyundai	540	578	-6.6	5.3%	540	5.3%	Mitsubishi	ASX	219	81	170.4	2.2%	219	2.2%
	478						Holden	Cruze	219	62	240.3		219	2.2%
Nissan		494	-3.2	4.7%	478	4.7%						2.1%		
Volkswagen	474	346	37.0	4.7%	474	4.7%	Nissan	Qashqai	203	147	38.1	2.0%	203	2.0%
Honda	405	341	18.8	4.0%	405	4.0%	Mazda	CX-5	199	243	-18.1	2.0%	199	2.0%
Subaru	236	254	-7.1	2.3%	236	2.3%	Mitsubishi	Outlander	198	93	112.9	2.0%	198	2.0%
Mercedes-Benz	222	144	54.2	2.2%	222	2.2%	Hyundai	Tucson	184	139	32.4	1.8%	184	1.8%
BMW	198	201	-1.5	2.0%	198	2.0%	Holden	Trax	182	116	56.9	1.8%	182	1.8%
Audi	154	137	12.4	1.5%	154	1.5%	Suzuki	Vitara	172	99	73.7	1.7%	172	1.7%
Land Rover	111	155	-28.4	1.1%	111	1.1%	Ford	Escape	169	0	16,900.0	1.7%	169	1.7%
Skoda	106	100	6.0	1.0%	106	1.0%	Mazda	CX-9	165	5	3,200.0	1.6%	165	1.6%
Mini	73	78	-6.4	0.7%	73	0.7%	Ford	Focus	164	138	18.8	1.6%	164	1.6%
Peugeot	73	67	9.0	0.7%	73	0.7%	Honda	HR-V	152	131	16.0	1.5%	152	1.5%
Jeep	71	96	-26.0	0.7%	71	0.7%	Hyundai	Santa Fe	141	227	-37.9	1.4%	141	1.4%
SsangYong	60	113	-46.9	0.6%	60	0.6%	Toyota	Highlander	140	191	-26.7	1.4%	140	1.4%
Porsche	58	79	-26.6	0.6%	58	0.6%	Honda	Jazz	140	146	-4.1	1.4%	140	1.4%
Lexus	55	49	12.2	0.5%	55	0.5%	Nissan	X-Trail	138	201	-31.3	1.4%	138	1.4%
Volvo	44	46	-4.3	0.4%	44	0.4%	Mazda	Mazda3	134	293	-54.3	1.3%	134	1.3%
Jaguar	38	39	-2.6	0.4%	38	0.4%	Hyundai	i30	129	89	44.9	1.3%	129	1.3%
Renault	29	7	314.3	0.3%	29	0.3%	Mitsubishi	Mirage	129	32	303.1	1.3%	129	1.3%
Fiat	25	63	-60.3	0.2%	25	0.2%	Mazda	CX-3	128	121	5.8	1.3%	128	1.3%
Citroen	23	22	4.5	0.2%	23	0.2%	Subaru	Outback	128	135	-5.2	1.3%	128	1.3%
Isuzu	17	25	-32.0	0.2%	17	0.2%	Holden	Barina	124	192	-35.4	1.2%	124	1.2%
Maserati	16	12	33.3	0.2%	16	0.2%	Ford	Mustang	115	131	-12.2	1.1%	115	1.1%
Dodge	15	25	-40.0	0.1%	15	0.1%	Mazda	Mazda2	105	90	16.7	1.0%	105	1.0%
Aston Martin	10	3	233.3	0.1%	10	0.1%	Toyota	Camry	97	91	6.6	1.0%	97	1.0%
Infiniti	10	0	1,000.0	0.1%	10	0.1%	Ford	Mondeo	92	153	-39.9	0.9%	92	0.9%
Alfa Romeo	7	22	-68.2	0.1%	7	0.1%	Volkswagen	Golf	90	94	-4.3	0.9%	90	0.9%
Ferrari	6	4	50.0	0.1%	6	0.1%	Toyota	Yaris	79	195	-59.5	0.8%	79	0.8%
Others	36	52	-30.8	0.4%	36	0.4%	Others		3,221	3,388	-4.9	31.7%	3,221	31.7%
Total	10,150	8,899	14.1	100.0%	10,150	100.0%	Total		10,150	8,899	14.1	100.0%	10,150	100.0%

# New car records keep breaking

The first month of 2017 was certainly a good one for new passenger vehicle registrations, with 14.1 per cent more registrations than the same month a year earlier. There were 10,150 sales recorded, compared to 8,899 in January 2016, an all-time record for any January.

