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September 2017

## Port to tackle car processing times

The boss of New Zealand's biggest port wants to continue working with the motor-vehicle industry to speed up processing times

Ports of Auckland Ltd (POAL) has pledged to continue working with the automotive sector to mitigate the effects of continued heavy demand for new and used vehicles coming into the country.

The pressure placed on the port by the industry will only increase, says chief executive Tony Gibson, and this "will continue to be supported by the replacement of ageing vehicles, strong economic growth and a move to electric cars".

He adds: "We are working closely with all parts of the motor-vehicle supply chain to help address issues and find ways to get cars off the port faster."

The company is also liaising with industry and stakeholders to increase capacity and reduce the visual impact of vehicles.

Car and light commercial imports through Auckland

increased for the financial year ending July 31 to 297,383 units – up by 20 per cent from 2015/16 and Gibson predicts continued strong numbers for this financial year.

In addition, container volumes rose by five per cent to 952,331 20-foot equivalent units, and break-bulk and bulk volumes, which include vehicles, jumped by 11.4 per cent to 6.46 million tonnes.



Demand for these services looks set to continue. Light-vehicle imports have already exceeded the forecast for 2017 made by PwC in 2012 in its upper North Island port study, and now exceed upper

forecasts predicted in 2015 by the NZ Institute of Economic Research.

As well as cars, roll-on roll-off vessels carry a range of heavy vehicles and project cargo, such as trucks, buses, diggers and giant earth-moving equipment, tractors, planes, helicopters and boats.

This all means wharves are operating well above capacity. As a result, POAL has seen an increase in the number of ships having to wait at sea or at berth until space can be cleared.

"Dwell times are already low," says Gibson. "This year cars stayed on wharf for an average of 2.9 days, but even small improvements will help alleviate congestion at peak times."

He emphasises that many of the reasons for delays in clearing cars off POAL's wharves are supply-chain issues.

"Examples are the need for more trucks and drivers to move vehicles off-port, and for compliance centres


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# JACANNA





GUEST EDITORIAL

# Eyes fixed on digital future

David Boshier is general manager of AutoPlay, and has more than 10 years' experience in the automotive data and IT sector

Taking time out from our industry to understand relevant trends across other market segments or internationally is hard to achieve when consumed by day-to-day business activity.



DAVID BOSHIER  
AutoPlay

a flat-rate provider such as VIA. Zoomy is making headway in Auckland and Wellington. Uber's true value is the data that it holds.

Getting one thing and seeing another is a solid strategy being pursued by Airbnb. Customers see it as

a global accommodation provider.

However, Airbnb is seeing your home more and more as a showroom of product placement and promotion with associated generated revenue. Sonos sounds in the lounge and Nespresso coffee in the kitchen with maybe a Tesla in the garage. Or maybe that should be your brand sitting in the carport of high-end Queenstown Airbnb accommodation.

When is a neighbourhood website a marketplace? I guess from Stuff's point of view that's now based on its investment in and backing of Neighbourly. This is two birds with one stone, a replacement for community-based newspapers and their advertising revenue along with opening up a fully authenticated marketplace.

How things have changed over time to almost return back to square one, but in a digital form. We have progressed from one large dominant market provider to a rapidly increasing number of geo location-based and segment-defined sites. With the help of our good friends at Google, these can all be easily found by consumers.

The challenge is keep that one eye on the future. ☺

However, it is a must when we live in an age when technology and customer behaviour is changing so fast. Finding a customer or business prospect within a digital sales ecosystem is challenging but rewarding.

We are living a fragmented digital world with no lack of choice of new players, declining existing players and traditional players who have adapted well. Even new successful disruptive players face limited windows of opportunity.

Uber is a prime example. Its impact in New Zealand refined the definition of premium service. We went from a taxi driver that turned up 10 minutes early in a tired old suit and Commodore to match, to a mobile application-based transport service that turns up on time while being tracked.

Admittedly, you are greeted with a weak handshake, a mint, bottle of water and a knackered Prius. However, Uber has identified what its customers really want and the value that they wish to pay for it.

But even before making a dollar and diversification into goods delivery, it is facing competition from other ride-service providers. Most New Yorkers see Uber and its surge pricing as too expensive, and prefer

## autofile

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and receiving yards to operate longer hours so the industry can make better use of off-peak times when there's less congestion on Auckland's roads," adds Gibson.

"We are investigating how technology might help, for example by using electronic locators to aid truck drivers to find cargo. Larger-scale solutions will come from collaboration across the supply chain.

"We have improved our data collection for car movements and analysis of this data is helping us identify problems in the supply chain, then eliminate or mitigate them.

"It's not as straightforward to increase capacity with general cargo as it is with containers. Cargo comes in all shapes and sizes."

While automation may one day mean that cars drive themselves off the port, this is not the answer.

POAL will, however, continue to develop e-commerce solutions with its customers to provide "more transparency and visibility" for the

efficient handling of cargo through the port and wider supply chain.

These include more efficient e-gate solutions in the container terminal and the management of car flows through the port.

POAL insists it is the greenest and most cost-effective option to serve the motor-vehicle industry now and into the future.

The verdict follows the council-owned company commissioning Enviro-Mark to carry out an independent study into car imports – and its recommendations favour the current arrangements staying in place.

"We have looked at alternative supply chains through other ports, and this has given us confidence Auckland is the cheapest and most environmentally friendly supply chain for the industry," says Gibson.

He adds Enviro-Mark's study shows diverting the vehicle trade through Whangarei's Northport, for example, would increase carbon emissions by 21,522 tonnes per year based on current volumes.



Tony Gibson

"That's more than the annual operating emissions for the entire port," says Gibson. "Importing cars via another port kilometres away from their main market isn't a sustainable alternative, and transport costs are significantly lower through Auckland."

The company is still exploring the construction of a multi-storey car building on Bledisloe Wharf to relieve the pressure of continued high levels of new and used vehicles crossing the border.

"This would provide more room without reclamation, hide cars from view and possibly free up space for other uses," says Gibson.

"We have adopted the principle

that any new building should look good, be sustainable, have public access and be able to be repurposed should the port be moved."

Increasing berth space is also on the agenda. Auckland Council's Port Future Study has recommended a new wharf at the Bledisloe terminal's northern end and investigations are under way.

The port hopes to have more information on this and the car building later this year.

"The year has not been without challenges," notes Gibson. "Auckland's construction boom and growth have driven significant increases in freight volumes, notably vehicles and building materials.

"The increase appears to be driven by population growth plus the strong economy with many New Zealanders upgrading to newer cars."

POAL posted after-tax net profits of \$60.3 million for the 2016/17 financial year. Visit [www.autofile.co.nz](http://www.autofile.co.nz) for more on the financials. ☺

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# Dismay over import changes

An industry organisation in Australia has criticised proposed legislation as likely to devastate the country's specialist imports sector.

The federal government has decided against going ahead with previous proposals that would have allowed personal importations of new and nearly new vehicles from Japan and the UK.

The way second-hand imports enter Australia is also being reviewed, which is likely to decrease the number of units crossing the border.

The government's decision comes after "further detailed work" in regards to the Road Vehicle Standards Bill being introduced to parliament before the end of this year with a view to it taking effect in 2019.

In turn, this follows a review of the existing Motor Vehicle Standards Act (MVSA) from 2013-15,

announcing proposed changes in February 2016 and industry consultation.

The bill introduces reforms to "modernise and strengthen laws" governing vehicles when first supplied to the market, clarify recall arrangements, and "provide



**"The government has capitulated to heavy lobbying by vested interests" - Jack Sandher**

more choice by streamlining and regulatory pathways for importing non-standard vehicles".

But the Australian Imported Motor Vehicle Industry Association (AIMVIA) is far from impressed.

"Despite recommendations from two independent reviews and other government-commissioned reports, the government has capitulated

to heavy lobbying by vested interests, scrapping the option for private citizens to import their own new vehicles from overseas," says president Jack Sandher.

"Without this competition in the market, Australians will continue to pay some of the highest retail prices

for vehicles in the western world.

"Our association has devoted hundreds of thousands of dollars and countless hours to meetings with politicians and departmental staff across Australia over the past four years only to be ignored at the finish line. All at a time when the automotive industry is already shrinking."

Paul Fletcher, Minister for Urban Infrastructure, says research has highlighted the cost and complexity of providing consumer protection arrangements, including investigating vehicles before import, ensuring buyers are aware manufacturers' warranties may not apply and establishing systems for recalls.

"It would have been necessary to ensure subsequent purchasers of vehicles personally imported into Australia as new were aware of all this," he adds.

"Weighing issues up against modest benefits of the personal import arrangements – including price reductions estimated to be less than two per cent – the government has concluded the benefits do not justify the cost and complexity of this change."

Under the proposed law, certain vehicles will be banned from 2019.

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## System being altered

The Australian government is proposing changes to the specialist and enthusiast vehicle scheme (SEVS) across the Tasman, which may impact on the number of imports crossing its border.

According to Paul Fletcher, Minister for Urban Infrastructure, this includes expanding the range of such models eligible for consideration.

What's being proposed is for these vehicles to be required to meet one of six eligibility criteria instead of meeting two out of four eligibility criteria as is the case at the moment.

**Campervans and motorhomes:** They must be originally manufactured as such.

**Performance:** A graduated threshold formula measured from 110kW/T increasing by 1kW/T a year after.

**Environmental performance:** This will be for technology based

on an alternate power source to internal combustion or a micro-car sub-category for low-power, low-emissions vehicles.

**Mobility:** Originally made or fitted by the factory with substantive specialist mobility features to help disabled people.

**Rarity:** Worldwide production of the marque concerned must be less than 3,000 units, model production of less than 1,000 units or 100 variants built – all annually. Rare left-hand drives will not require conversion, but will need state or territory agreement for on-road use.

**Other left-hand drives:** These must originally be made as such and not available as a right-hand drive overseas. They will require conversion to right-hand drive for safety reasons.



Australia's import rules are set to get tighter



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[continued from page 5]

These include some second-hand people movers from Japan classed as campervans under the registered automotive workshop scheme.

They are sometimes fitted out with camping equipment, which may later be removed before being on-sold in Australia as normal vehicles. Popular models for this include the Toyota Estima and Nissan Elgrand.

A high proportion of imports across the Tasman fall into this category. If they are taken away, volumes will drop especially for businesses set up for this work.

Reforms to the specialist and enthusiast vehicle scheme (SEVS) are also being proposed.

"They will provide increased consumer choice by streamlining and improving existing pathways for importing [these] vehicles," says Fletcher.

"This includes expanding the range eligible for consideration with vehicles to be required to meet only one of six eligibility criteria instead of two out of four"



Some second-hand people movers from Japan classed as campervans are likely to be banned from being imported into Australia from 2019. They include the Toyota Estima and Nissan Elgrand

AIMVIA is unimpressed because Australia's specialist imports industry has been dealt a "massive blow".

One of the keys issues is the challenge of dealing with the MVSA and recent announcements on SEVS criteria, all of which means there are likely to be impacts on what is allowed to cross the border.

Since the announcement, AIMVIA has had a meeting to deal with clarifications and establish precisely where the proposed legislation is up to. Nothing has yet been set in stone, so it's a matter of establishing what can be discussed

and looking at options to see how to best help the industry survive.

It is worth noting that Australia no longer manufacturing cars will have an impact on the industry, but the country is not in the same space as New Zealand was 23 years ago.

Sandher says: "The global map has shrunk, but that's not to say there aren't opportunities to explore.

"The Australian government has laid down what it wants as legislation, but it has still got to get off the ground. We can then see if any opportunities come up from that.

"Imports of the Elgrand and Estima will possibly come to an end in 2020, but that's still two-and-a-half years away. We've still

got many things that can change.

"Australia is still working through vehicle manufacturers removing themselves from the country and we need to adopt a long-term view.

"It's not all doom and gloom. Australia is a hard marketplace and so unlike New Zealand. It has a lot less people in the vehicle import trade."

AIMVIA is working to see if there can be a sustainable industry. There are some concerns that its internal modelling criteria indicates volumes may not be there to ensure this is the case for existing businesses.

The challenge is that the government has stated it's not interested in increasing the volumes of used vehicles going into Australia and it's a case of maintaining a position for SEVS in regards to the MVSA.

"The industry needs to be able to survive and to do so needs volumes," adds Sandher. "There are concerns there may not be sufficient volume on the basis of information provided." ⊕

## 'Significant gains' from deregulating used imports

**F**runk Willett, acting chief executive officer of Autohub, believes there will be a net reduction in the amount of used cars going into Australia as a result of recent announcements by the federal government.

"We move quite a few second-hand vehicles into Australia and that may drop by up to two-thirds," he told Autofile.

Willett says some car dealers in New Zealand, as well as the

used-import supply chain, have been looking into expanding into Australia if rules around importing used vehicles are opened similar to this country.

However, apart from softening the eligibility criteria for special interest and enthusiast cars, he believes "the Australian government is not interested in opening up the used car market similar to New Zealand".

According to a cost-benefit

analysis on easing restrictions carried out by Castalia Strategic Advisers, there are significant net welfare gains to be realised from deregulating the used imports trade in Australia.

"Our analysis finds these gains are in the range of \$805-\$1,943m in net present value terms," it states.

"The biggest driver is gains in consumer welfare from an expected fall in price and increase in volume of used cars. The biggest cost is the increased safety risk

from an ageing fleet."

The vast majority of cars imported into Australia are new with used imports only making up two per cent of all imports.

While globally the fleet age is increasing, the country's fleet has become marginally younger in recent years – decreasing from 10.1 to 9.9 years.

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# New base for motoring group

The latest stage of the Giltrap Group's expansion has come to fruition with the opening of its Aston Martin Auckland dealership at its new \$40 million multi-storey headquarters.

The showroom, which opened its doors to the public last month, is now located at 119 Great North Road, Grey Lynn – across the road from the former HQ at number 100.

The group's 50 HQ staff have also settled into the "state-of-the-art" facility known as – known as "119 GNR".

It is New Zealand's largest combined automotive showroom and office development, and the first building of its type designed around requirements for a five-star Greenstar Design score from the NZ Green Building Council.

"We are a New Zealand company, we love being Kiwis and we love NZ, so doing the right thing environmentally was simple logic," Michael Giltrap, joint managing director of the Giltrap Group, told Autofile.

Greg Brinck, general manager of Aston Martin Auckland, adds: "The timing couldn't be better for the move into our new facility with the

DB11 V8 about to arrive and the new V8 Vantage due at the start of 2018.

"Under Aston Martin's second century plan, we will have a new model each year for the next seven years. Then the cycle will repeat itself on those models."

Giltrap's brief to its architects Warren and Mahoney was for a "spectacular new building on Great North Road to showcase three premium automotive brands – located to reinforce its positioning at the forefront of the end-to-end car sales experience".

Included in the nine-level and 5,900 square metre building is provision for three dedicated "star car" showrooms at street level, with four levels for car storage and servicing below and three large office floors above.

The building also has showroom space for Bentley and Lamborghini.

The Aston Martin, Bentley and Lamborghini showrooms all feature a designated area where customers can select their perfect shade of body paint, interior fabrics, exterior performance parts and discuss one-off details.

Underground is a new service department, the placement of which



The exterior of the new dealership, which also houses the Giltrap Group's HQ



The architects devised a curved ramp for low ride-height of supercars

required the design of a novel ramp to combat two of the supercars' potential perils – speed bumps and multi-storey ramps.

The architects say the low height clearance of the luxury cars and practical length of the site to provide adequate vertical ramp transitions was an issue. To address this, they devised a curved ramp, set out to align with a sine-wave curve to connect each floor so even the lowest supercars avoid bottoming out.

Inside the new building, Aston Martin Auckland can showcase up to 15 vehicles alongside a contemporary service centre, modern delivery suite and two customer lounges. The showroom displays the marque's entire range

over two floors, along with a collection of pre-owned Astons.

Michael says plans to open the building last year were delayed due to "the reality of construction, combined with a desire to get everything right", while tenants for the building's top floors are yet to be finalised.

The group represents 16 automotive brands in 12 dealerships across Auckland and was founded by car-mad entrepreneur Sir Colin Giltrap in the 1960s. His sons Michael and Richard now have overall management of the group.

"New Zealand and the Giltrap Group have a special relationship with Aston Martin, so it is fantastic to see these stunning cars in a location to match," says Michael.

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From left, Patrik Nilsson, president of Aston Martin for Asia-Pacific, Greg Brinck, general manager of Aston Martin Auckland, and Michael Giltrap, joint managing director of the Giltrap Group



Inside the Aston Martin showroom

◀ “These three brands were all ‘growing out’ of their former locations,” he explains. “119 GNR allows us to present them in purpose-built, on-brand showrooms.”

He says the group decided to shift its HQ into the new building because European Motor Distributors continues to grow, so the move to 119 GNR has freed up much-needed space there.

“Nothing about the growth of the Giltrap Group has been overnight and the 119 GNR location is another,

admittedly confident, step in our 50-year journey.

“Great North Road is home with our McLaren, Volkswagen, Audi, Lexus and Porsche dealerships all within a stone’s throw of 119 GNR.”

And the group is looking forward to welcoming SEAT to New Zealand later in the year.

The new showroom was unveiled to VIP clients at an exclusive soiree mid-August, which also celebrated the arrival of the first Aston Martin V8 Vantage S Red Bull Racing Special Edition delivered to New Zealand, marking its official availability locally.

“I am delighted to reveal the brand-new Aston Martin Auckland showroom to our New Zealand customers,” Patrik Nilsson, president of Aston Martin in Asia-Pacific, told about 400 guests.

“The space sets a new benchmark for our dealerships around the world. The facility reflects the accelerating interest we are seeing locally in this market, with Aston Martin Auckland boasting one of the strongest market shares in the world for the marque.”

Brinck adds: “We are delighted to welcome the Vantage S Red Bull Racing Special Edition to our new standalone facility alongside the



Some Aston Martins from times past

entire Aston Martin range. We are already experiencing solid interest in this highly limited edition.”

He told Autofile that

Kiwi buyers have a strong interest in all Aston Martin models “but the new DB11 has surpassed all expectations we had”.

“We knew it would be well-received, but it really has been amazing. The new DB11 V8 version has just been released and I’m sure this will also go well with a different appeal from the V12 version.

“We are currently number one worldwide for market share for Aston Martin with 41 per cent in high-luxury sports segment – two per cent ahead of the UK.”

To mark the dealership’s opening, the dealership also had \$12 million worth of vehicles on display – from a 1953 DB2/4 through to a Vanquish Zagato, the One-77 and New Zealand’s only Vulcan, one of just 24 in existence. ☺



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# Dealers fined for law breaches



Two car companies have been ordered to pay \$65,000 in penalties by the Employment Relations Authority (ERA) following an investigation by the Labour Inspectorate.