Toyota retained its grip on the new car market with sales of 1644 units and a 16.2 per cent share, followed by Holden and Mazda with 1381 (13.6%) and 779 (7.7%) respectively.

For the models it was again Toyota Corolla in the number one position with 590 registrations and 5.8 per cent market share, followed closely by the Rav4 on 556 units for a share of 5.5 per cent. The star in this section was third placed Holden Captiva which had sales of 362 last month compared to 71 in January 2016, up a massive 409 per cent.

Geoff Jones, new vehicle sales manager at Johnston Ebbett in Wellington is not surprised by Captiva's increased numbers. "Out of Wellington we always do pretty consistent numbers anyway, it's good to see that the rest of the country is going well with it. Bang for buck it's definitely the best competitive product and the Equip is a big part of that, as a special edition, 7 seats, leather interior all the features you'd expect for 36 grand, it's great value," he says. In terms of who was paying, business buyers continue to purchase the majority (59.4%) of new passenger vehicle compared to private buyers (40.6%).

Last month was extremely unusual in that all 22 regions, as reported by the NZTA's Motor Vehicle Register, showed increases in registrations compared to January last year, some with very



large gains. Westport was up 400 per cent, but on low volumes, one in January 2016 and five last month. The top increase in the larger centres was Palmerston North, where new car registrations grew from 161 in January 2016 to 274 last month, an increase of 70 per cent. Other healthy gains were seen in Whangarei (69.5%) and Invercargill (47.9%).

Chris Windust, Ford group sales manager for Pacific Motor Group in Wangarei says "January was very good, in fact every month is strong at the moment and we're loving it. We deal with a broad cross section of the business sector and everyone is just busy. There's a general buoyancy in the economy and everyone is very positive at the moment and that is translating into sales, for us anyway."

On the segment side, SUVs continue to dominate new car sales, accounting for 55.9 per cent of all passenger vehicle registrations last month.  $\oplus$ 

#### NEW VEHICLE SALES BY BUYER TYPE - January 2017 NEW VEHICLE N

		51 1501 C		Janochya	2017	
	JAN '17	JAN '16	MTH %	2017 YTD	2016 YTD	% YTD
Passenger	4,446	4,836	-8.1	4,446	4,836	-8.1
Private	1,743	1,589	9.7	1,743	1,589	9.7
Business	1,449	1,735	-16.5	1,449	1,735	-16.5
Gov't	103	199	-48.2	103	199	-48.2
Rental	1,151	1,313	-12.3	1,151	1,313	-12.3
SUV	5,674	4,029	40.8	5,674	4,029	40.8
Private	2,368	1,614	46.7	2,368	1,614	46.7
Business	2,173	1,773	22.6	2,173	1,773	22.6
Gov't	50	51	-2.0	50	51	-2.0
Rental	1,083	591	83.2	1,083	591	83.2
Light Commercial	3,180	2,589	22.8	3,180	2,589	22.8
Private	837	687	21.8	837	687	21.8
Business	2,147	1,720	24.8	2,147	1,720	24.8
Gov't	118	84	40.5	118	84	40.5
Rental	78	98	-20.4	78	98	-20.4
Sub Total	13,300	11,454	16.1	13,300	11,454	16.1
Private	4,948	3,890	27.2	4,948	3,890	27.2
Business	5,769	5,228	10.3	5,769	5,228	10.3
Gov't	271	334	-18.9	271	334	-18.9
Rental	2,312	2,002	15.5	2,312	2,002	15.5
Heavy Commercial	378	335	12.8	378	335	12.8
Other	146	93	57.0	146	93	57.0
Total	13,824	11,882	16.3	13,824	11,882	16.3

### NEW VEHICLE MARKET SEGMENTATION - January 2017

	JAN '17	JAN '16	MTH% DIFF	2017 YTD	2016 YTD	% YTD
Passenger	4,446	4,836	-8.1	4,446	4,836	-8.1
SUV	5,674	4,029	40.8	5,674	4,029	40.8
Light Commercial	3,180	2,589	22.8	3,180	2,589	22.8
Heavy Commercial	378	335	12.8	378	335	12.8
Other	146	93	57.0	146	93	57.0
TOTAL MARKET	13,824	11,882	16.3	13,824	11,882	16.3
Micro	263	90	192.2	263	90	192.2
Light	1,197	1,232	-2.8	1,197	1,232	-2.8
Small	1,759	1,907	-7.8	1,759	1,907	-7.8
Medium	499	707	-29.4	499	707	-29.4
Large	430	557	-22.8	430	557	-22.8
Upper Large	12	60	-80.0	12	60	-80.0
People Movers	38	48	-20.8	38	48	-20.8
Sports	248	235	5.5	248	235	5.5
SUV Small	1,500	1,056	42.0	1,500	1,056	42.0
SUV Medium	2,343	1,540	52.1	2,343	1,540	52.1
SUV Large	1,737	1,360	27.7	1,737	1,360	27.7
SUV Upper Large	94	73	28.8	94	73	28.8
Light Buses	85	64	32.8	85	64	32.8
Vans	434	343	26.5	434	343	26.5
Pick Up/Chassis Cab 4x2	1,103	827	33.4	1,103	827	33.4
Pick Up/Chassis Cab 4x4	1,558	1,355	15.0	1,558	1,355	15.0
Heavy Commercial	378	335	12.8	378	335	12.8
Other	146	93	57.0	146	93	57.0
TOTAL MARKET	13,824	11,882	16.3	13,824	11,882	16.3

# Sales records keep on tumbling

A ales of new commercial vehicles continue their record breaking run with another month recording the highest January since records have been kept.

Last month's registrations of 3,673 were 22.7 per cent up on the 2,994 sold in January 2016.

Ford also continues its dominance as top marque with a 21.5 per cent market share, with sales of 788, up 12.7 per cent from January 2016. Toyota were second with 698 registrations and a market share of 19 per cent, this result was a healthy 48.8 per cent up on the previous January's sales of 469. Holden rounded out the top three makes, with 383 registrations – up 36.8 per cent.

Ford's Ranger, the best-selling



commercial for the past two years, began 2017 at the top of the table with 741 units, and holds a 20.2 per cent share of the new light commercials market. Toyota's Hilux was again in second place with sales of 447 units and a market share of 12.2 per cent and Holden's Colorado completed the top three with 360 registrations, and a market share of 9.8 per cent.

Regions showing large increased

sales of new commercials last month were: Thames (up 70 per cent), Timaru (up 63.6 per cent), Nelson (up 56. per cent) and Whangarei (up 48 per cent).

Northland Autos, who sell Peugeot, Foton and Great Wall in Whagarei, are owned by Robin Ginders. When commenting on the Northland economy, Ginders says, "I don't know where the hell this is coming from but we're making hay while the sun shines."

Ginders is looking forward to the re-release of Great Wall in the next couple of weeks. The Chinese marque has recently added electronic stability control to their models so are able to enter the New Zealand market.  $\bigcirc$ 

#### New Commercial Sales by Make - January 2017

MAKE	JAN'17	JAN'16	+/- %	JAN'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE
Ford	788	699	12.7	21.5%	788	21.5%
Toyota	698	469	48.8	19.0%	698	19.0%
Holden	383	280	36.8	10.4%	383	10.4%
Nissan	276	231	19.5	7.5%	276	7.5%
lsuzu	271	214	26.6	7.4%	271	7.4%
Mitsubishi	219	192	14.1	6.0%	219	6.0%
Mazda	154	106	45.3	4.2%	154	4.2%
Volkswagen	123	117	5.1	3.3%	123	3.3%
LDV	87	62	40.3	2.4%	87	2.4%
SsangYong	83	89	-6.7	2.3%	83	2.3%
Hyundai	68	53	28.3	1.9%	68	1.9%
Foton	67	55	21.8	1.8%	67	1.8%
Fiat	63	70	-10.0	1.7%	63	1.7%
Factory built	53	25	112.0	1.4%	53	1.4%
Mitsubishi Fuso	45	27	66.7	1.2%	45	1.2%
Hino	42	38	10.5	1.1%	42	1.1%
Mercedes-Benz	40	56	-28.6	1.1%	40	1.1%
Fuso	22	0	2200.0	0.6%	22	0.6%
Scania	22	15	46.7	0.6%	22	0.6%
Volvo	21	17	23.5	0.6%	21	0.6%
Others	148	179	-17.3	4.0%	148	4.0%
Total	3,673	2,994	22.7	100.0%	3,673	100.0%