The authority says Direct Auto Importers (NZ) and Cheap Deals On Wheels, which are based in Hamilton, failed to pay minimum wage, correct holiday pay, provide employment agreements or keep records of employment.

Vishaal Sharma, the sole director and shareholder of both businesses, claimed at a two-day hearing that his employees were contractors and denied owing them their minimum entitlements.

This was a claim that was "thoroughly refuted" by both the

inspectorate and the ERA.

"An employer cannot avoid its obligations by simply calling its employees 'contractors' and any attempts to do so will not be tolerated by the Labour Inspectorate," says Loua Ward, its regional manager.

"All employees in New Zealand

**"The onus is on employers to correctly provide their employees with all their minimum entitlements" – Loua Ward**

must be provided with written employment agreements and their minimum employment entitlements, such as the minimum

wage and holiday pay.

"If an employer cannot meet these basic obligations, then they should not be an employer."

Ward adds that Direct Auto Importers had previously been taken to the ERA by an employee who successfully claimed \$17,996 in arrears, so the company should

have known its obligations.

"The onus is on employers to correctly provide their employees with all their minimum entitlements – ignorance is not an acceptable excuse."

Direct Auto Importers was penalised \$50,000 for not paying its three members of staff – David Turu, Trevor Wood and Washim Akram – holiday pay, and not providing written employment agreements or keeping wage, time, holiday or leave records.

The Labour Inspectorate brought various claims against the company arising out of its

employment obligations.

These covered failing to provide annual and public holiday pay, not providing or producing written employment agreements, not keeping a record of working hours and days of work, and failing to maintain holiday and leave records.

Cheap Deals On Wheels was penalised \$15,000 for a similar set of breaches covering various provisions of the Employment Relations, Holidays and Minimum Wage Acts.

The ERA's report stated complainant Suraj Sharma was also employed by the trader and wasn't an independent contractor.

The alleged breaches of obligations to him by Cheap Deals On Wheels included:

- ▶ Not providing, or producing, when sought by the labour inspector, a written employment agreement.
- ▶ Not keeping compliant wages and time records, or not producing, when sought by the inspector, wages and time records.
- ▶ Not keeping or producing holiday and leave records.
- ▶ Failing to pay eight per cent of his gross earnings as annual holiday pay since he started his

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## About the traders

Vishaal Sharma is the sole director and shareholder of Cheap Deals On Wheels, which was incorporated in June 2007 under the name of Supercheap Batteries.

In October 2013, the name was changed to Motortech Auto Repairs. The current name was adopted in July 2014.

Cheap Deals On Wheels is a used car sales yard based in Avalon Drive, Hamilton.

Sharma is also the sole director and shareholder of Direct Auto Importers (NZ).

It was incorporated in March 2009 under the name of Auto

Enterprise (2009). In August 2009, the name was changed to Repozone Cars and in September 2011 to Enterprise Traders (NZ).

Direct Auto Importers adopted its current name in July 2014. It imports cars into this country.

The vehicles are purchased overseas by finance companies including Venus Finance, Vikom Finance and Everest Finance. Sharma is a director of each of these finance companies, according to the ERA.

Its determination adds the imported cars are sold through inter-related companies with one being Cheap Deals On Wheels.



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[continued from page 10]

job, on the termination of his employment.

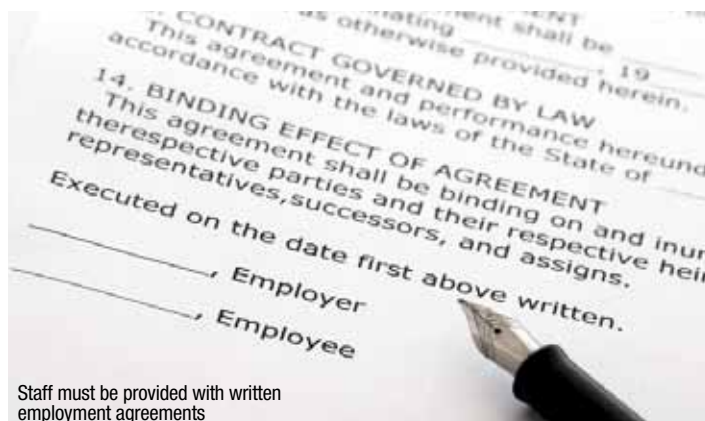
- ▶ Failing to pay holiday pay in the pay that related to his final period of employment.

The ERA's report states that Vishaal Sharma talked about the car industry and sales staff engaged by the company on a "retainer plus" were not regarded as staff and so didn't get the usual benefits employees did.

He regarded sales consultants on a commission basis as independent sales agents who were responsible for their own taxes, while Suraj Sharma was regarded as an independent contractor as he was on a commission-plus arrangement with Cheap Deals On Wheels.

The cases came about after staff complained to the Labour Inspectorate claiming they were owed wages and holiday pay.

On a site visit, an inspector asked Vishaal Sharma for a list of Cheap Deals On Wheels' and Direct Auto Importers' employees and access to time, wages and holiday records,



Staff must be provided with written employment agreements

including employment agreements.

He did not provide the records requested in respect of Cheap Deals On Wheels nor did he provide a list of employees.

A notice to produce wages, time, holiday and leave records was then served on him.

The inspector talked with employees and took notes of his visit, and Vishaal Sharma denied Suraj Sharma had ever worked for Cheap Deals On Wheels.

Following the visit, Suraj Sharma provided the inspector

with copies of a letter of offer of employment and an individual employment agreement with the company.

The agreement stated he was employed full-time as assistant manager at the rate of \$17 an hour for 35 to 40 hours a week and a job description was attached.

After receiving these documents, Vishaal Sharma was asked for more information by inspector.

It was concluded Suraj Sharma was an employee, not an independent contractor, and

that Cheap Deals On Wheels had breached its employment obligations to him.

As with Akram's status with Direct Auto Importers, there were some features of Suraj Sharma's relationship with Cheap Deals On Wheels that appeared to be that of an independent contract relationship.

However, there were significantly more features, in the ERA's view, to indicate the relationship was that of employment.

This was based on the overall impression gained of the underlying and true nature of the relationship between Suraj Sharma and Cheap Deals On Wheels being one of employment.

The ERA set aside \$10,000 in penalties to be provided to three of the former employees of the businesses.

Cheap Deals On Wheels was ordered to contribute \$3,053 towards the costs and expenses of the Labour Inspectorate, while the amount for Direct Auto Imports was \$3,851. ⊕

## Electric boost

The electric vehicle (EV) sector has received a boost with the NZTA announcing EV users will have access to 11 priority motorway on-ramps in Auckland for a 12-month trial.

Work to prepare the lanes with signs and markings has started with them expected to be open to EVs by the end of the month.

The trial follows changes to land transport rules, which came into effect on September 1. These enable road-controlling authorities to decide whether to make bylaws to allow EVs access to special lanes.

Meanwhile, there were 331 EVs sold in August – a record for a single month. More than 4,500 EVs are now on our roads.

The EECA predicts EV registrations will reach 5,000 before the end of this year. ⊕

## Register deadline fast approaching

The NZTA is urging holders of class authorisations to access the Motor Vehicle Register (MVR) to apply or renew them before they expire on October 31.

Businesses covered by a class authorisation will need to have their own – or use one for an industry body they are members of – to continue accessing current names and addresses on the MVR.

They have been previously granted for all traders, insurers, finance companies and petrol stations.

Anyone can apply for an authorisation. They are likely to be sought by people who access current name and address information in bulk, or on a frequent and ongoing basis.

Members of industry bodies who have made applications on their behalf, such as the Motor Trade Association, VIA (Imported Motor Vehicle Industry Association) and Financial

Services Federation, don't need to make their own applications unless they want access for reasons outside of their organisation's application.

The NZTA allows up to eight weeks from receiving a complete application with full payment, which ranges from \$621.46 to \$1,320.65, to provide a draft decision.

If the terms of an authorisation are breached, the NZTA may impose extra conditions, limit its terms or cancel it.

When a vehicle safety recall involves a serious or imminent threat to public safety or threat to life, information may be released under the Official Information Act without an authorisation.

To help with the timely processing of applications, the agency has developed sets of standard terms.

For car dealers, these are

checking the registered person when buying a vehicle, checking a registered person has been changed correctly when selling one, for wholesalers to find registered persons for safety recalls, and any other purpose to facilitate the sale and purchase of vehicles – except marketing.

There are different terms for finance companies and insurers to check registered people.

These are when assessing applications for vehicle finance, when they have a security interest, when a vehicle is involved in an accident with an insurer's client, to verify payments for claims are made to the registered owner, and any other purpose reasonably required for assessing or processing a policy or claim.

Visit [www.nzta.govt.nz/vehicles/how-the-motor-vehicle-register-affects-you/authorised-access-to-the-register](http://www.nzta.govt.nz/vehicles/how-the-motor-vehicle-register-affects-you/authorised-access-to-the-register) for more information. ⊕

# Motorcentral's new listing website goes live with \$2 listings

The team at Motorcentral has been working feverishly over the past 12 months to deliver its latest product offering, a "dealer only" listing



website designed primarily to "sell more cars", but with a secondary goal of trying to change the public's perception when it comes to used car dealers.

"We feel dealers are unfairly

given a bad rap by the New Zealand public when in fact all the evidence from our BuyerScore surveys show dealers are doing a fantastic job when it comes to customer satisfaction," project lead Shane Breckon says.

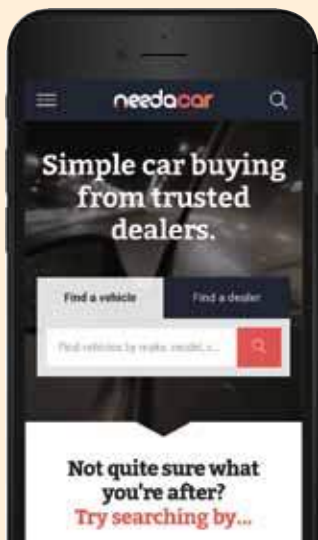
"Dealers have been asking us for a while now to build a site that allows them to fully showcase their services and professionalism.

"We realised an industry-supported site like this could really change the public's perception, and it was a pretty easy decision to develop it, given the support we've been shown by the industry over the years," says Breckon.

Called Need A Car, the site has been designed from the ground up to educate buyers on the benefits of purchasing vehicles and related services from registered dealers, as opposed to buying privately.

The site has a heavy focus on finance and insurance, and offers exclusive features such as time-sensitive offers, 360-degree photos and price drop notifications.

"Put simply, we've tried to create a site that meets today's tech-savvy car buyers' needs," Breckon says.



The new site has been designed to meet today's tech-savvy car buyers' needs

**needacar** KEY POINTS

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**\$2 LISTINGS\* FOR UP TO 12 MONTHS WHEN YOU SIGN UP BEFORE 30 SEP 2017**

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Dealer only; no private listings

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Makes it easy for your customers to finance & insure

---

Encourages buyers to purchase quickly with dealer offers & price drop notifications

---

Has been built from the ground up to educate buyers on the benefits of purchasing from a dealer

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You can register your interest by visiting [www.needacar.co.nz/dealer](http://www.needacar.co.nz/dealer)  
(should take less than 30 seconds)

---

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or email [help@needacar.co.nz](mailto:help@needacar.co.nz) to register

Any registered motor vehicle dealer can advertise their vehicles at no charge during the pre-launch period of September

and a \$2 per listing per month special offer is currently available beyond that, for those that sign up before the end of September. ☺



## Are you meeting your customers expectations?



We surveyed **3,000+ people** earlier this year\* and **94% of them** said they'd recommend the dealership they just purchased from.

**Are your customers recommending you?**

**94%**  
\* May-Aug 2017

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# Dominating vehicle market

**T**rade Me Motors, the online marketplace's largest classified vertical, has reported a healthy increase in revenues of 8.2 per cent, albeit down slightly on last year's 11.2 per cent jump.

The online company has also released data showing it holds around a 60 per cent market share of motoring classifieds in New Zealand – the sector itself being worth about \$89 million.

The figures detailed in Trade Me's annual report for the year ending June 30, 2017, shows it recorded a 12 per cent jump in profits for the period.

Overall profits rose from \$83m to \$93m on the previous 12 months while revenues boomed by 7.7 per cent to hit a record of \$234.9m for the company.

Trade Me Motors' revenues over the past year include premium dealer products increasing by 26.8 per cent "driven by a strong sales effort, new premium products, and some price changes to increase yield and volume".

Jon Macdonald, chief executive officer, singles out MotorWeb, with the Australian arm of its business performing particularly well – its revenues climbed by 14.6 per cent.

Autofile reported in July that Trade Me has entered into a conditional agreement to buy Christchurch-based Limelight Software, which operates the cloud-based automotive dealer management platform Motorcentral.

The system allows users to track vehicles, stock and sales online, and automatically send listings to retail websites such as Trade Me Motors, Driven and Autotrader.

Trade Me continues to have an interest in acquiring the business on release of the company's financials, while the purchase is subject Commerce Commission approval.

"We're excited about

**"We are excited about prospects for this and eagerly await clearance to proceed"**

**– Jon Macdonald on Trade Me's bid to buy Limelight Software**



prospects for this and eagerly await clearance to proceed," says Macdonald.

"It will help us provide a broader offering to our dealer customers. This strengthens our core and better ensures we're solving the problems of Kiwi consumers and businesses, which is tough to do with a broad-reaching global approach.

"Additionally, it expands our addressable market beyond the immediate opportunity into new markets within the ecosystems of our current businesses.

"We think about how our marketplaces will evolve – including things such as short-term worker placement or on-the-fly renting of autonomous vehicles."

Also in its classified section, Trade Me Jobs' revenues rose by 25 per cent and Trade Me Property's

went up by 7.3 per cent.

"Jobs is once again the star performer," says Macdonald. "The team has been doing an excellent job, bolstered by the tailwinds of the strong New Zealand employment market, and a big effort improving our mobile apps."

However, property-for-sale listing volumes remain a challenge in a tight market while revenue from premium products sold to real-estate agents increased by 32.4 per cent year on year.

"Investment we've made over the past few years has resulted in a stronger business. The company is going well. We've delivered revenue and profit growth to our investors, and also demonstrated our continued ability to keep costs within forecasts."

Trade Me now employs 543 full-time equivalents across the country compared to 509 by this time last year. While most employees are based in Wellington, its Auckland office is now 150 strong with plans to expand

its presence in Christchurch.

Looking to the future, Macdonald says Trade Me expects revenue growth over the next 12 months similar to 2017, but "a soft property listing market means there is some downside risk".

He adds: "The art is building relationships through strong account management and relationships with trade customers – retailers, real-estate agents, recruiters and car dealers – and through good customer support for buyers.

## VEHICLE LOANS JUMP

Heartland Bank has achieved a net profit after tax of \$60.8 million for the full year ending June 30 – up by 12 per cent from the previous financial year.

The increase in profitability was driven primarily by growth in receivables across all divisions.

Household net receivables increased by \$227.8m with reverse mortgages, motor-vehicle lending and personal loans jumping by \$126.1m, \$72m and \$40m respectively.

The business and rural divisions' net receivables increased by \$96.2m and \$123m.

During the year, Heartland acquired a 25 per cent shareholding in Fuelled Ltd, an online small-to-medium business (SME) lender.

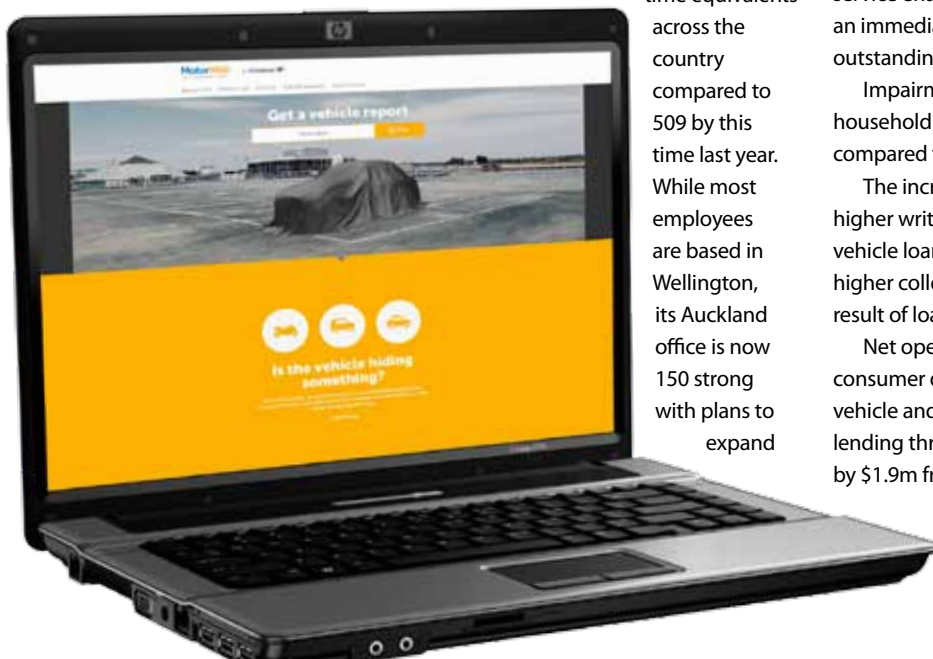
Fuelled is a New Zealand-based business whose on-demand service enables SMEs to receive an immediate cash advances on outstanding invoices.

Impairment expense in the household division was up \$3.2m compared to the 2016 financial year.

The increase was mainly due to higher write-offs in personal and vehicle loan books together with higher collective provisions as a result of loan-book growth.

Net operating income from the consumer division – which includes vehicle and personal loans, and lending through Harmony – rose by \$1.9m from last year to \$57.2m.

Consumer net receivables grew by 14 per cent to \$112m. ▶



◀ This was not reflected in growth in net operating income due to lower earning rates on vehicle and personal loans, and less operating lease income on a smaller lease book.

Motor-vehicle net receivables continued to grow strongly, increasing by \$72m – or 10 per cent – to \$824.3m.

The company will target markets with significant opportunity and focus on niche products that are under-served by the other banks, such as small business and vehicle loans, and reverse mortgages.

It will also consider acquisition opportunities that align with its growth strategy, while a final dividend of 5.5 cents per share will be paid out on September 21.

Looking forward, underlying asset growth is expected to continue with strong household, business and rural volumes projected with its net profit after tax for the year ending June 30 to be in the range of \$65-68m.

As for motor-vehicle loans, Heartland is focusing on product distribution through intermediated channels, such as car dealers, branded partnerships, like Holden Financial Services, through its digital platform Open For You, and developing bespoke digital origination platforms strengthening point-of-sale models.

#### SHIFT IN SEGMENTS

Trends within the mix of vehicles sold continue with SUVs now the largest segment, says Jim Gibbons, chairman of the Colonial Motor Company (CMC).

These are followed by light commercials with hatchbacks and sedans making up the smallest segment.

"This segmentation shift favours some brands over others," says Gibbons. "Mazda with its SUV range of the CX3, CX5 and CX9 is well-placed.

"Ford is successful in light commercials and the Ranger continues to be the top-selling vehicle in New Zealand.

"The very heavy commercial market is also increasing after two years of small decline from a peak in 2014. Our brands, Kenworth and DAF, have benefited from this turnaround."

CMC has announced a 4.2 per cent increase in annual profits for the financial year ending June 30 on the back of continued strength in new vehicle sales.



Jim Gibbons

Sales volumes rose by 14 per cent overall, while net profit attributable to shareholders went up to \$22.2 million – or 68 cents per share – from \$21.5m, or 65.7c, a year earlier.

Trading profit after tax reached a record \$22m, up by 15 per cent on last year. Total profit after tax for the year came in at \$23.5m, which was an increase of four per cent.

CMC's profitability was above the equivalent period last year in three of the four quarters of the reporting period.

"The small drop in annual revenue reflects the sale of the BMW dealerships," says Gibbons. "However, the underlying business continues to grow.

"Southpac Trucks' new parts and service facility in Hamilton opened in June, while new developments for South Auckland Motors at Takanini and Macaulay Motors in Queenstown continue as planned."

Gibbons adds the combination of low interest rates, strong exchange rate and desirable technologies continue to stimulate growth in sales of new vehicles.

"The outlook for the light and heavy vehicles is positive. However, as always, we are dependent on consumer confidence remaining high."

CMC's directors have declared a fully-imputed dividend of 31c per share to be paid on October 16. This takes the total dividend declared for the financial year to 44c totalling \$14.4m compared to 40c totalling \$13.1m for the previous year.

The company's annual report will be published in late September with the annual general meeting starting at noon on November 3 at the Michael Fowler Centre in Wellington. ☺

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- Build relationships and maximise the value of existing customers.
- Work closely with the AutoPlay team.
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- Proven B2B outbound sales experience, preferably in a solution/software selling environment. Automotive industry experience strongly preferred – even better if you've used the AutoPlay product!

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\*Interest subject to change and change will be advised in writing. Documentation and PPSR fees apply. \*Conditions apply.

**NICHIBO**

# Safety ratings key to sales

The AA is calling for vehicle safety information to be provided at the point of sale in a similar way to how figures on fuel economy are presented to the market.

Stella Stocks, general manager of motoring services, says New Zealand has a huge second-hand car market with 160,000 imports crossing the border in 2016 compared with about 140,000 new car sales.

While new vehicles are safer than they have ever been, the average age of used imports is increasing, which "means the gap between the safety performance of used and new is widening".

Stocks believes the safety differences between vehicles are not immediately apparent to many consumers and important distinctions should be easily accessible.

"Motorists, especially those buying cars for the first time, can be overwhelmed by what's available and can find it difficult to work out which factors they should consider most."

Many of the poorest performers are often driven by novices more likely to be in accidents. Ministry of Transport data shows younger motorists are seven times more likely to crash than those with more experience.

Stocks says while younger people will often have more modest budgets, they need the best protection.

Her views come with the release of the latest update to the Used Car Safety Ratings guide, which is available on the AA's website.

It is the result of analysis by



Stella Stocks

Monash University's accident research centre into real-world crash data collected in New Zealand and Australia.

Updated each year, the guide provides safety ratings on 279 used vehicles built between 1986 and 2015. It lists 106 of them as good or excellent, 113 as poor or very poor, and 60 as marginal.

Monash's work shows that a driver of the worst-rated vehicle is more than 10 times likely to be killed or seriously injured in the same crash as in the best-rated vehicle.

Also, the average risk of death or serious injury in a 2015 car is half that of someone behind the wheel of a 1996 car.

Stocks says: "Newer technology,

improved design and materials in cars all contribute to better crash outcomes and this flows through to the second-hand market. The Used Car Safety Ratings shows where buyers should be looking."

She adds buyers should not consider cars categorised as poor or very poor.

"There are good or excellent-rated vehicles in every category including 36 safer picks, which are the safest for occupants while also providing good protection for other road users."

Some cars, especially later models, are missing from the guide because sufficient crash data is needed on each vehicle to ensure the rating is robust.

If a particular model hasn't been involved in many crashes, then there's not enough data to consider.

In those cases, motorists should review a rating as a new car. ⊕



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# Subsidies boost green sales

Manufacturers in Japan say tax incentive and subsidy programmes introduced by the government have boosted sales of so-called next-generation cars.

Schemes and incentives for people to buy eco-friendly vehicles were first introduced there at the start of 2009.

Since then, the share of next-generation cars – including hybrid, plug-in hybrid, electric, fuel cell, clean diesel and others – in overall total passenger vehicle sales have surged.

In 2016, for example, they accounted for nearly 35 per cent of new car registrations, reports the Japan Automobile Manufacturers' Association (JAMA).

"The more widespread use of these vehicles requires not only further advances in vehicle and related technologies, but



also – among government initiatives – the necessary fuel and energy supply infrastructures and purchasing incentives," the association says.

The country's CO<sub>2</sub> emissions totalled about 1.22 billion tonnes in 2015 with the transport sector accounting for 18 per cent, according to JAMA's report called The Motor Industry of Japan 2017.

Since peaking in 2001 following a decade of growth, emissions volumes in this sector

## Next-generation sales in Japan

VEHICLE TYPE	2014	2015	2016
Hybrid	1,016,757	937,575	1,275,560
Plug-in hybrid	16,178	14,188	9,390
Electric	16,110	10,467	15,299
Fuel cell	7	411	1,055
Clean diesel	78,822	153,768	143,468
<b>Totals</b>	<b>1,127,874</b>	<b>1,116,409</b>	<b>1,444,772</b>

Source: Japan Automobile Manufacturers' Association

have declined, "owing largely to increased fuel efficiency in cars and greater efficiency in goods distribution".

JAMA says its industry will continue to reduce emissions in road transport by further improving fuel efficiency and expanding the supply of next-generation vehicles.

For petrol-powered passenger cars and trucks weighing 3.5 tonnes or less, fuel-efficiency targets for 2015 were formulated in 2007 by applying "top runner" criteria.

This means the target value for a given weight category was established based on the leading fuel-efficiency performance to date for that class.

The 2015 target for cars signified a nearly 24 per cent increase in average efficiency compared to 2004.

For heavy-duty vehicles, fuel-efficiency targets – the first in the world – were introduced in 2006 for 2015.

Compliance means a more than 12 per cent increase in average fuel efficiency compared to 2002.

"As a result of JAMA members' efforts to increase the fuel efficiency of conventional vehicles and expand next-generation supply, an even more stringent target for cars for 2020 has already been achieved," the report, which was released last month, states.

Individuals can increase fuel efficiency and help reduce CO<sub>2</sub> emissions by improving their driving habits, says JAMA.

It has been conducting a campaign to promote sound, fuel-conserving eco-driving

practices, urging drivers to adopt the smart tips.

Also, marques are equipping more cars not only with fuel-efficiency gauges and systems for real-time on-screen displays, but also with idling-prevention – or stop-start – systems and "eco-mode" buttons.

The industry has for years taken measures to reduce energy consumption and cut CO<sub>2</sub> emissions at production plants.

JAMA members have voluntarily eliminated the use of four substances of concern – lead, mercury, hexavalent chromium and cadmium – in new vehicles to lessen their environmental impact, particularly when they are dismantled and processed at the end of their life.

The association describes the country's vehicle exhaust emissions rules as having "always been among the world's most stringent", while car makers "have worked hard to develop technologies to comply with them".

As a result, nitrogen oxides (NOx) and other atmospheric pollutant levels have been steadily declining.

Also, stricter new regulations for petrol and diesel vehicles were implemented by the Japanese government in 2009.

The country has participated in international discussions on the global harmonisation of emission test cycles and, in 2010, introduced the UN test cycle for motorbike emissions.

Next year, Japan will adopt the UN Worldwide Harmonised Light Vehicles Test Procedure to measure emissions from new petrol cars and light commercials after last



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# Maximising profits on all transactions

The first part to this series I covered in Autofile last month looked at converting more leads to sales, so this month we're going deeper into maximising opportunities from each customer.

Hopefully, by now, you at least understand how many client leads you have each month that your dealership converts to sales and are looking at what areas you need to focus on to increase your conversion ratio.

Regardless of what your ratio is, you need to ensure the opportunities each customer presents are maximised for profit – for today and the future.

This is more about profitability and quality of sales as opposed to quantity and trying to sell as many units as you can. At the end of the day, it's overall profit that determines your business' success not sales numbers.

When taking this approach, it's important to ensure clients also experience great value, as their referral and repeat business comes into play when maximising opportunities you have with them.

If you don't care about referral or repeat business, you potentially reduce the contribution each customer can make to your business, which is significant over a five-year period.

That's why if you plan to operate your dealership for more than the next one to two years, you need to include this as part of your business plan and strategy.

Getting back to maximising the opportunity at hand in relation to the first sale with that buyer, think about what tools you have at your disposal that contribute towards that sale's total value and profitability. Here are some areas to consider.

**Retail or window price:** How can you build enough value in the vehicle, and the experience with your dealership, to ensure as close to the window price is maintained. This is the price that's fair in the market and is your price.

Now sell and deliver an experience that justifies customers

not needing to have the price slashed and be the cheapest in the market. Remember the old saying, a price objection generally occurs in the absence of value.

**Finance offering:** About 90 per cent of vehicles on our roads are financed in some way with only



MARK GREENFIELD  
Motorcentral

a small percentage paid for with true cash savings.

That means people are arranging funds to buy a car from you before they go shopping, or during the process once they have found a car they'd

like to buy. Think about your dealership's finance penetration. If it isn't in the 80-90 per cent range, then there's more opportunity for you in this area.

The key here is educating clients as early as possible in their car-buying process and keeping them informed along the way of the benefits of utilising your finance. Don't be greedy with

protection available. Mechanical breakdown insurance (MBI) is the most common insurance product purchased through dealerships.

However, this is influenced by the fact that most customers aren't presented with guaranteed asset protection (GAP), payment (loan) protection insurance (PPI/LPI) or motor-vehicle insurance. These products need to be introduced as early as possible so customers can make informed decisions on the suitability of the benefits.

Don't fall into the trap of only presenting these products to customers you think should have them. Offer them to every customer, every time.

A gauge of how well you sell MBI is looking at how many policies are sold in your dealership each month against non-financed sales. If there are none, then the sales process needs improving.

**Accessories:** This is an area that can cover items such as tow bars, roof racks, tinted windows, paint and fabric protection, entertainment systems and mag wheels.

It's hard to stock all these items for every vehicle, so make contact with a local supplier that has plenty of stock and options along with providing you with wholesale prices so you can make small margins.

All of these things provide extra opportunities to maximise profits from customers. Individually they can all have small margins offering excellent value for your clients, but collectively amount to a solid return for dealership.



Sales of accessories, such as mag wheels, can boost margins

interest rates either because any profit you can generate from finance is above what you should've made from the vehicle if that was done well.

**Insurance:** Like finance, it's important to educate your customer early on about



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[continued from page 18]

year adopting its transient cycle for measuring diesel emissions from new heavy-duty vehicles.

The Japanese government has established environmental performance certification criteria keyed to the country's latest fuel efficiency and emission standards, while coded stickers are used to boost awareness of vehicles with advanced fuel efficiency or low emissions.

#### FUTURE TECHNOLOGY

JAMA says intelligent transport systems (ITS) aim to "radically improve transport safety, efficiency and convenience by using information and communication technologies integrating road users, road infrastructure and vehicles".

In 1996, the Japanese government formulated its "comprehensive concept for promoting ITS".

Advanced navigation systems are already widely in use, as are electronic toll collection (ETC) and smart highway toll stations using

ETC exclusively.

A range of technologies developed on the basis of advanced safety vehicle research are also in application.

An ITS road-maps initiative started by the government in June 2014 and updated last year details measures to be taken for further development under public-private co-operative efforts.

The focus of this work is safe-driving support, automated driving systems and the expanded use of road-traffic data.

"To achieve the stipulated goals, co-ordinated inter-ministerial and inter-agency efforts, including the upgrading of communication infrastructures, are required," says JAMA.

Vehicle-to-infrastructure systems providing safe-driving support and cruise assistance have been in operation in Japan since 2010-11.

More recently, ETC 2.0, an advanced toll collection system that also provides drivers with



The sales of hybrids, such as Mitsubishi's Outlander P-HEV, broke through the one-million barrier in Japan last year

real-time information on traffic conditions, has been rolled out on expressways.

In the area of safe-driving assistance using ITS, a wide range of features have been developed based on the results of research conducted on advanced vehicle concepts.

These include adaptive front lighting, lane-keeping assist, full-range adaptive cruise control and collision-mitigation braking systems.

Most of these advanced technologies have already been introduced to the market.

In addition to ITS, JAMA says progress is being made in the main areas that make up road safety – vehicles, road users and road infrastructure.

"The automotive industry strives for greater active safety by upgrading equipment and expanding its on-board installation rates to help prevent accidents occurring," the report states.

For example, 44.9 per cent of cars made in 2015 for the domestic market were equipped with forward collision-mitigation braking systems – including those for low-speed operation – and 37.4 per cent with systems enabling accelerator suppression in the event of pedal misapplication.

Car companies are also aiming to increase passive safety through enhanced structural safety and vehicle features designed to mitigate injury when accidents do occur.

#### STACKING UP NUMBERS

The number of motor vehicles made in Japan last year came in at 9.2 million units – down by 0.8 per cent compared to 2015.

On the flip side, passenger car production rose by 0.6 per cent to 7.87m units, according to JAMA.

Within that category, standard and small car production increased by 5.4 and 3.5 per cent to 5m and 1.61m units respectively, whereas minicar production declined 17.4 per cent to 1.26m.

Meanwhile, truck and bus production showed a decrease from 2015, slipping 8.3 per cent to 1.2m units and 5.9 per cent to 130,000 units.

Car and commercial vehicle demand in Japan in 2016 totalled 4.97m units, a decrease of 1.5 per cent from the previous year.

Total car sales declined by 1.6 per cent to 4.15m units, with standard cars rising 10 per cent to 1.49m, but small cars and minicars dropped by 2.9 per cent to 1.31m and 11 per cent to 1.35m respectively.

Truck sales slipped by 1.1 per cent from 2015 to 808,000 units, whereas sales of buses increased by 15.8 per cent to 15,000.

Exports of new motor vehicles in 2016 grew by 1.2 per cent from the previous year to 4.63m units.

Car exports rose by 3.7 per cent to 4.12m, while truck and bus exports dropped 17.7 and 6.8 per cent to 384,000 and 132,000.

There were increases in new vehicle exports to Europe, Asia, North America, and Oceania, which includes New Zealand.

Compared to the previous year, new vehicle exports in 2016 climbed by 11 per cent to Europe, 10.9 per cent to Asia, 8.6 per cent to North America and 0.7 per cent to Oceania, but declined by 26.9 per cent to the Middle East, 20.1 per cent to Africa and by five per cent to Latin America.

The total of 393,457 new vehicles being exported to Oceania included 342,580 going to Australia, 40,369 to New Zealand and 10,508 going to other countries in the region. ☺

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# Deal to buy insurance book

Provident Insurance is set to purchase Co-op Insurance NZ's insurance book after a three-year working relationship between the two companies.

While Provident is an established provider of protection policies for car buyers in this country's retail motor industry, its motor-vehicle insurance policy has been underwritten and supported by Co-op Insurance NZ.

Steve Owens, chief executive officer of Provident, says the partnership has developed through a "shared passion, competence and commitment to delivering new products to the market".

He describes the latest news as exciting for Provident, its dealer and finance company clients, and Co-op Insurance NZ's associated credit unions.

"Our relationship has developed through a vision to deliver innovative

products and exceed the service levels expected," says Owens.

"Over the past three years, we've developed some unique motor-vehicle insurance products in partnership with Co-op Insurance NZ. These include multi-year vehicle and luxury insurance.

"Purchasing Co-op Insurance NZ will give us greater scale, the ability to develop our technology platform and further innovate in product design."

Henry Lynch, Co-op Insurance NZ's chief executive officer, says: "Provident has been a great partner for us and is a perfect fit to purchase our insurance business.

"We have admired Provident for its passion, foresight and commitment to the industry it serves. We believe it will go on

to provide increased levels of product and service delivery, including supporting the development of insurance sales through our credit-union network."

The purchase is conditional and subject to approval by the Reserve Bank of New Zealand.

In April 2015, Provident linked up with Co-op Insurance NZ to sell comprehensive motor-vehicle insurance through Provident's registered dealers.

It was this venture that resulted in Co-op Insurance underwriting a Provident-branded insurance policy that traders can quote and sell to customers at point of sale.

At the time Owens, described the alliance as a natural move for the company, and as

complementary to its existing consumer credit and mechanical breakdown insurance products.

"One of Co-op Insurance NZ's strengths has been its agility and ability to work with us and respond to our unique customer needs," he said.

About three months later, the two companies released multi-year insurance for Provident's car dealers, financiers and brokers. It allows customers to lock in cover for up to three years in, which has benefits for customers and dealers.

"Customers gets premium rates and accident-free discounts locked in until their next renewal date irrespective of whether they've made a claim," said Owens.

Lynch added: "Our alliance with Provident means we can leverage our infrastructure and experience to diversify with a strong distribution partner." ☺



Steve Owens



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## Driving forward changes

New Zealand company HMI Technologies says it's driving from the front to help legalise the deployment of automated vehicles.

The intelligent transport systems (ITS) company led a trial last month at Sydney's Olympic Park with French firm Navya and other organisations.

Test runs of Navya's level-four autonomous shuttle

have already been announced for Christchurch Airport and Melbourne's La Trobe University.

Members of the public took short journeys aboard the fully electric vehicle after preliminary safety tests were completed.

The shuttle integrates a range of technologies, including laser and radar guidance. It can carry up to 15 passengers and has a top speed of 45kph. Level-four

automation means it follows a pre-programmed route.

"Automated vehicles are no longer a concept," says Dean Zabrieszsch, chief executive officer. "However, while they are such a new technology, HMI



Navya's driverless shuttle

Technologies is aiming to address outstanding questions.

"We have the expertise to fuse automated vehicles with

ITS, artificial intelligence, location referencing and traffic-control systems.

"Trials will encourage the revision of legislation, systems and infrastructure required to make these vehicles an everyday reality."

HMI Technologies, which is based in Manukau, has been working in the ITS arena for more than 15 years. It designs, makes and installs systems here and in Australia. ☺



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# Action to improve the ageing fleet

**T**he global fleet is getting older on average. New Zealand recently crossed the 14-year mark for the average age of its light fleet compared to the US at 11.6 years, the EU at 11, Australia at 10 and Japan at 8.5.