#### New Commercial Sales by Model - January 2017

Make	MODEL	JAN'17	JAN'16	+/- %	JAN'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE
Ford	Ranger	741	661	12.1	20.2%	741	20.2%
Toyota	Hilux	447	300	49.0	12.2%	447	12.2%
Holden	Colorado	360	266	35.3	9.8%	360	9.8%
Nissan	Navara	276	231	19.5	7.5%	276	7.5%
Toyota	Hiace	234	157	49.0	6.4%	234	6.4%
Mitsubishi	Triton	219	191	14.7	6.0%	219	6.0%
Isuzu	D-Max	198	166	19.3	5.4%	198	5.4%
Mazda	BT-50	154	106	45.3	4.2%	154	4.2%
SsangYong	Actyon Sport	83	89	-6.7	2.3%	83	2.3%
Volkswagen	Amarok	69	69	0.0	1.9%	69	1.9%
Hyundai	iLoad	64	52	23.1	1.7%	64	1.7%
Fiat	Ducato	61	65	-6.2	1.7%	61	1.7%
Foton	Tunland	55	46	19.6	1.5%	55	1.5%
Factory built	Lloyds	51	0	5100.0	1.4%	51	1.4%
LDV	V80	47	37	27.0	1.3%	47	1.3%
Ford	Transit	46	31	48.4	1.3%	46	1.3%
LDV	G10	40	25	60.0	1.1%	40	1.1%
lsuzu	F Series	39	16	143.8	1.1%	39	1.1%
Mercedes-Benz	Sprinter	28	47	-40.4	0.8%	28	0.8%
Hino	500	26	16	62.5	0.7%	26	0.7%
Others		435	423	2.8	11.8%	435	11.8%
Total		3,673	2,994	22.7	100.0%	3,673	100.0%



# We just can't get enough

mported used commercial vehicles recorded a 33.5 per cent increase last month with sales of 928 units, an increase of 233 on the 695 units registered in January 2016.

Toyota topped the ladder on 404 sales, a 19.5 per cent increase compared to 338 during the same month last year, for a market share of 43.5 per cent. Nissan and Mazda third on 197 and 83 registrations respectively.

The Toyota Hiace remained on top with a 31.6 per cent market share on sales of 293, Nissan Caravan on 79 units, and Mazda Bongo a further five back on 74 sales last month.

The overriding message coming from traders spoken to



by Autofile is that this market is in very short supply.

"I would love to sell more commercials, you deal with really good people and they are straight deals but I just can't buy anything decent. When I was in Japan I really tried hard to get hold of some good Hiace vans but they went for silly money. I think the good vans stay in Japan," Cameron Nathanson, manager of Capital City Cars in Wellington, says.

John Beck, of Top Cars and Commercials in Invercargill, agrees the commercial market is in short supply. "When we can get good quality commercials they sell pretty quickly, especially in the \$10k to \$20k range. Buying the stuff is the problem."

In the Far North there is also a shortage of commercial vehicles.

Ron Barker, manager of Waipapa Auto Court, says demand for commercial stock under \$20,000 is huge. "I can't get enough of them, and any decent commercials I do get sell quickly. Every second inquiry is for an under-20 grand four-by-four double-cab ute, and we just can't get enough of them."  $\oplus$ 