Why is this happening and what does it mean for New Zealand? Should we be trying to address the issue? If so, what are the options?

The ageing of fleets worldwide is generally attributed to cars being built better and lasting longer. There are, however, other contributing factors.

For the past few decades, wages haven't kept up with living costs. With other debts due to study, housing and other costs, many buyers are opting for longer payment schedules on vehicle loans. This has been identified in the US as a primary reason for people holding onto cars.

In New Zealand, we're keeping cars for longer and those we source from overseas are older to start with – that's what's available. As our fleet ages, the average vehicle from any source market is still younger than ours.

Should we be trying to prevent the fleet ageing? On one hand, we hear about the risks of older cars and rewards of newer technology. On the other, there are practical financial and environmental costs.

Older vehicles are likely to be less reliable than newer ones. Not only are newer vehicles made better, but cars suffer from wear and tear. Proper maintenance can

mitigate many such issues, but not prevent them.

Newer vehicles are viewed as safer as they benefit from advances in design, such as crumple zones and advanced safety features. ANCAP recently released a video showing just that by crashing a 1998 and 2015 Corolla – the 2015 model appeared to fare much better.

New cars are generally seen as greener. Pollutants, such as emissions, cause long-term health problems and there are risks related to global warming.

Many pollutants created by older cars stem from engine wear. Then there are crashes, which have personal, financial and social costs.

Finally, retaining old cars in the fleet is seen by many as impeding the introduction of new technology, such as intelligent transport systems and automated driving.

Some countries are taking steps to address the issue. In the UK, many marques have introduced scrappage schemes with trade-ins accepted in exchange for significant price discounts on new vehicles.

This follows a failed lobby to implement a public-funded programme. The goal was to address rising pollution, but would also have supported the motor industry after almost half a year of falling sales.



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Other countries have public-funded schemes with varied results. Visit [www.oecd.org/greengrowth/greening-transport/car-scrapping.htm](http://www.oecd.org/greengrowth/greening-transport/car-scrapping.htm) for details. Of interest is the quantification of the return on investment with the most successful one being in the US with an 80 per cent return on social investment.

Interestingly, the most common justification for scrappage schemes is they reduce the fleet's age and decrease pollution, including CO<sub>2</sub>. Yet, it has been estimated that up to 28 per cent of carbon emissions generated during a vehicle's life occur pre-sale.

We know hybrid and electric vehicles have much higher initial environmental costs, and are only emission-free if drawing power from a clean grid, such as New Zealand's. There's also a significant environmental cost to scrap vehicles.

What should we do? What are the options? I tend to agree with many experts that when changing a vehicle, a good used one is better than buying new.

As quoted in Scientific American: "There's much to be said, from many environmental vantage points, about postponing replacement purchases of anything – not just cars – to keep what's already made out of the waste stream and delay

additional environmental costs of making something new."

But, remember, age is only a proxy for safety and environmental friendliness. Our goal is to make the fleet safer and more efficient, not younger.

We can address problems through modern technology. The push for autonomous vehicles reflects the realisation that driver behaviour is a huge part of the problem. In many cases, green driving may equal the effect of buying a greener car and also be safer. Finding ways to promote both could provide huge benefits.

An example of a solution could be an app that helps promote safer and greener driving. This could be tied into incentives, such as credits associated with motorist behaviour – green driving gives savings at the pump or socket, while safe driving sees savings on ACC or similar costs.

Other, more novel ways could be explored to provide gamification and incentives.

The benefits of newer vehicles and proper maintenance could be added into this by multiplying the results of driving behaviour by in-service emission testing and vehicle mass.

Ageing fleets aren't all doom and gloom. They create opportunities, such as the continued demand for maintenance and replacement parts – both important sectors of our industry.

We just need to explore more ways to make the fleet safer and more efficient. ☺



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## Extra awards class

Electric vehicles (EVs) and plug-in hybrids will have their own category for the first time at this year's NZ Car of the Year Awards.

"We considered the inclusion of an EV category over the past two years, but the market wasn't quite ready for it," says Stella Stocks, the AA's general manager of motoring services.

"More vehicles are now becoming available from a variety of manufacturers, which means competition is starting to build."

She says the AA is involved in the awards as an extension of advice it provides to motorists.

"The judges collectively have decades of experience assessing what makes a good car.

"The results can help buyers make their choices both now and a few years from now when new vehicles enter the second-hand market."

The car of the year winner is selected from 10 finalists. To be eligible, it must have been released onto the New Zealand market between October 1, 2016, and September 30, 2017.

The best-in-class awards are for any new vehicle on sale now and there is also a gong for safest car based on ANCAP ratings.

The people's choice award will be announced on December 12 with voting due to start on November 1 on the AA's website.



BMW's i3 took out the top gong at the NZ Car of the Year Awards in 2015

## NEWS in brief

### Conference to tackle issues on future of finance

An impressive line-up of speakers will take to the stage at the Financial Services Federation's inaugural conference on November 9 in Auckland.

Financial Services Future-Proofing at the Pullman Hotel will delve into how changes to regulation, technology, culture and laws are impacting the industry's future, including the automotive sector.

The conference will be MC'd by ex-TVNZ broadcaster Rawdon Christie. Political commentator Barry Soper and Fintech NZ's Mitchell Pham will also speak, while TED Talker Steve Tighe has made a name for himself for his views on the future and innovation.

The Commerce Commission's Antonia Horrocks, general manager of the competition branch, will give an insight into its new business strategy and discuss its concerns in the credit space.

FSF executive director Lyn McMorrان, pictured above, says: "We are looking forward to hosting this conference as a chance for discussion, networking and helping delegates prepare for the future."

Other speakers are Karen Stevens, of the Insurance and Financial Services Ombudsman Scheme, and Susan Taylor, of Financial Services Complaints. They will reveal trends and concerns their organisations are seeing regarding credit and credit-related insurance complaints.

And Andrew Holmes, of the Department of Internal Affairs, will update delegates on the second phase of the anti-money laundering legislation. Visit [www.fsf.org.nz](http://www.fsf.org.nz) for more details.



### Ministry team based on changing nature of work

Secretary for Transport Peter Mersi, pictured, has unveiled his new senior leadership team, which comes into effect on October 2.

His four deputy chief executives are Nick Brown – governance and engagement, Bryn Gandy – strategy and investment, Robyn Smith – corporate services and Kirstie Hewlett – regulatory and data.

Paul Laplanche is chief financial officer with Karen Lyons being director for Auckland.

Mersi initiated an organisational review in February to reflect the changing nature of the Ministry of Transport's work.

"The increasing importance of emerging technologies, urban development, housing, tourism, and environmental and social issues all have impacts on our transport system," he says.



### Event to explore industry getting better connected

The 45th Tokyo Motor Show will be held at Tokyo Big Sight area from October 27 to November 5.

The theme of the event, which will cover cars, commercials, motorcycles, auto bodies and coach work, parts, machinery and industry-related services, is "beyond the motor".

"Extending the existing values of mobility" is the vision that underpins the objective of redefining the show "in the context of continuous evolution". The aim will be to transcend industry's "borders" to integrate concepts and technologies from a broad spectrum.

The Tokyo Connected Lab will explore how connected mobility and related services will change people's lifestyles, "offering not only convenience and enjoyment, but also added value in an ever-evolving megacity".



# Aluminium key to weight loss

**M**ercedes-AMG unveiled its latest competition car, the GT4, at this year's 24-hour race at Spa-Francorchamps in Belgium.

The new model is based on the GT R – with combined fuel consumption of 11.4l/100km and CO<sub>2</sub> emissions of 259g/km – and has been made to meet the requirements of international GT4 race series.

The production-based concept combines matured racing technology with high levels of safety and efficiency.

Prior to first deliveries scheduled for the end of 2017, the GT4 is to undergo further intense testing with more than 30,000km to be clocked up on the track.

The new vehicle has already successfully proven its reliable endurance performance and high durability in a test at race speed for 30 hours.

The GT4 is powered by the four-litre V8 bi-turbo engine with direct-fuel injection. The front-mid engine allows for long service intervals and provides sufficient performance reserves for the future.

Depending on the balance of performance, this results into an output of up to 37kW and more than 600Nm of torque.

Its sequential six-speed competition gearbox is linked to the rear axle in transaxle formation and is pneumatically operated. This arrangement results into a favourable weight distribution and a lower centre of gravity.

To achieve maximum track performance, the GT4 has been weight-optimised in every area. A mix of aluminium and carbon has been used for the chassis and bodywork.

Its structure consists of a light and rigid aluminium spaceframe that can also be found in the Mercedes-AMG GT R.

Racing-specific bodywork parts such as the bonnet, front apron and front splitter have been made of a lightweight composite material.

The GT4's roll cage is made of high-strength steel and is screwed onto the spaceframe.

A powerful competition brake system with multi-adjustable ABS ensures maximum stopping power, while the car is also equipped with 18-inch forged AMG light alloys. ☺

## Setting electric pace

**J**aguar's I-PACE Concept was voted most significant car at the 16th North American Concept Vehicle Awards.

The electric crossover, set to compete with Tesla's Model X, is a first for Jaguar, which has designed an all-new platform and drivetrain for it.

The awards, held at the Concours d'Elegance of America in Michigan, recognise cars most likely to shape the future of the industry.

Praised for its beautiful and futuristic design, one of the judges said: "Jaguar has improved the brand in so many ways and the I-PACE Concept presents this new direction."

The electric vehicle (EV) takes

full advantage of the packaging freedom offered by electrification and previews the marque's first EV, the I-PACE.

"Our challenge was to design an EV that's distinctively and unmistakably a Jaguar – and one which demonstrates that an EV can be visually dramatic as well as practical," says Ian Callum, director of design.

"This concept has done that, and is clearly at the forefront of the trend for more beautiful EVs."

Jaguar's I-PACE is slated for release on these shores in second half of next year. Visit [www.autofile.co.nz](http://www.autofile.co.nz) for more on the Concours d'Elegance of America. ☺



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# Strategic growth down south

Home to about 55,000 people, Invercargill has its future growth linked to the recently released Southland Regional Development Strategy (SoRDS).

The policy, which was launched late last year, aims to attract 10,000 new people to the region by 2025 by targeting tourism, overseas students and aquaculture for significant growth.

“The benefits of growth are an advantage to all residents of our city and, thanks to the wisdom of previous city leaders and engineers, Invercargill has the core infrastructure capacity to handle twice our current population,” says Mayor Tim Shadbolt.

“Just imagine the benefits we would see in terms of education, health and other government spending with that level of population.”

Current estimates predict that Invercargill will have little growth between now and 2043 but, in the short term, it is anticipated the city will grow. However, migration and slowing birth rates may eventually lead to a decrease in the population.

To mitigate this and reach its

population goal, the strategy aims to increase international student numbers to 3,500 – 6,000 including dependents such as students’ spouses and children – in the region by 2025.

In November, the government announced a \$440,000 funding package for SoRDS to promote international education and primary-sector skill development in Southland.

An Education NZ report, the Economic Impact of International Education in Southland 2015-16, was released in March and details living costs, tuition fees, average spend per student, the number of jobs supported and economic value of international education.

The report found that overseas students in Southland spent an average of \$33,200, while foreign-exchange earnings amounted to \$46.3 million during the 12-month period.

The industries that directly supply goods and services to these young people generated added value of \$23.1m and 185 jobs. Incorporating indirect and induced effects raised employment to 268 jobs and value added to \$31.2m.

With indirect taxes, the latter



Tim Shadbolt, Mayor of Invercargill

accounts for about 0.69 per cent of Southland’s gross domestic product. The equivalent nationwide proportion is 1.7 per cent.

In 2015, enrolments at Southland Institute of Technology (SIT) totalled 1,470 – an increase of 18 per cent on the previous year and 1.2 per cent of enrolments nationwide. The region’s growth has been led by SIT accounting for 82 per cent of the enrolments.

International education is worth \$4.28 billion to the Kiwi economy, and it is expected that attracting skilled workers to the region will also help it to reach its economic potential.

While Southland is heavily

dependent on dairy farming, key future focus areas highlighted in the strategy include aquaculture and other primary industries.

The strategy’s goal is to double annual tourism revenue to \$1 billion with potential for a new attraction, Oyster World in Bluff.

Two Southland attractions received funding in March through the government’s tourism growth partnership, which funds industry-led projects that lift innovation and create new opportunities.

Invercargill’s Classic Motorcycle Mecca, which has more than 300 bikes and related artwork, received \$550,000, while the Curio Bay Tumu Toka Natural Heritage Centre and Experience received \$500,000.

The city, which was founded in the 1850s and has Victorian and Edwardian architecture, is home to Burt Munro’s Indian Scout motorbike, which is on display at E Hayes and Sons Motorworks Collection.

Then there’s the Bill Richardson Transport World, which has about 300 vehicles and is the largest private collection of its type in the world. The city also has a museum and art gallery, and considers itself to be the gateway to Southland’s many natural tourist attractions.

“We have recently welcomed Transport World, Motorcycle Mecca and Digger World,” says Shadbolt. “These massive privately funded investments are surely a sign of confidence.

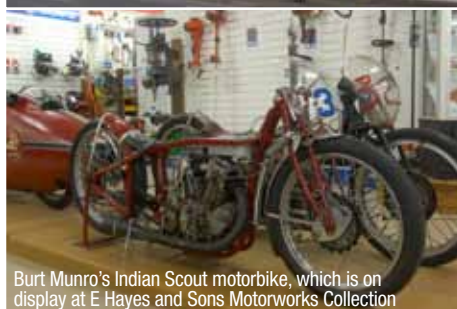
“ILT [Invercargill Licensing Trust] has announced the building of a new hotel and other projects are in the pipeline.

“As well as the long list of lifestyle, food and employment opportunities Southlanders enjoy, Invercargill has a proud history of innovation, invention and ingenuity.”

Southland vehicle sales - August 2016 to August 2017							
	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS	PUBLIC TO TRADER	PUBLIC TO PUBLIC	TRADER TO PUBLIC
Aug '16	154	107	7	83	290	1,076	435
Sep '16	153	140	6	103	261	979	404
Oct '16	153	113	14	95	241	982	380
Nov '16	136	102	14	100	275	990	418
Dec '16	147	81	19	66	244	885	376
Jan '17	164	139	11	82	247	1,039	331
Feb '17	132	146	10	92	258	954	383
Mar '17	165	146	17	112	277	1,016	370
Apr '17	141	104	9	88	280	904	342
May '17	168	146	10	115	323	995	419
Jun '17	174	139	12	158	276	1,076	429
Jul '17	186	108	11	110	282	1,032	409
Aug '17	205	128	17	120	314	1,017	437
<b>Total 12 months</b>	<b>1,924</b>	<b>1,492</b>	<b>150</b>	<b>1,241</b>	<b>3,278</b>	<b>11,869</b>	<b>4,698</b>
<b>Change on August 2016</b>	<b>33.1%</b>	<b>19.6%</b>	<b>142.9%</b>	<b>44.6%</b>	<b>8.3%</b>	<b>-5.5%</b>	<b>0.5%</b>
Previous 12 months - Sep 2015-Aug 2016	1,792	1,255	116	1,122	3,336	12,137	4,767
Change on previous 12 months	7.4%	18.9%	29.3%	10.6%	-1.7%	-2.2%	-1.4%
NZ sales - past 12 months	160,081	107,494	12,727	49,983	159,369	517,413	212,009
Southland's % of NZ sales	1.2%	1.4%	1.2%	2.5%	2.1%	2.3%	2.2%
Population	<b>New Zealand</b>	4,693,000	<b>Southland</b>	93,342	2.03%		



Top Cars and Commercials – owner John Beck says business has been steady this year



Burt Munro's Indian Scout motorbike, which is on display at E Hayes and Sons Motorworks Collection



Dig This Invercargill, opening in October this year, is based on the Las Vegas attraction and will be New Zealand's first heavy-equipment playground.

◀ "This is the city where big dreams are realised. People who come to visit or stay often discover the opportunities here and never leave. Just like me."

John Beck, from Top Cars and Commercials, says Invercargill still relies on primary industries, such as farming, for business.

"There are a lot of seasonal workers who are not working at the moment, but there is no quiet time of the year anymore," he says.

"Business has been steady. There are no new car dealers in town, but no one has shut down either. And I don't think anyone has expanded their business.

"Invercargill is on the way to other places tourists want to visit, so we get a lot of through traffic.

Scott Williamson, general manager of X Factor Cars in Invercargill, says 2017 has so far been the best year for sales in the past five years.

"I am feeling a positive vibe down here," he says. "Living costs are minimal and the rural economy is healthy."

Williamson adds many Southland contractors and tradesmen are benefitting from the building boom in Central Otago.

He says tradies will either commute north or find temporary accommodation during the week and return home for the weekends.

Williamson says growth in the city's population will not impact hugely on vehicle sales. "We deal with people throughout the country.

The internet has opened the market for us and it means people can look at our stock whenever they want."

According to Ian McDonald, sales manager for Turners in Invercargill, the branch has been "well-supported" by Southlanders since it opened a retail operation in the city 16 months ago. "About 40 per cent of our sales are to dealers throughout New Zealand."

Buyers can view the 2,000 cars in stock at Turners' branches on a large-screen television at the Invercargill branch office, which is a point of difference from other dealerships, McDonald believes.

"We are working on becoming more focused on retail sales – we don't hold auctions at this branch."

He says a population increase of 10,000 people will boost the region's economy.

"We have been well-supported by Indian and Asian international students buying cars. Students want to pay between \$4,000 and \$6,000 for a vehicle.

"I have travelled the world and came back to live here. It's laid-back, cruisy and inexpensive. Where else can you pay \$350,000 to buy a house and 12 acres."

According to government figures, Southland's population was 98,000 in 2016 and its employment rate was 72 per cent, with an unemployment rate of five per cent, while employment growth between 2005 and 2015 was 0.5 per cent.

Southland's annual average

household income was \$84,836 in 2015. The average house value in 2016 was \$220,788, while weekly rent was \$228.

A concept plan for a vibrant and modern inner-city in Invercargill has been developed, led by an urban designer. This will involve the formation of a joint venture to undertake the development of the retail precinct in the central city.

Art galleries have been shown to be drivers for inner-city development and a feasibility study is well-advanced on a gallery concept likely to be near Wachner Place in Esk Street West.

In August, the council launched the new city brand with local businesses and retail leaders.

"We're looking forward to a future that has many opportunities and are well-positioned to assist businesses," says Shadbolt.

"Of course, Invercargill City Council has always been proactive and generally welcoming of development and business growth in the city.

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Graham Williamson X Factor Cars



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# The month that was.... September

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

September 20, 1999

## Parts causing problems for repairers

The issue of pirate car parts was back in the spotlight after the LTSA enforced its new repair rule. Under the rule, the onus was on vehicle repairers to ensure that the parts used bring the vehicle back to its original specification.

Therefore, the equivalent undamaged or new parts should be used. Mitsubishi New Zealand, which brought the matter to national attention, said the rule was being flouted.

Insurance companies were understood to be importing cheap parts from Australia.

Chief executive officer of the Collision Repair Association, Andrew Garrett, said insurance companies were putting pressure on the cost of labour and the price of parts.

Roger Greaney, of Dykes Panelbeaters in Napier, told Autofile the industry was having difficulty attracting good people because of the low hourly rate – about \$30. And with the high level of technology now on vehicles, it was a “bit of an electronic nightmare” because companies could not afford to pay for the top-class technicians needed.

Mitsubishi said spare-parts pricing was competitive. “Everyone has pulled their prices right back,” explained managing director John Leighton.



September 2, 2005

## Vehicle year vexation

Debate was raging between industry organisations and the Ministry of Transport (MoT) over the date to be used to indicate vehicle year.

The disagreement began the month before when the MoT invited some of them to a meeting to discuss how the year of manufacturer (YoM) would be implemented as the industry’s mandatory registration date.

Industry representatives were vexed over the invite because they had been united on recommending the date of first registration as the most appropriate age indicator.

Chief executive of the IMVDA, David Vinsen, said the MIA, MTA and the IMVDA had held that view since well before his time.

“It indicates when the car started its useful life – it’s the date used for warranties and recalls, and it’s the date customers understand,” he added.

New vehicle importers began using YoM in February after the MoT promised used importers would soon be doing the same. However, YoM was difficult to source for used vehicles and the change was delayed.

Representatives did not attend the meeting. The MTA said it would advise the MoT not to move on implementation until all processes and legal frameworks were in place.

The MoT said it would work with stakeholders to ensure vehicle data best served its purpose.



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September 12, 2008

## Immobiliser submissions sent

The industry started lodging submissions on the Vehicle Equipment (Immobilisers) Rule that would require a new or used car less than eight years old be fitted with an immobiliser to be certified for entry into service.

The proposal was part of the Ministry of Justice’s vehicle crime reduction programme targeting the reduction of opportunistic theft such as using a stolen vehicle during a burglary or joyriding.

Stolen vehicles were often recovered but usually damaged. Police estimate up to 80 per cent of vehicle theft was opportunistic.

The Insurance Council was concerned immobilisers would not comply with Australian and New Zealand standards.

David Vinsen, chief executive of the IMVDA, said: “There has been a suggestion that if a vehicle enters New Zealand and it can’t be proved the immobiliser complies with a standard, that it should be removed and a new one fitted... it imposes unnecessary costs and implications on the trade with no real benefit.

“If there were any tangible and eventual benefit to the community, then it should be consumers and insurance companies that shoulder that cost.” He added more cars would soon have the technology fitted as standard.



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# Industry movers

**SHANNON BEECH** has a new role as national sales and marketing manager for Dorchester and Oxford Finance, which form part of the Turners Group.

Beech joins the companies after almost two years as chief executive officer of Marac Insurance. Prior to that she concluded a 13-year career with Autosure as regional sales manager.



**MIKE HAIGH** has been promoted to dealer principal at Southern Automobiles in Invercargill. For the previous three years he was the dealership's business manager.

Haigh started in the automotive sector in 1988 working for Honda Cars in Invercargill and has been involved in it ever since. Southern Automobiles holds the franchises for Honda, Mitsubishi, Nissan, Subaru, Suzuki and Volkswagen.



**SCOTT ALLISON** joined Cooke Howlison in Dunedin earlier this year as dealer principal responsible for its BMW, Mini and Hyundai brands.

Before taking up his current position, Allison held dealer principal and general manager roles in Australia. He has vast experience having worked in the automotive industry for more than 12 years.



**WENDY FENNING** has joined Autosure's northern region sales team as business development manager. Fenning has more than 25 years' experience and is well known in the industry having owned Motorplus for the past 17 years.

She will continue to manage the Motorplus agent network and will work with Autosure dealers in the region to support their strategic growth initiatives.



**ANDY JACKSON** has been appointed used car manager at Winger Subaru in Greenlane, Auckland.

Having worked for Winger Motors for six years, Jackson now looks after the used vehicle business. He has been in the industry for eight years. Before coming to New Zealand, he sold Ford, Toyota and Mercedes-Benz vehicles in the UK.



**BRAD GARDINER** has taken up the role of national sales manager (passenger commercial vehicles, and trucks and machinery) for Manheim's New Zealand business.

Gardiner has previously worked for the Turners Group where he spent 10 years and was general manager before leaving Turners. Starting in the industry as an A-grade qualified mechanic, he has more than 15 years' automotive industry experience.



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

# NZ labour market report

**NEW RESEARCH RELEASED BY** Infometrics suggests New Zealand may be underestimating net migration by between 4,000 and 8,000 people per year.

These figures imply that net migration could be closer to 80,000 per annum, rather than the latest official measure of 72,300.

"The people we all previously considered to be generally temporary arrivals – such as students, workers and tourists – don't appear to be as temporary as we thought," says Gareth Kiernan, Infometrics' chief forecaster.

"The number of people gaining resident visas from within New Zealand, having previously come here on other visas, has increased by 27 per cent since June 2015."

Migration policy changes announced by the government last October are largely window-dressing and are having a limited effect on arrival numbers, says Kiernan.

But impending changes to minimum salary requirements for skilled migrants may have a significant effect on net migration making it particularly difficult for employers in the provinces to source migrant workers.

Against this backdrop of historically high net migration, Kiernan believes that we should be aiming for net migration over the next decade of between 10,500 and 16,600 people per annum.

"But the economy needs to be gradually weaned off its dependence on migration, rather than abruptly shutting the door on new arrivals," he stresses. "This process could take at least seven years given high migration levels and the tightening labour market."

Over the longer term, immigration policy should be considered within the context of overall population growth with approvals targets partly used to mitigate swings in the unrestricted flows of Australasians.

"Achieving a relatively steady rate of population growth would allow planners, policymakers and

private sector decision-makers to appropriately plan for providing housing, civic infrastructure, and other goods and services," says Kiernan.

"This outcome would be a vast improvement on the migration flows of the past 20 years that, if anything, have tended to exacerbate the economic cycle."

Meanwhile, the Ministry of Business, Innovation and Employment (MBIE) has released its labour market scorecard for the June 2017 quarter with conditions described as "steady".

"The market was steady over the quarter," says Nita Zodgekar, of the MBIE. "Fewer people were unemployed, and annual movements in employment and participation remained robust."

The scorecard for the June quarter shows labour demand eased with a slight decrease in employment. Employment fell by 0.2 per cent over the period, largely driven by a drop in part-time positions.

Labour market matching improved with the unemployment rate falling by 0.1 to 4.9 per cent this quarter with fewer women being unemployed.

Supply increased with strong working-age population growth – up by 0.5 per cent and driven by record migration.

Despite this, labour force participation was down slightly, by 0.6 per cent due to fewer people active in the market.

Labour market quality has strengthened with the percentage of 25 to 34-year-olds with level-four qualifications or higher rising from 57.1 to 57.6 per cent.

Workplace performance was moderate and has improved over the year. The ordinary-time average weekly earnings per full-time equivalent employee rose by 1.6 per cent over the year to June 2017.

Growth in average ordinary-time earnings was particularly strong for women over the year and was twice as much as that for men. ☺

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**TONY HEADLAND**  
General manager  
Protecta Insurance

paying by instalments and boasts a free accident management service.

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time off the road, unconditional workmanship guarantee and valet at completion.

Other insurers don't provide either of these benefits, which makes your offering a lot easier to sell.

Selling motor-vehicle insurance also provides a great insight into how the customer is going to finance the purchase as all insurers need to know if there is going to be a security – or finance – on the car.

Once you know this it gives you the knowledge and competitive

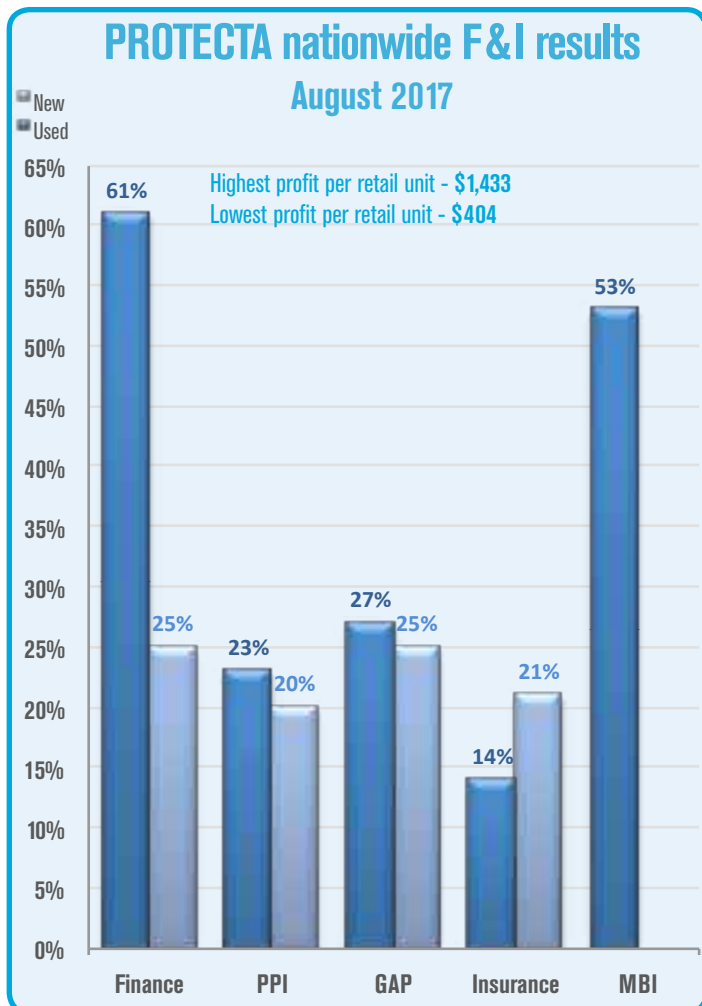
advantage to sell your finance option.

Remember, as a motor-vehicle dealer you are the specialist when it comes to selling, financing and insuring vehicles.

Erin Mills, training manager for Protecta Insurance, spends a lot of time providing free training for our customers. Her experience and Protecta's systems make up a combination that's increasing our dealers' profitability.

Motor-vehicle insurance is a key component of the training provided to dealers giving them the knowledge and skills to sell this product, which can also be invaluable for customer satisfaction and retention.

Many dealers are catching on and sales of Protecta's motor-vehicle insurance are booming. With competitive pricing, unique benefits and a fast, easy and intuitive online sales system, it provides the catalyst to increased dealer profits. ☺



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## SPEED DIARY

14-16 SEP

British Rally Championship - Rally Isle of Man

15-17 SEP

ADAC Formula 4 - Sachsenring, Germany

16 SEP

World Endurance Championship - Circuit of the Americas, Austin, USA

16-17 SEP

World Rallycross Championship - Latvia

17 SEP

F1 - Marina Bay, Singapore  
NASCAR Cup Series - Chicagoland, USA  
Motocross World Championship - France  
European Touring Car Cup - Zolder, Belgium

22-24 SEP

ADAC Formula 4 - Hockenheim, Germany

22 SEP-21 OCT

Great Amazon Adventure - Bolivia, Argentina & Uruguay

23 SEP

NASCAR Races - Irwindale, USA

23-24 SEP

F3 European Championship - Austria  
DTM Championship - Spielberg, Austria  
Blancpain GT Series Asia - Shanghai, China

24 SEP

MotoGP - MotorLand Aragon, Spain  
NASCAR Cup Series - New Hampshire, USA

30 SEP-1 OCT

World Rallycross Championship - Estering, Germany  
Blancpain Endurance Series - Spain

1 OCT

F1 - Sepang, Malaysia  
NASCAR Cup Series - Dover, Speedway, USA  
Motocross World Championship - Winchester

5-8 OCT

WRC - Rally Spain

6-8 OCT

Touring Car Endurance Series - Brno

7 OCT

NASCAR Cup Series - Charlotte, USA

8 OCT

F1 - Suzuka Circuit, Japan  
European Touring Car Cup - Most, Czech Republic

13-15 OCT

World Touring Car Championship - China

# Kiwi racers excel overseas

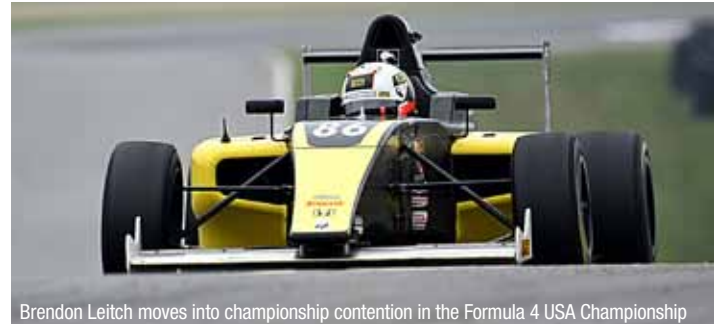
**M**itch Evans, Brendon Hartley, Earl Bamber, Scott Dixon. Champions on the world stage.

To these names, add the latest crop of Kiwis taking on the world: Marcus Armstrong, Taylor Cockerton, Brendon Leitch, Andy Waite and William Bamber.

Armstrong in Europe is competing in two FIA Formula 4 championships – and in August he led the ADAC German F4 standings and was second in the Italian F4 Championship behind his teammate Juri Vips.

Taylor Cockerton is second in the 2017 Formula Masters Series in China and is closing the gap to leader Daniel Lu.

At the penultimate round held at the Zhuhai International Circuit, Cockerton finished with two second placings and a fifth to give



Brendon Leitch moves into championship contention in the Formula 4 USA Championship

him the round win and place him just 16 points behind Lu.

Brendon Leitch, battling huge grids in the American Formula 4 Championship with the backing of ITM, stormed from P19 all the way to a race win and subsequent weekend domination at Mid-Ohio.

Despite being centre-punched in the final race of the subsequent Virginia International Raceway, he goes to the final in Texas well capable of taking a podium result

for the championship.

Andy Waite scored a drive in the Chinese FRD LMP3 Series – Ligier chassis, Nissan V8 engine endurance race car – with the respected PTRS team and is looking hot for a series win at the final round this month.

William Bamber has not been prominent in motor racing since making a spectacular debut in the defunct Suzuki Swift Sport Cup some years ago. ☺

## GT category hits speed bump

**J**ust as GT and endurance racing appeared set to take centre stage in Australasian motor racing, the category may be losing momentum.

The owner of the trans-Tasman Australian GT Championship, Tony Quinn, is in talks with the V8 Supercars organisation with a view to selling the series amid acrimony over the structure of the championship.

Many Australian teams resent having to travel to New Zealand to compete, and with two rounds of the series here this year – at Quinn-owned Highland Park and

Hampton Downs – they face two expensive trips across the Tasman. As a result, numbers in the championship are on the slide.

In this country, the organisers of the established northern and southern endurance series – which pits GT cars against saloons and sports coupes and has enjoyed huge success – are reportedly none too happy about the proposal to run short and long duration endurance races in the summer series.

Speedworks, promoters of



Tony Quinn

the summer series, has stated it will bring GTs into the programme with short sprint races about 15 minutes long and a "Rush Hour" endurance race at 6pm on the Saturday of

the weekend when GTs can race against NZV8s and GT3 Porsches with entry based on lap times in each category's shorter races.

The northern and southern series bracket the summer premier motor-racing season and have enjoyed consistent growth since being established. ☺



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# New rally challenge for Holder

**T**auranga rally driver Dave Holder has been given the opportunity to step into the Holden Barina AP4+ car built for Greg Murphy for the final two rounds of this year's New Zealand Rally Championship.

The AP4+ concept has revitalised this country's rally scene, giving local drivers experience in "new tech" all-wheel-drive rally cars all based around a compact hatchback format.

The cars have won wide praise from competitors including the Hyundai World Rally Championship team's Kiwi driver Hayden Paddon.

Holder, meanwhile, has shown what he can do in a bewildering variety of rally machinery – some of it more than a decade old.

"Exciting stuff for Jase and I to get back in an AP4 car," enthuses Holder. "The old GC8 we used the other week at Coromandel was a bit of a step back in time."

"I haven't actually got behind the wheel of the Barina yet aside from a seat fitment. Looking over the car it's clear the team at RDL performance has done an exceptional job."

Holder says the AP4+ has proven to be a popular and successful category.

"There's been a good initial uptake on cars being built as well as a number currently in the



Dave Holder and co-driver Jason Farmer are excited to be contesting the NZ Rally Championship

pipeline for next season," he adds.

"The cars are grabbing the attention of the public here and across the globe, so credit is due to [AP4+ originator] Andrew Hawkeswood for all his hard work to make the AP4 class a reality."

Although there was a groundswell of popular support for the return of a WRC round to New Zealand, the FIA gave the idea the thumbs-down a month ago.

Holder says the prospect of a WRC event in New Zealand – and based in his home town – was one to treasure and he is disappointed

that the push for inclusion failed.

"It's more than disappointing considering it's the pinnacle of the sport."

Holder was an early adopter of steering wheels and handlebars and had natural aptitude.

"I grew up on a farm so driving was an everyday part of life from an early age. And whether it was tractors, motorbikes or ride-on lawnmowers, I seemed to have a natural ability for it... so rallying was always going to be the natural progression."

His first car was a Toyota Levin,

"which strangely enough was the exact car my brother used in the NZRC several years earlier."

Holder adds: "By chance I brought it back into the family [although in a damaged state], fixed it up and headed off to the Rally of Canterbury."

"The rally itself went well and ended in a podium in class, which was much more than expected. That wasn't without a visit or two into some gorse bushes though."

The team's 2018 plans are "still very fluid".

"In terms of New Zealand, the goal is certainly to win the championship in an AP4 partnered alongside a manufacturer. Beyond that, we really want to be competing in some overseas events to gain more experience and transition over there."

"Right now I'm in Europe scouting some future opportunities aiming to make some headway in this for next year."

Holder says support for rallying is strong among NZ competitors. Entry numbers are increasing as are spectator numbers.

"Just take a look at Rally Coromandel the other week – a record NZRC entry and spectators popping out in the most random places. You can't argue with that."



Holder will pilot Greg Murphy's Holden Barina AP4+ for the final two rounds of the championship

# Buyer seeks tribunal's help after ute suffers serious engine failure

## Background

Aaron Caie purchased a 2007 Toyota Hilux 3.0TD with an odometer reading of 201,797km from Sinclair and Pryor Motors Ltd, trading as Eastland Toyota, for \$25,990 on November 4, 2015.