Used Commercial Sales by Make - January 2017									
MAKE	JAN'17	JAN'16	+/-%	JAN'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE			
Toyota	404	338	19.5	43.5%	404	43.5%			
Nissan	197	158	24.7	21.2%	197	21.2%			
Mazda	83	35	137.1	8.9%	83	8.9%			
Isuzu	41	25	64.0	4.4%	41	4.4%			
Mitsubishi	33	33	0.0	3.6%	33	3.6%			
Ford	30	18	66.7	3.2%	30	3.2%			
Fiat	23	13	76.9	2.5%	23	2.5%			
Chevrolet	19	16	18.8	2.0%	19	2.0%			
Hino	19	9	111.1	2.0%	19	2.0%			
Holden	13	11	18.2	1.4%	13	1.4%			
Volkswagen	10	7	42.9	1.1%	10	1.1%			
Mercedes-Benz	9	2	350.0	1.0%	9	1.0%			
Daihatsu	6	1	500.0	0.6%	6	0.6%			
GMC	5	2	150.0	0.5%	5	0.5%			
Dodge	4	5	-20.0	0.4%	4	0.4%			
Kenworth	4	2	100.0	0.4%	4	0.4%			
Land Rover	4	0	400.0	0.4%	4	0.4%			
Renault	3	0	300.0	0.3%	3	0.3%			
Hyundai	2	1	100.0	0.2%	2	0.2%			
lveco	2	1	100.0	0.2%	2	0.2%			
Others	17	18	-5.6	1.8%	17	1.8%			
Total	928	695	33.5	100.0%	928	100.0%			

#### Used Commercial Sales by Model - January 2017

			-				
MAKE	MODEL	JAN'17	JAN'16	+/- %	JAN'17 MKT SHARE	2017 YEAR To date	2017 MKT SHARE
Toyota	Hiace	293	255	14.9	31.6%	293	31.6%
Nissan	Caravan	79	70	12.9	8.5%	79	8.5%
Mazda	Bongo	74	28	164.3	8.0%	74	8.0%
Toyota	Regius	43	17	152.9	4.6%	43	4.6%
Nissan	Vanette	41	31	32.3	4.4%	41	4.4%
Isuzu	Elf	26	19	36.8	2.8%	26	2.8%
Nissan	NV200	26	21	23.8	2.8%	26	2.8%
Fiat	Ducato	23	11	109.1	2.5%	23	2.5%
Nissan	Navara	21	10	110.0	2.3%	21	2.3%
Toyota	Toyoace	19	12	58.3	2.0%	19	2.0%
Toyota	Hilux	16	13	23.1	1.7%	16	1.7%
Mitsubishi	Canter	15	10	50.0	1.6%	15	1.6%
Toyota	Dyna	13	30	-56.7	1.4%	13	1.4%
Nissan	Atlas	12	15	-20.0	1.3%	12	1.3%
Mitsubishi	Delica	12	9	33.3	1.3%	12	1.3%
Ford	Ranger	12	8	50.0	1.3%	12	1.3%
Hino	Dutro	11	5	120.0	1.2%	11	1.2%
Chevrolet	Silverado	10	4	150.0	1.1%	10	1.1%
Holden	Commodore	8	4	100.0	0.9%	8	0.9%
Isuzu	Forward	7	4	75.0	0.8%	7	0.8%
Others		167	119	40.3	18.0%	167	18.0%
Total		928	695	33.5	100.0%	928	100.0%

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# NARAC New car stock starting to move Joking forward to that. We've

reduced by 1645 units last month as more new cars sold than were imported. Imports of new cars totalled 8,496 compare to January 2016 when 6,647 entered the county, a 27.8 per cent increase month on month.

Registrations of 10,150 were also up compare to the same month in 2016 when 8899 cars were sold, an increase of 14.1 per cent.

The difference between imports and registrations was 1,654, and as more cars were sold than entered the country, this meant that stock reduced by this amount.

Average daily sales, which is calculated by taking the total sales for the previous 12 months and dividing it by the number of days (365), were at an all-time high on 285. The high number of daily sales coupled with a reduction in stock by 1,654 units



has resulted in total days stock at hand reducing to 226, the lowest since August last year.

The tables below give an overall picture of the numbers of stock still to be registered in New Zealand but even though the overall numbers are high, often it's the type of stock that's important.

According to Geoff Jones,

new vehicle sales manager at Johnston Ebbett in Wellington, he's pleased with the stock they're expecting this year.

"We've got some pretty awesome product coming this year. We have an Astra coming out this week, which is a game changer product for that segment. It was European car of the year in 2016, so we're just had Barina and the new Trax as well, and we've got a couple of other models coming through, so it's pretty positive here. And obviously with the last year of the Commodore, as we know it, out of Australia, it's going gangbusters, especially the V8 stuff," he says.