Fifteen months following supply and after travelling about 28,000km, the Hilux suffered significant engine failure that was estimated to cost about \$9,000 to repair.

Caie said the Hilux had a pre-existing fault that caused the engine damage and the vehicle wasn't as durable as a reasonable consumer would expect.

The buyer said he was misled by Eastland Toyota that the ute's service history was good. He said the service history was neither known, nor good.

Eastland Toyota said the Hilux did not have a pre-existing fault and was as durable as a reasonable consumer would expect.

The company also denied misleading Caie about the vehicle's service history.

## The case

In February 2017, Hawke's Bay and Taupo Toyota estimated it would cost \$8,963.10 to repair the damage.

It found the ute suffered piston failure in its number-one cylinder, which might have damaged its turbo-charger.

Caie said that a rattling noise, which the vehicle had made since purchase, showed it had engine damage when he purchased it.

The buyer said he was told by a mechanic when he purchased the

Hilux that this rattling noise could be related to a problem with the vehicle's injectors.

However, he was reassured by Eastland Toyota that the injectors were reconditioned before purchase.

The tribunal's assessor said the piston failure was likely to have been caused by a partially blocked or damaged fuel injector due to contaminants in the Hilux's fuel and, therefore, the fault was not pre-existing.

Caie told the hearing that the vehicle's fuel-filter light came on in March or April 2016.

The assessor said the warning light was indicative of the filter being blocked with contaminants from an external source.

Caie said the vehicle should have lasted substantially longer than 15 months and about 28,000km of driving before it developed a significant engine fault.

The purchaser said he was told by Eastland Toyota that Hiluxes were reliable and known to travel up to 500,000km without trouble.

He added his Hilux was not as durable as would reasonably be expected.

He also emphasised that he serviced the vehicle as required and only drove the vehicle on the road.

Caie said Eastland Toyota made a misleading pre-purchase representation that the vehicle's service history was known and good.

He said the trader did not know all of the vehicle's service history and what it did know was not as positive as represented.

The evidence showed that

between 2011 and 2015, over which time the vehicle travelled 60,000km, there were no service history records.

Between May 2010 and April 2011, the vehicle had a string of faults repaired as set out in five pages of service history provided by Eastland Toyota.

The service history went silent until September 2015 when Eastland Toyota acquired the vehicle.

At that time, the trader noted that the vehicle was overdue for a service. Eastland Toyota also identified a number of faults with the Hilux that required fixing before it could be offered for sale, including suspension and brake repairs, repairing a transmission oil leak, clearing a blocked pick-up, replacing injector seals and fitting replacement engine skid trays.

The Hilux had been used in the forestry industry and the faults identified in its service history were consistent with it being driven off-road.

## The finding

On the basis of the evidence at the hearing and the assessor's advice, the tribunal was satisfied that the engine damage was caused by contaminants in the vehicle's fuel and it did not have a pre-existing fault that caused the engine damage.

Therefore, the tribunal was satisfied that the Hilux was durable under the terms of the CGA.

The tribunal found that Eastland Toyota had engaged in misleading conduct under the FTA.

It made representations to Caie

**The case:** The buyer's 2007 Hilux suffered engine damage. The customer said it had a pre-existing fault and he sought a remedy under the Consumer Guarantees Act (CGA) and Fair Trading Act (FTA). The trader said the Toyota was as durable as a reasonable consumer would expect and denied misleading the buyer.

**The decision:** The tribunal found the buyer was misled, but was not entitled to a remedy under either act.

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

that the vehicle's service history was known and good. It was neither.

However, the tribunal was not satisfied that Eastland Toyota's misleading conduct was an effective cause of Caie's loss. He might not have purchased the Hilux if he had known of its true service history.

In that sense, there was an indirect connection between the misleading conduct and his loss in that Caie would not have suffered loss if he did not own the vehicle.

But an indirect connection was not sufficient to conclude that the representations about the ute's service history were an effective cause of his loss, the tribunal found.

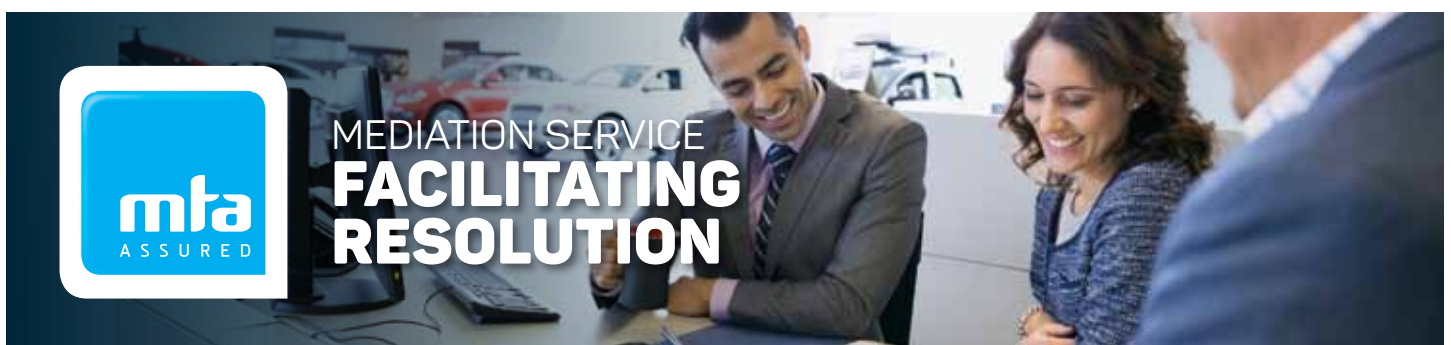
To succeed in a claim under the FTA, Caie had to show the vehicle had a fault related to its service history and that the fault caused – or contributed to – the engine damage.

The evidence did not show that the injector became blocked or damaged because of a lack of past servicing or the manner in which the vehicle had previously been used.

Caie was, therefore, not entitled to recover the cost of repairing the ute under the FTA.

## Order

The application was dismissed. ☹



# Trader fails to fix faulty vehicle and decides against attending hearing

## Background

Ashley Holt purchased a 2007 Volkswagen Touareg with an odometer reading of 156,000km from Hitchcock Wholesale for \$19,250 on November 27, 2016.

On the vehicle's Trade Me listing, the trader described it as being "absolutely perfect" mechanically.

However, about two months following purchase, the Touareg's battery malfunctioned and Holt had it replaced. The car had an engine-oil leak that caused it to misfire.

He obtained two diagnoses as to the nature of the leak from the engine. Both suggested it would cost at least \$1,000 to repair.

To compound matters, the buyer had to obtain a new WOF less than two months following purchase because the car was not supplied with a new warrant as required by law.

Holt tried, without success, to have Hitchcock Wholesale address the Touareg's faults. It made promises to address the problems and to pay money to Holt, but nothing eventuated.

Holt wanted to reject the vehicle on the basis of its faults and the absence of a new WOF.

Hitchcock Wholesale failed to appear at the hearing, which went ahead without the trader.

## The case

Holt told the hearing that he had to replace the vehicle's battery and obtain a new WOF about two months following its supply.

Holt provided the adjudicator with assessments regarding the oil leak from Robertson Prestige and The Engine Room Automotive, both based in Palmerston North.

Both assessors agreed there was an engine-oil leak, although each had a different view as to the cause of that problem.

Robertson Prestige said the vehicle had leaky rocker covers, allowing oil to leak into the coils and causing the vehicle to misfire.

It also said the Touareg had a leak coming from the rear crank cradle seal. It estimated that repairs would cost about \$3,000.

The Engine Room said the Touareg had leaks coming from the oil-filter housing seals and manifold centre-plate gaskets. The company estimated the repair would cost \$1,226.

The tribunal's assessor said The Engine Room's assessment was more likely to be accurate than that of Robertson Prestige.

The Engine Room cleaned the engine to properly identify the engine's oil leak, and the faults it found were common for the make and model.

The buyer told the hearing that he had asked Hitchcock Wholesale to perform, or at least pay for, the repairs suggested by Robertson Prestige, but it had failed to do so.

## The finding

The tribunal found that the defective battery and engine-oil leak were breaches of the

acceptable quality guarantee under the Consumer Guarantees Act because the car was not free of defects at the time of sale.

It said a reasonable consumer would not expect a vehicle of this price, age and mileage to develop a leak in the oil-filter housing seals and manifold centre plate within three months of purchase.

However, the tribunal ruled that the Touareg's faults were not a failure of a substantial character under the terms of section 21 of the act.

It said the battery malfunction was easily remedied and the engine-oil leak was not a major fault. The assessor also considered that the leak was the type of fault that could arise in vehicles of that age and mileage.

The authority was not satisfied that a reasonable consumer would not have purchased the vehicle for the price paid by the buyer if it had known of the nature and extent of the oil leak.

Despite Hitchcock Wholesale's general disinterest in remedying the oil leak, the tribunal was not satisfied that its failure to remedy the fault was sufficient to warrant rejection of the vehicle.

That was because Hitchcock Wholesale had not been asked to address the actual cause of the engine-oil leak, which was identified in May 2017 when Holt had the vehicle assessed by The Engine Room.

The tribunal said the trader had not been given a full opportunity

**The case:** The buyer wanted to reject his 2007 Volkswagen Touareg due to an engine-oil leak, defective battery and lack of warrant of fitness (WOF). The trader had failed to fix the problems and failed to appear at the hearing.

**The decision:** The trader was ordered to have the leak remedied by a repairer certified by the Motor Trade Association (MTA), and pay the buyer \$836 to refund costs for a vehicle assessment, new battery, obtain a WOF and travel costs to the hearing.

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

to remedy that cause.

Hitchcock Wholesale had only been asked to perform, or at least pay for, the repairs suggested by Robertson Prestige, which it had failed to do.

The tribunal ruled that the trader should be given one final opportunity to address the repairs before Holt could reject the Touareg.

## Orders

Hitchcock Wholesale was, at its own expense, to have the engine-oil leak repaired by a MTA-certified repairer.

It was also ordered to pay Holt \$425.90 being the cost of a replacement battery, \$54 for obtaining a WOF on January 13, 2017, and \$248.40 being the cost of the assessment performed by Robertson Prestige.

Under clause 14 of the Motor Vehicle Sales Act, the tribunal ordered the trader, Hitchcock Wholesale, to pay the reasonable costs of \$108 for Holt to travel from Feilding to Auckland to attend the hearing.

This was because the car dealer failed to go along to the tribunal hearing without good cause. ☹

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	Port Calls	Tokyo Car v1717	Carrera v1718	Lake Taupo v1719	Tokyo Car v1720	Carrera v1721
JAPAN	Moji	-	15 Sep	-	15 Oct	-
	Osaka	2 Sep	16 Sep	2 Oct	16 Oct	1 Nov
	Nagoya	3 Sep	17 Sep	3 Oct	17 Oct	2 Nov
	Toyohashi	-	18 Sep	-	18 Oct	-
	Yokohama	4 Sep	19 Sep	4 Oct	19 Oct	4 Nov
NZ	Auckland	20 Sep	6 Oct	21 Oct	6 Nov	20 Nov
	Wellington	27 Sep	10 Oct	30 Oct	9 Nov	27 Nov
	Lyttelton	30 Sep	9 Oct	28 Oct	8 Nov	28 Nov
	Nelson	3 Oct	14 Oct	31 Oct	13 Nov	3 Dec

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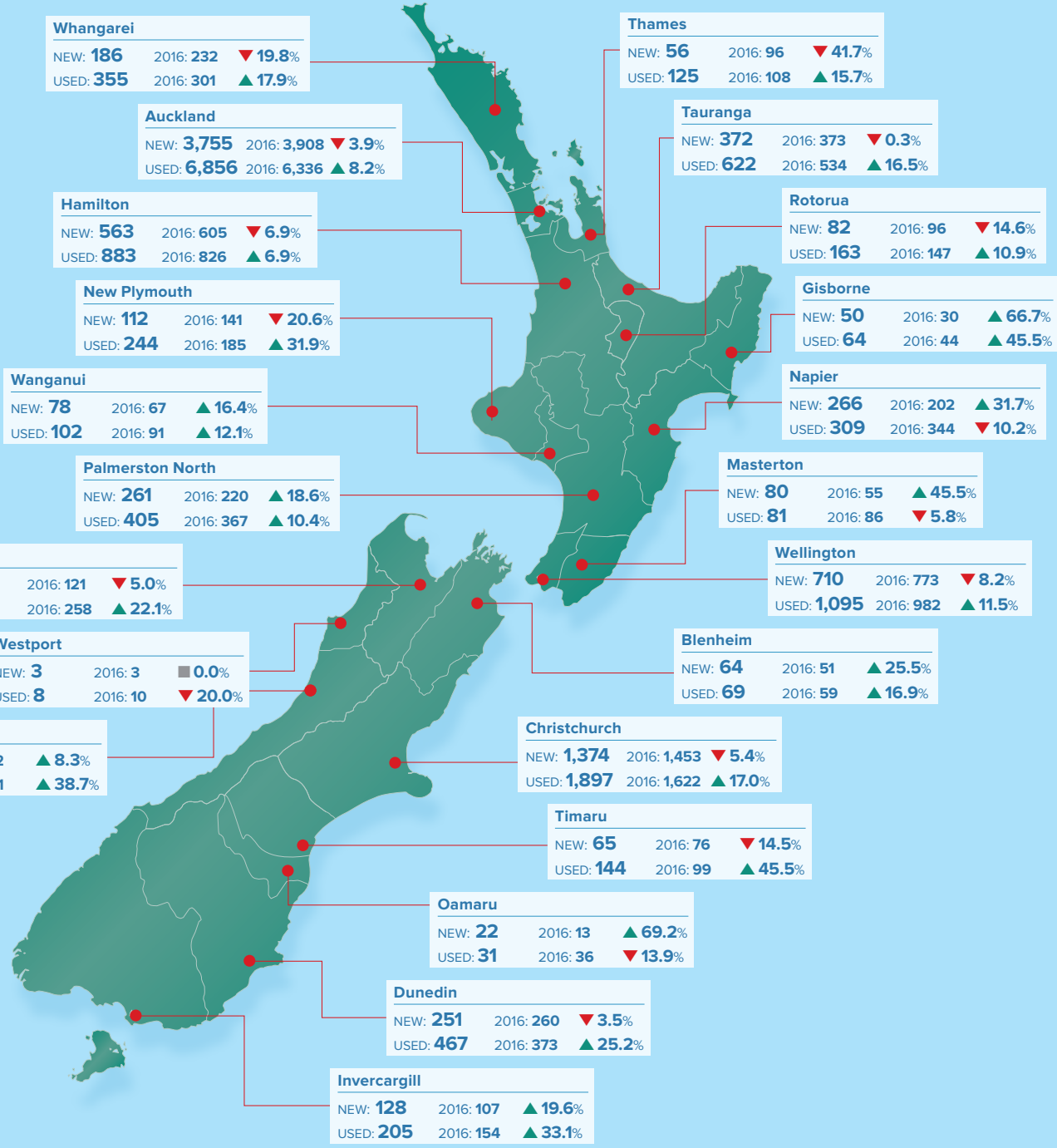
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**Total imported used cars**  
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 2016: 12,993 ▲ 11.5%



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### Imported Passenger Vehicle Sales by Make - August 2017

MAKE	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	3,569	3,267	9.2	24.6%	27,547	25.3%
Nissan	2,712	2,408	12.6	18.7%	20,087	18.5%
Mazda	2,374	1,974	20.3	16.4%	16,387	15.1%
Honda	1,409	1,327	6.2	9.7%	10,867	10.0%
Suzuki	719	674	6.7	5.0%	5,412	5.0%
Subaru	705	592	19.1	4.9%	4,997	4.6%
BMW	626	561	11.6	4.3%	4,817	4.4%
Mitsubishi	506	461	9.8	3.5%	3,981	3.7%
Volkswagen	466	508	-8.3	3.2%	3,717	3.4%
Audi	311	237	31.2	2.1%	2,161	2.0%
Mercedes-Benz	255	272	-6.3	1.8%	2,393	2.2%
Ford	126	116	8.6	0.9%	888	0.8%
Lexus	92	62	48.4	0.6%	695	0.6%
Volvo	92	106	-13.2	0.6%	670	0.6%
Holden	59	38	55.3	0.4%	478	0.4%
Land Rover	58	29	100.0	0.4%	419	0.4%
Chevrolet	51	44	15.9	0.4%	444	0.4%
Jaguar	50	58	-13.8	0.3%	360	0.3%
Mini	39	40	-2.5	0.3%	341	0.3%
Hyundai	38	33	15.2	0.3%	264	0.2%
Porsche	25	8	212.5	0.2%	273	0.3%
Chrysler	24	10	140.0	0.2%	152	0.1%
Jeep	22	22	0.0	0.2%	203	0.2%
Dodge	20	24	-16.7	0.1%	209	0.2%
Kia	16	9	77.8	0.1%	84	0.1%
Peugeot	15	22	-31.8	0.1%	119	0.1%
Daihatsu	12	18	-33.3	0.1%	103	0.1%
Maserati	12	4	200.0	0.1%	97	0.1%
Buick	9	3	200.0	0.1%	24	0.0%
Bentley	7	3	133.3	0.0%	69	0.1%
Renault	7	11	-36.4	0.0%	97	0.1%
Isuzu	6	0	600.0	0.0%	25	0.0%
Rover	6	5	20.0	0.0%	28	0.0%
Smart	5	3	66.7	0.0%	12	0.0%
Cadillac	4	2	100.0	0.0%	32	0.0%
Others	36	42	-14.3	0.2%	413	0.4%
<b>Total</b>	<b>14,483</b>	<b>12,993</b>	<b>11.5</b>	<b>100.0%</b>	<b>108,865</b>	<b>100.0%</b>

### Imported Passenger Vehicle Sales by Model - August 2017

MAKE	MODEL	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Mazda	Axela	685	610	12.3	4.7%	4,829	4.4%
Suzuki	Swift	613	570	7.5	4.2%	4,623	4.2%
Nissan	Tiida	580	609	-4.8	4.0%	4,657	4.3%
Mazda	Demio	508	458	10.9	3.5%	3,696	3.4%
Honda	Fit	498	418	19.1	3.4%	3,736	3.4%
Mazda	Atenza	365	259	40.9	2.5%	2,410	2.2%
Subaru	Legacy	342	277	23.5	2.4%	2,499	2.3%
Toyota	Wish	302	328	-7.9	2.1%	2,693	2.5%
Mitsubishi	Outlander	287	257	11.7	2.0%	2,227	2.0%
Toyota	Vitz	287	278	3.2	2.0%	2,069	1.9%
Toyota	Prius	274	197	39.1	1.9%	2,420	2.2%
Volkswagen	Golf	265	301	-12.0	1.8%	2,278	2.1%
Toyota	Mark X	262	188	39.4	1.8%	2,103	1.9%
Toyota	Estima	245	183	33.9	1.7%	1,699	1.6%
Mazda	MPV	224	234	-4.3	1.5%	1,664	1.5%
Nissan	Dualis	222	188	18.1	1.5%	1,657	1.5%
Mazda	Premacy	219	203	7.9	1.5%	1,602	1.5%
Toyota	Corolla	215	243	-11.5	1.5%	1,725	1.6%
Honda	Odyssey	189	181	4.4	1.3%	1,498	1.4%
Nissan	Note	182	206	-11.7	1.3%	1,395	1.3%
Toyota	RAV4	181	97	86.6	1.2%	1,158	1.1%
Nissan	Leaf	177	58	205.2	1.2%	1,048	1.0%
Toyota	Auris	171	177	-3.4	1.2%	1,411	1.3%
Nissan	Skyline	171	114	50.0	1.2%	1,067	1.0%
Subaru	Impreza	164	124	32.3	1.1%	1,139	1.0%
Nissan	Murano	157	165	-4.8	1.1%	1,213	1.1%
Toyota	Alphard	153	79	93.7	1.1%	867	0.8%
Toyota	Blade	151	151	0.0	1.0%	1,086	1.0%
Nissan	Bluebird	151	112	34.8	1.0%	1,260	1.2%
Nissan	X-Trail	149	73	104.1	1.0%	1,017	0.9%
Honda	Stream	139	137	1.5	1.0%	1,056	1.0%
Honda	CRV	135	117	15.4	0.9%	954	0.9%
Nissan	Teana	129	131	-1.5	0.9%	970	0.9%
BMW	320i	123	118	4.2	0.8%	901	0.8%
Mazda	Verisa	119	83	43.4	0.8%	825	0.8%
Others		5,449	5,069	7.5	37.6%	41,413	38.0%
<b>Total</b>		<b>14,483</b>	<b>12,993</b>	<b>11.5</b>	<b>100.0%</b>	<b>108,865</b>	<b>100.0%</b>



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# Third best month on record

Sales of used imported cars jumped by 11.5 per cent last month compared to the same month in 2016 with 1,490 more registrations bringing August's total to 14,483.

This made for the third best month ever – only topped by 14,709 units in July 2003 and 14,877 in March 2004.

So far in 2017, used imported passenger vehicles are on a high with total sales of 108,865 – up by 10,555 units compared to this time last year.

Matt Adams, branch manager of Advantage Cars in Manukau, says sales during August proved to be better than expected throughout the group.

"In terms of units sold, we did about 45 for the group – 30 in Manukau and the high teens in Penrose," he told Autofile.

"It ended up being better than we thought it would be, so no complaints. The start of September was slow, but we have gathered momentum."

Adams says due to the uncertainty brought about by October's general election, people are not prepared to finance expensive cars.

"People are not spending \$25,000 on a car on finance. They will spend \$15,000. People are being more conservative with their budgets."

He says buyers are now setting their sights on SUVs with between 100,000km and 120,000km on the clock, or older sedans.

"Finance companies tell us the average lend is up to \$15,000," says Adams. "That makes sense in an election year."

"Disposable incomes in Auckland are getting smaller and buyers are often still living with their parents."

"The city's housing market is slowing down. A lot of people have moved out to the Waikato, Tauranga and Taupo because they can get a house in the provinces for \$400,000 and improve their lifestyles."

Scott Williamson, general manager of Graham Williamson X Factor Cars in Invercargill, says: "There are processes we encourage to build confidence in sales."

"We encourage people to have an independent inspection done on the car before they buy it, and for them to fly down to pick up their cars and enjoy our southern hospitality. It is nice for us to meet our clients."

Jono Allen, owner of Tauranga Cars, which operates from a warehouse in Judea, describes sales as steady during August and up on the same month last year.

"We had our best month in the past three years in July," he says. "We retailed about 35 cars last month."

"Leading up to an election, the market always goes quiet for people movers. I think buyers feel uncertain about what's going to happen if there's a change in government."

"People movers sell well in December and January with families going on holiday. Often people buy one a couple of weeks before they go away."

"The first offer is the best offer, and you need to meet the market and keep your stock fresh."

Allen recognises that buyers compare prices online and "price is a major determining factor if people will buy from you".

He adds: "It's also very important to have a good online reputation. People will see a car they want on Trade Me, then do a search for Tauranga Cars on Facebook and Google for reviews."

"I just sold a car to an 80-year-

old who had checked out our reputation online."

As Tauranga Cars operates out of a warehouse, it basically relies on internet sales.

"We regularly sell to buyers in the South Island and dealers in the North Island," says Allen. "We have been selling to the same traders for a long time and we enjoy dealing with them."

"We have been using the same agent in Japan for the past 10 years and I regularly visit Japan to buy cars."

Brent Anderson, company director of Car Connexion in Tauranga, says the dealership has been "absolutely flat out. Life is wonderful".

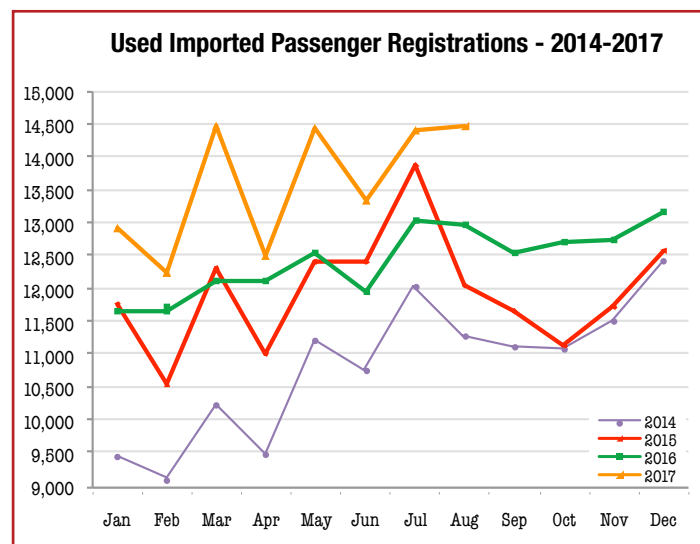
Back to the statistics for August, and Toyota has retained the top spot with a market share for the month of 24.6 per cent with 3,569 registrations.

The battle for top model is a lot closer with the Mazda Axela, Suzuki Swift and Nissan Tiida making up the top three. They hold 4.7, 4.2 and four per cent market shares respectively.

The stand-out for August, however, was the Nissan Leaf with sales of 177 units, an increase of 205 per cent on its 58 sales in August 2016. The electric vehicle has now climbed to gain one per cent of total used imported cars.

In terms of the regions, Timaru went from 99 sales in August last year to 144 last month – an increase of 45.5 per cent.

Invercargill and New Plymouth also did well when compared to this time last year with increases of 33.1 and 31.9 per cent. ☺




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# Used car imports take a tumble

The number of vehicles imported into New Zealand was down last month across the board compared to August 2016.

There were 12,455 used cars imported last month, which was a drop of 14.1 per cent compared to July 2017 and by 11.4 per cent on August last year.

Imported passenger vehicles from Japan were 13.6 per cent lower than during the same month of last year – reducing that country's monthly market share to 91.9 per cent.

August's total from Japan came in at 11,451 units – the second lowest total of this year after January.

The UK, Australia and Singapore

continue to be popular as source markets with increases of 102.1 per cent, 20.9 per cent and 13.6 per cent respectively.

Australia has increased its monthly share of the overall used cars imported to 4.3 per cent.

There were 537 units imported from across the ditch last month compared to 452 in July, while the UK's total for August came in at 190 – up from 135 in the previous month.

The number of used cars arriving on these shores last month from Singapore totalled 124, while there were 119 arrivals from the US.

Year-to-date imports of used passenger vehicles are up by 13,019

units – or 13 per cent – compared to the first eight months of 2016, when 116,113 crossed the border.

Rob Morris, sales and finance manager for United Autos in Warkworth, says sales in July and August are traditionally slow due to the cold, wet weather and the school holidays.

He adds that last month most sales were less than \$15,000 “with a range of buyers such as parents buying small cars for their teenagers”.

Morris adds: “Japanese imports are a price-based market in Auckland.” He believes this has a flow-on effect by lowering the value of trade-ins. “For us, it's all

about service and we offer a six-month documented warranty.”

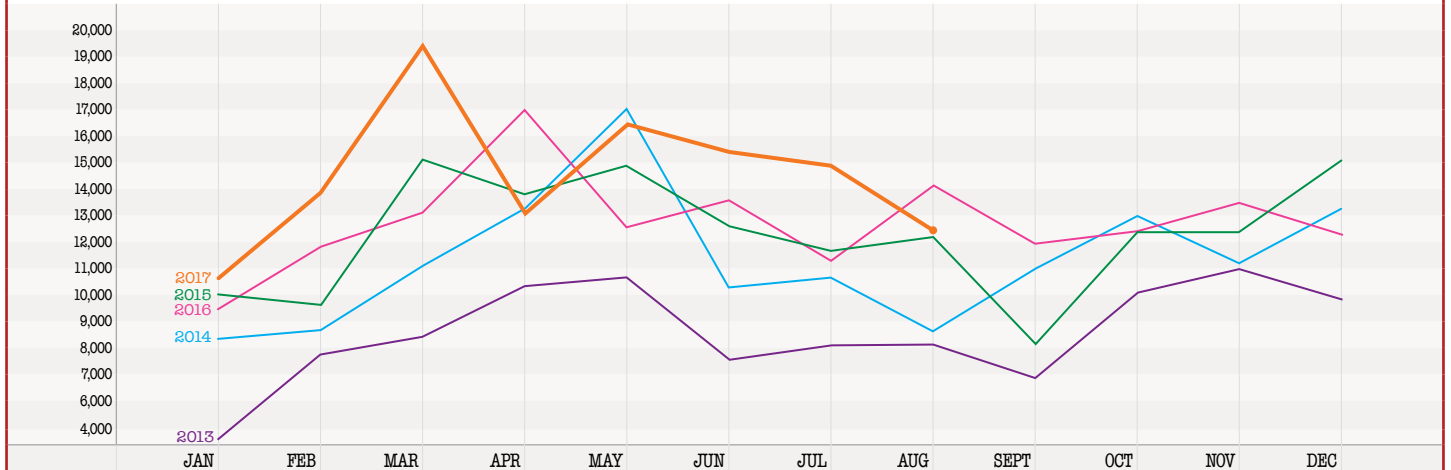
He says the dealership often sells cars to Aucklanders through internet listings.

Jono Allen, owner of Tauranga Cars, says when buying stock, it's important to be open-minded to other options otherwise dealers end up competing with each other for the same vehicle.

“Most dealers will tell you that European imports do tend to cause more issues from compliance to after-sales issues,” he told Autofile.

“Tauranga is busy and has grown significantly. It's no longer a sleepy little town.” ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



## Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2017									2016						
	JAN '17	FEB '17	MAR '17	APR '17	MAY '17	JUN '17	JUL '17	AUG '17	AUG MRKT SHARE %	2017 TOTAL	Q1	Q2	Q3	Q4	2016 TOTAL	MRKT SHARE
Australia	382	530	617	431	508	506	452	537	4.3%	3,963	1,233	1,201	1,264	1,453	5,151	3.4%
Great Britain	273	173	241	152	190	151	135	190	1.5%	1,505	166	210	387	774	1,537	1.0%
Japan	9,697	12,924	18,426	12,274	15,649	14,589	13,640	11,451	91.9%	108,650	32,722	40,969	34,514	34,875	143,080	93.7%
Singapore	47	81	97	54	87	187	122	124	1.0%	799	201	362	310	358	1,231	0.8%
USA	156	100	135	82	119	112	107	119	1.0%	930	251	287	349	388	1,275	0.8%
Other countries	28	21	30	24	31	62	36	34	0.3%	266	61	124	112	141	438	0.3%
<b>Total</b>	<b>10,583</b>	<b>13,829</b>	<b>19,546</b>	<b>13,017</b>	<b>16,584</b>	<b>15,607</b>	<b>14,492</b>	<b>12,455</b>	<b>100.0%</b>	<b>116,113</b>	<b>34,634</b>	<b>43,153</b>	<b>36,936</b>	<b>37,989</b>	<b>152,712</b>	<b>100.0%</b>



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# Trade-in rise reflects sales

August saw a 5.8 per cent overall increase in trade-ins nationwide with a spike in numbers in Nelson and Palmerston North.

There were 14,321 cars sold by members of the public to traders last month compared to 13,537 during the same month last year.

Nelson saw a 30.3 per cent rise in trade-ins with 275 cars sold compared to 211 during August 2016, while Palmerston North was close behind – up by 29.4 per cent with 822 units sold to dealers compared to 635 in the same month of last year.

At the same time, there were 19,622 dealer-to-public sales in

August, a 4.1 per cent increase compared to 18,841 units in August 2016.

The public-to-public category saw 45,181 units sold last month, a 2.1 per cent increase from August 2016 when 44,263 cars were sold.

Palmerston North also recorded the highest increase in dealer car sales with a 20.8 per cent rise during August with 942 sales compared to 780 units during the same month last year. Dunedin jumped by 14.8 per cent followed by Oamaru on 10.4 per cent.

Jason Taylor, owner of Jason Taylor Vehicle Sales in Invercargill, says last month was better than July.

“August started out poor but finished strong,” he told Autofile. “Other dealers I have spoken to say that they also had a quiet start to August, but sales have now taken off”

Taylor says 2017 has been better than he predicted. “The New Zealand economy is in a good state and there’s a lot going on in Southland – building and development.

“Dairy pay-outs are higher and farmers are spending more. Sheep farmers had a good year last year and they may be spending more. It seems that most industries are going well.”

The Keit family own Motive Trading in Silverdale, just north of

Auckland. The business has more than 65 vehicles in stock priced between \$1,500 and \$15,000.

Brad Keit says that despite the cold, wet-weather sales of used cars have been “good for winter”.

The Keits don’t import vehicles from Japan for the dealership, which has been operating for more than 15 years.

Instead, they stock their yard by buying mostly New Zealand-new and pre-owned imported cars from auctions, and through many other channels across the North Island.

Keit says he looks out for good quality utes, vans, European cars and V8 cars.

## SECONDHAND CAR SALES - August 2017

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	AUG '17	AUG '16	+/- %	MARKET SHARE	AUG '17	AUG '16	+/- %	AUG '17	AUG '16	+/- %
Whangarei	655	631	3.8	3.34	2,061	1,970	4.6	278	272	2.2
Auckland	6,716	6,255	7.4	34.23	15,395	15,387	0.1	5,743	5,035	14.1
Hamilton	1,676	1,553	7.9	8.54	3,680	3,549	3.7	1,228	1,211	1.4
Thames	203	254	-20.1	1.03	607	635	-4.4	91	100	-9.0
Tauranga	995	1,091	-8.8	5.07	2,358	2,192	7.6	609	610	-0.2
Rotorua	301	309	-2.6	1.53	895	1,028	-12.9	100	114	-12.3
Gisborne	172	185	-7.0	0.88	412	418	-1.4	73	95	-23.2
Napier	723	696	3.9	3.68	1,590	1,505	5.6	469	454	3.3
New Plymouth	473	433	9.2	2.41	1,100	1,016	8.3	240	232	3.4
Wanganui	186	221	-15.8	0.95	545	630	-13.5	133	143	-7.0
Palmerston North	942	780	20.8	4.80	1,879	1,681	11.8	822	635	29.4
Masterton	206	224	-8.0	1.05	445	436	2.1	135	124	8.9
Wellington	1,639	1,674	-2.1	8.35	3,224	3,175	1.5	1,107	1,189	-6.9
Nelson	366	338	8.3	1.87	1,088	1,035	5.1	275	211	30.3
Blenheim	197	194	1.5	1.00	401	479	-16.3	131	122	7.4
Greymouth	74	70	5.7	0.38	235	216	8.8	45	38	18.4
Westport	17	28	-39.3	0.09	101	81	24.7	0	0	0.0
Christchurch	2,460	2,395	2.7	12.54	5,296	5,137	3.1	1,911	2,029	-5.8
Timaru	280	285	-1.8	1.43	582	526	10.6	142	163	-12.9
Oamaru	74	67	10.4	0.38	210	175	20.0	13	27	-51.9
Dunedin	830	723	14.8	4.23	2,060	1,916	7.5	462	443	4.3
Invercargill	437	435	0.5	2.23	1,017	1,076	-5.5	314	290	8.3
<b>NZ total</b>	<b>19,622</b>	<b>18,841</b>	<b>4.1</b>	<b>100.00</b>	<b>45,181</b>	<b>44,263</b>	<b>2.1</b>	<b>14,321</b>	<b>13,537</b>	<b>5.8</b>

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**New Passenger Vehicle Sales by Make - August 2017**

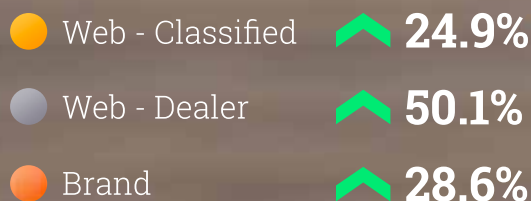
MAKE	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	1,397	1,542	-9.4	16.2%	10,436	15.1%
Mazda	814	813	0.1	9.5%	6,600	9.5%
Holden	686	767	-10.6	8.0%	5,879	8.5%
Mitsubishi	638	564	13.1	7.4%	4,732	6.8%
Kia	631	502	25.7	7.3%	4,614	6.7%
Suzuki	513	484	6.0	6.0%	4,852	7.0%
Honda	496	423	17.3	5.8%	3,166	4.6%
Ford	472	602	-21.6	5.5%	4,412	6.4%
Nissan	447	454	-1.5	5.2%	3,223	4.7%
Hyundai	407	655	-37.9	4.7%	4,582	6.6%
Volkswagen	327	421	-22.3	3.8%	3,023	4.4%
Subaru	306	255	20.0	3.6%	2,261	3.3%
Mercedes-Benz	218	221	-1.4	2.5%	1,762	2.5%
Audi	164	166	-1.2	1.9%	1,421	2.1%
Skoda	161	89	80.9	1.9%	909	1.3%
BMW	143	141	1.4	1.7%	1,319	1.9%
Land Rover	107	85	25.9	1.2%	806	1.2%
Jeep	104	140	-25.7	1.2%	785	1.1%
Peugeot	104	64	62.5	1.2%	483	0.7%
Mini	77	50	54.0	0.9%	479	0.7%
SsangYong	61	73	-16.4	0.7%	588	0.8%
Lexus	47	77	-39.0	0.5%	445	0.6%
Porsche	41	35	17.1	0.5%	271	0.4%
Tesla	36	6	500.0	0.4%	161	0.2%
Volvo	34	47	-27.7	0.4%	357	0.5%
Jaguar	24	42	-42.9	0.3%	218	0.3%
Citroen	22	21	4.8	0.3%	152	0.2%
Isuzu	21	16	31.3	0.2%	186	0.3%
Renault	21	29	-27.6	0.2%	179	0.3%
Dodge	16	39	-59.0	0.2%	190	0.3%
Fiat	15	8	87.5	0.2%	157	0.2%
Mahindra	9	6	50.0	0.1%	35	0.1%
Alfa Romeo	8	6	33.3	0.1%	91	0.1%
Haval	6	0	600.0	0.1%	8	0.0%
Aston Martin	5	0	500.0	0.1%	46	0.1%
Others	28	51	-45.1	0.3%	376	0.5%
<b>Total</b>	<b>8,606</b>	<b>8,894</b>	<b>-3.2</b>	<b>100.0%</b>	<b>69,204</b>	<b>100.0%</b>