"We've sold three quarters of our new HSV product that's coming, before they've been built. Give or take, I think there's about 300 or so units coming into New Zealand and, based on the feedback of the six HSV dealers. I reckon within the next two months they will all be sold."

In terms of general new vehicle stock, Johnston Ebbett can generally access stock within two to three weeks. "Apart from the odd special order, we can normally access anything in the Holden range between two and three weeks," says Jones. ⊕

	CAR SALES Imported registered		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	
Jan '16	6,647	8,899	-2,252	55,373	260	213
Feb '16	7,029	7,191	-162	55,211	261	212
Mar '16	7,561	8,191	-630	54,581	261	209
Apr '16	8,816	6,790	2,026	56,607	262	216
May '16	8,184	7,502	682	57,289	264	217
Jun '16	8,924	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	11,070	9,722	1,348	64,176	279	230
Dec '16	9,825	8,069	1,756	65,932	281	234
Jan '17	8,496	10,150	-1,654	64,278	285	226
Year to date	112,800	103,895	8,905			
Change on Jan 2016	27.8%	14.1%		16.1%		
	MORE IMPORTED	MORE SOLD		MORE STOCK		



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# Dod used stock challending

ith used imports of 10,708 units and registrations of 12,933, used car stock reduced in January by 2225. The balance of stock that is in the country but not yet registered is 26,524 units, which is enough to last 64 days if no additional stock came in and if daily sales continued at the same rate, of 413 per day. The average daily sales are the total sales for the past 12 months divided by the number of days, and this figure is sitting at an all-time high. Days stock at hand has reduced by 18 per cent, or fourteen days, since June last year.

Finding good used stock is a challenge, says Chris Windust of Pacific Motor Group in Whangarei.

"As far as trades are concerned, we certainly keep the cream of those for our used yard. We don't tend to keep anything older or higher Ks, generally we would put them off to wholesalers. Anything



"You've got to have good stock and when sales are as buoyant as they have been, getting good quality stock can be a real challenge" - Chris Windust, Pacific Motor Group

that's sort of five or seven years old and under 100 thousand Ks. or slightly over if it's a good sound vehicle that has been serviced and well looked after, we will keep for ourselves; we keep the best of it. But what happens of course, is when you have a month when you're 40 per cent up, the big problem is then

just getting stock; you don't want to end up as the pub with no beer so you've got to have stock on your yard. And if you've got a sales team of 5, 6 or 7 guys all earning their living on what they sell, they get pretty angry if there's not enough to sell. So you've got to have good stock and when sales are as buoyant quality stock can be a real challenge.

Of course they can't just throw stupid money at it as they still need to make a margin. So getting good quality used stock is always hard graft. The saving grace is when the new car market is very buoyant there's a decent amount of trades generally," he says.

Johnston Ebbett in Wellington, like so many others across the country, are finding it difficult to buy used car stock, reports Geoff Jones. "It's pretty tough, I think the majority of our stock comes from trade-ins, it's pretty tough to buy stock out there at the moment, based on the feedback I've got from my used car manager. I just think a lot more dealers, because stock is tighter, are holding onto stuff that they normally wouldn't hold on to, as they know they can't fill the yards and replace it, so the majority of dealers are hanging on to stock."



Dealer stock of used cars in New Zealand									
	CAR SALES Imported registered		VARIANCE STOCK		DAILY SALES - 12-Month Average	DAYS Stock At hand			
Jan '16	9,748	11,675	-1,927	23,636	393	60			
Feb '16	11,887	11,736	151	23,787	396	60			
Mar '16	12,999	12,153	846	24,633	396	62			
Apr '16	16,960	12,140	4,820	29,453	399	74			
May '16	12,563	12,567	-4	29,449	399	74			
Jun '16	13,630	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	13,436	12,762	674	29,688	408	73			
Dec '16	12,242	13,181	-939	28,749	410	70			
Jan '17	10,708	12,933	-2,225	26,524	413	64			
Year to date	153,672	150,784	2,888						
Change on Jan 2016	9.8%	10.8%		12.2%					
	LESS IMPORTED	MORE SOLD		MORE STOCK					

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