**New Passenger Vehicle Sales by Model - August 2017**

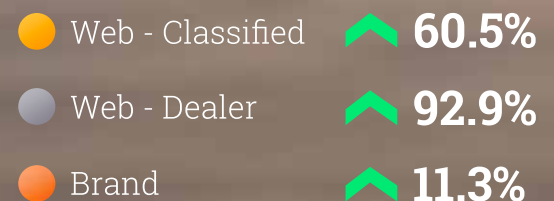
MAKE	MODEL	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	Corolla	540	535	0.9	6.3%	3,142	4.5%
Kia	Sportage	370	295	25.4	4.3%	2,517	3.6%
Mitsubishi	Outlander	296	163	81.6	3.4%	2,051	3.0%
Mazda	CX-5	239	255	-6.3	2.8%	2,111	3.1%
Nissan	Qashqai	234	153	52.9	2.7%	1,242	1.8%
Mazda	Mazda3	217	270	-19.6	2.5%	1,229	1.8%
Toyota	RAV4	214	268	-20.1	2.5%	2,477	3.6%
Toyota	Yaris	196	289	-32.2	2.3%	1,109	1.6%
Suzuki	Swift	191	222	-14.0	2.2%	1,648	2.4%
Hyundai	Tucson	168	237	-29.1	2.0%	1,526	2.2%
Honda	Jazz	159	120	32.5	1.8%	1,013	1.5%
Mitsubishi	ASX	157	170	-7.6	1.8%	1,294	1.9%
Holden	Commodore	157	172	-8.7	1.8%	1,434	2.1%
Honda	CRV	155	37	318.9	1.8%	414	0.6%
Nissan	X-Trail	152	151	0.7	1.8%	1,195	1.7%
Toyota	Highlander	139	110	26.4	1.6%	1,507	2.2%
Holden	Captiva	138	179	-22.9	1.6%	1,430	2.1%
Ford	Escape	125	0	12,500.0	1.5%	1,057	1.5%
Mazda	CX-3	124	102	21.6	1.4%	1,053	1.5%
Volkswagen	Tiguan	123	180	-31.7	1.4%	1,503	2.2%
Hyundai	Santa Fe	117	170	-31.2	1.4%	1,231	1.8%
Ford	Focus	114	109	4.6	1.3%	1,036	1.5%
Subaru	Outback	114	108	5.6	1.3%	1,020	1.5%
Mazda	Mazda2	113	134	-15.7	1.3%	835	1.2%
Honda	HR-V	109	155	-29.7	1.3%	1,041	1.5%
Kia	Rio	108	44	145.5	1.3%	783	1.1%
Holden	Astra	100	0	10,000.0	1.2%	452	0.7%
Subaru	XV	96	53	81.1	1.1%	335	0.5%
Holden	Trax	95	111	-14.4	1.1%	672	1.0%
Mitsubishi	Lancer	92	59	55.9	1.1%	510	0.7%
Ford	Mondeo	86	82	4.9	1.0%	643	0.9%
Volkswagen	Golf	83	141	-41.1	1.0%	658	1.0%
Toyota	Camry	78	82	-4.9	0.9%	489	0.7%
Suzuki	Vitara	77	142	-45.8	0.9%	1,033	1.5%
Peugeot	3008	74	6	1,133.3	0.9%	129	0.2%
Others		3,056	3,590	-14.9	35.5%	27,385	39.6%
<b>Total</b>		<b>8,606</b>	<b>8,894</b>	<b>-3.2</b>	<b>100.0%</b>	<b>69,204</b>	<b>100.0%</b>

**Top 3 Sources for Leads, Test Drives and Sales - New Zealand Dealerships**

**LEADS**



**TEST DRIVES**



# Corolla cruises by SUVs

**T**oyota's Corolla has returned to the top of the new passenger vehicle leaders' board, but remains under pressure from buyer demand for SUVs.

There were 540 Corolla registrations last month – a 0.9 per cent increase on the same month in 2016.

In second place, sales of Kia's Sportage jumped by 25.4 per cent on last year with 370 registrations compared to 295 in August 2016.

Sales of the Mitsubishi Outlander were up by a massive 81.6 per cent on 2016, with 296 units compared to 163.

New passenger vehicle sales

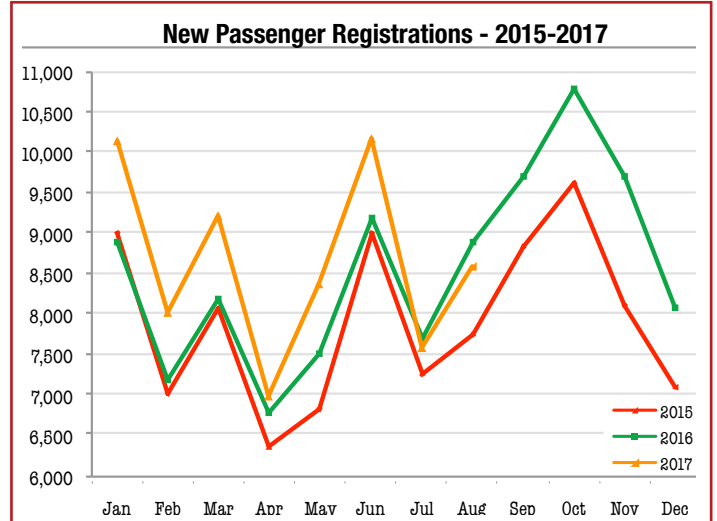
decreased slightly by 3.2 per cent in August, with 8,606 units sold compared to 8,894 vehicles in the same month last year.

Year to date, 69,204 new cars have been registered compared to 55,460 at the same time last year – a 24.78 per cent increase.

Toyota holds 15.1 per cent of the year-to-date market share, followed by Mazda on 9.5 per cent and Holden close behind on 8.5 per cent.

Sales of the new Peugeot 3008 increased by 1,133.3 per cent with 74 sales in August compared to six in the same month last year.

Other statistics of note last month were Tesla – up by 500 per cent in



August with 36 sales compared to six in the same month last year – and Aston Martin, which was also up by 500 per cent with six registrations.

New car sales were down

slightly in 14 regions during August compared to the same month of last year. However, Oamaru bucked the trend with sales up by 69.2 per cent. ☺

## NEW VEHICLE SALES BY BUYER TYPE - August 2017

	AUG '17	AUG '16	MTH%	2017 YTD	2016 YTD	% YTD
<b>Passenger</b>	<b>3,645</b>	<b>4,202</b>	<b>-13.3</b>	<b>28,042</b>	<b>31,202</b>	<b>-10.1</b>
Private	1,422	1,610	-11.7	11,407	12,932	-11.8
Business	1,446	1,715	-15.7	12,555	13,704	-8.4
Gov't	92	173	-46.8	1,345	1,620	-17.0
Rental	685	704	-2.7	2,735	2,946	-7.2
<b>SUV</b>	<b>4,881</b>	<b>4,633</b>	<b>5.4</b>	<b>40,666</b>	<b>32,776</b>	<b>24.1</b>
Private	2,213	1,992	11.1	18,678	14,363	30.0
Business	2,068	2,069	-0.0	17,358	14,851	16.9
Gov't	73	74	-1.4	654	554	18.1
Rental	527	498	5.8	3,976	3,008	32.2
<b>Light Commercial</b>	<b>3,805</b>	<b>3,186</b>	<b>19.4</b>	<b>29,985</b>	<b>25,292</b>	<b>18.6</b>
Private	883	749	17.9	7,570	6,334	19.5
Business	2,566	2,106	21.8	20,410	17,236	18.4
Gov't	140	106	32.1	1,076	843	27.6
Rental	216	225	-4.0	929	879	5.7
<b>Sub Total</b>	<b>12,331</b>	<b>12,021</b>	<b>2.6</b>	<b>98,693</b>	<b>89,270</b>	<b>10.6</b>
Private	4,518	4,351	3.8	37,655	33,629	12.0
Business	6,080	5,890	3.2	50,323	45,791	9.9
Gov't	305	353	-13.6	3,075	3,017	1.9
Rental	1,428	1,427	0.1	7,640	6,833	11.8
<b>Heavy Commercial</b>	<b>544</b>	<b>497</b>	<b>9.5</b>	<b>3,853</b>	<b>3,136</b>	<b>22.9</b>
<b>Other</b>	<b>189</b>	<b>131</b>	<b>44.3</b>	<b>1,226</b>	<b>819</b>	<b>49.7</b>
<b>Total</b>	<b>13,064</b>	<b>12,649</b>	<b>3.3</b>	<b>103,772</b>	<b>93,225</b>	<b>11.3</b>

## NEW VEHICLE MARKET SEGMENTATION - August 2017

	AUG '17	AUG '16	MTH% DIFF	2017 YTD	2016 YTD	% YTD
<b>Passenger</b>	<b>3,645</b>	<b>4,202</b>	<b>-13.3</b>	<b>28,042</b>	<b>31,202</b>	<b>-10.1</b>
<b>SUV</b>	<b>4,881</b>	<b>4,633</b>	<b>5.4</b>	<b>40,666</b>	<b>32,776</b>	<b>24.1</b>
<b>Light Commercial</b>	<b>3,805</b>	<b>3,186</b>	<b>19.4</b>	<b>29,985</b>	<b>25,292</b>	<b>18.6</b>
<b>Heavy Commercial</b>	<b>544</b>	<b>497</b>	<b>9.5</b>	<b>3,853</b>	<b>3,136</b>	<b>22.9</b>
<b>Other</b>	<b>189</b>	<b>131</b>	<b>44.3</b>	<b>1,226</b>	<b>819</b>	<b>49.7</b>
<b>TOTAL MARKET</b>	<b>13,064</b>	<b>12,649</b>	<b>3.3</b>	<b>103,772</b>	<b>93,225</b>	<b>11.3</b>
<b>Micro</b>	<b>126</b>	<b>141</b>	<b>-10.6</b>	<b>1,170</b>	<b>1,376</b>	<b>-15.0</b>
<b>Light</b>	<b>1,144</b>	<b>1,188</b>	<b>-3.7</b>	<b>8,355</b>	<b>8,877</b>	<b>-5.9</b>
<b>Small</b>	<b>1,507</b>	<b>1,779</b>	<b>-15.3</b>	<b>11,045</b>	<b>11,744</b>	<b>-6.0</b>
<b>Medium</b>	<b>438</b>	<b>511</b>	<b>-14.3</b>	<b>3,616</b>	<b>4,497</b>	<b>-19.6</b>
<b>Large</b>	<b>238</b>	<b>280</b>	<b>-15.0</b>	<b>2,070</b>	<b>2,655</b>	<b>-22.0</b>
<b>Upper Large</b>	<b>10</b>	<b>10</b>	<b>0.0</b>	<b>80</b>	<b>151</b>	<b>-47.0</b>
<b>People Movers</b>	<b>65</b>	<b>157</b>	<b>-58.6</b>	<b>421</b>	<b>523</b>	<b>-19.5</b>
<b>Sports</b>	<b>117</b>	<b>136</b>	<b>-14.0</b>	<b>1,285</b>	<b>1,379</b>	<b>-6.8</b>
<b>SUV Small</b>	<b>1,419</b>	<b>1,195</b>	<b>18.7</b>	<b>10,896</b>	<b>8,474</b>	<b>28.6</b>
<b>SUV Medium</b>	<b>2,154</b>	<b>1,887</b>	<b>14.1</b>	<b>16,935</b>	<b>13,087</b>	<b>29.4</b>
<b>SUV Large</b>	<b>1,236</b>	<b>1,450</b>	<b>-14.8</b>	<b>12,216</b>	<b>10,788</b>	<b>13.2</b>
<b>SUV Upper Large</b>	<b>72</b>	<b>101</b>	<b>-28.7</b>	<b>619</b>	<b>427</b>	<b>45.0</b>
<b>Light Buses</b>	<b>111</b>	<b>93</b>	<b>19.4</b>	<b>666</b>	<b>489</b>	<b>36.2</b>
<b>Vans</b>	<b>633</b>	<b>585</b>	<b>8.2</b>	<b>4,226</b>	<b>3,813</b>	<b>10.8</b>
<b>Pick Up/Chassis Cab 4x2</b>	<b>1,235</b>	<b>1,077</b>	<b>14.7</b>	<b>10,149</b>	<b>8,807</b>	<b>15.2</b>
<b>Pick Up/Chassis Cab 4x4</b>	<b>1,826</b>	<b>1,431</b>	<b>27.6</b>	<b>14,944</b>	<b>12,183</b>	<b>22.7</b>
<b>Heavy Commercial</b>	<b>544</b>	<b>497</b>	<b>9.5</b>	<b>3,853</b>	<b>3,136</b>	<b>22.9</b>
<b>Other</b>	<b>189</b>	<b>131</b>	<b>44.3</b>	<b>1,226</b>	<b>819</b>	<b>49.7</b>
<b>TOTAL MARKET</b>	<b>13,064</b>	<b>12,649</b>	<b>3.3</b>	<b>103,772</b>	<b>93,225</b>	<b>11.3</b>

August 2017 ( vs July 2017)

**SALES**

- Web - Classified ▲ 72%
- Web - Dealer ▲ 52.1%
- Repeat ▲ 16.5%

# Twist in tussle of the utes

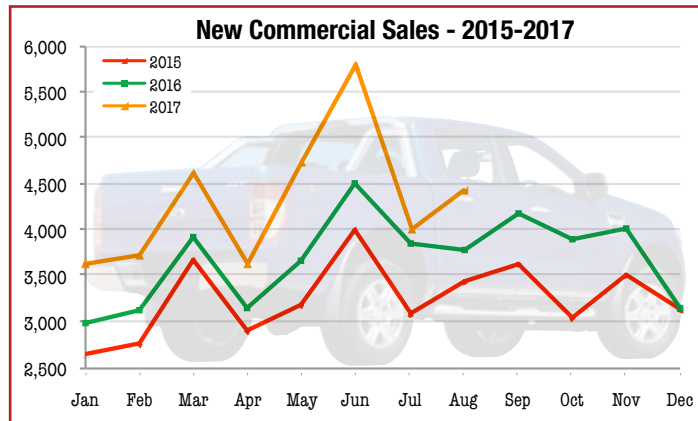
**T**oyota's Hilux has finally pushed the Ford Ranger from its top position as New Zealand's ute of choice for the past 12 months.

During August, there were 779 Hiluxes registered compared to 486 in the same month of last year.

The Ranger fell to second with 690 sales compared to 721 in August 2016, a 4.3 per cent decrease.

Holden's Colorado and the Toyota Hiace, third and fourth respectively with 360 and 321 sales, pushed the Mitsubishi Triton down to fifth.

Overall, new commercial vehicle sales went up by 17.9 per cent during August with 4,456 registrations compared to 3,780 units in the same month of last year.



Haydn Mackenzie, chief executive officer of Albany Toyota on Auckland's North Shore, says: "Business-wise, 2017 has been strong. Customers are positive and the motor-vehicle industry is in good shape.

"We still struggle to get second-hand utes and when we do, they sell well. We do get utes from company fleet roll-overs.

"But recently some companies have been adding new vehicles to

their fleet rather than replacing the entire fleet. We are getting a few 2015 Hiluxes and they sell straight away."

Back to the statistics and Toyota continues to dominate new commercial sales with a whopping 50.7 per cent increase in registrations with 1,114 units sold compared to 739 during August 2016. These statistics give the marque a 25 per cent market share for the month.

Ford came second, with sales down by 3.3 per cent on 833 units compared to 861 during the same month last year for an 18.7 per cent August market share.

The top mover was Volkswagen's Amarok – up 216.1 per cent on last August with 98 registrations compared to 31. ☺

## New Commercial Sales by Make - August 2017

MAKE	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	1,114	739	50.7	25.0%	7,741	22.3%
Ford	833	861	-3.3	18.7%	6,946	20.0%
Holden	384	283	35.7	8.6%	3,210	9.2%
Isuzu	332	338	-1.8	7.5%	2,641	7.6%
Mitsubishi	278	231	20.3	6.2%	2,751	7.9%
Nissan	256	273	-6.2	5.7%	2,194	6.3%
Mazda	241	129	86.8	5.4%	1,493	4.3%
Volkswagen	147	73	101.4	3.3%	1,044	3.0%
LDV	115	70	64.3	2.6%	781	2.2%
Fiat	104	97	7.2	2.3%	598	1.7%
Mercedes-Benz	100	139	-28.1	2.2%	619	1.8%
Fuso	95	0	9,500.0	2.1%	510	1.5%
Hino	65	58	12.1	1.5%	435	1.3%
Hyundai	63	80	-21.3	1.4%	691	2.0%
Foton	38	42	-9.5	0.9%	487	1.4%
MAN	35	24	45.8	0.8%	143	0.4%
SsangYong	35	86	-59.3	0.8%	421	1.2%
Iveco	32	14	128.6	0.7%	169	0.5%
Volvo	27	15	80.0	0.6%	269	0.8%
Kenworth	26	11	136.4	0.6%	150	0.4%
Others	136	217	-37.3	3.1%	1,422	4.1%
<b>Total</b>	<b>4,456</b>	<b>3,780</b>	<b>17.9</b>	<b>100.0%</b>	<b>34,715</b>	<b>100.0%</b>

## New Commercial Sales by Model - August 2017

MAKE	MODEL	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	Hilux	779	486	60.3	17.5%	5,507	15.9%
Ford	Ranger	690	721	-4.3	15.5%	6,325	18.2%
Holden	Colorado	360	266	35.3	8.1%	3,079	8.9%
Toyota	Hiace	321	252	27.4	7.2%	2,040	5.9%
Mitsubishi	Triton	278	231	20.3	6.2%	2,751	7.9%
Nissan	Navara	256	273	-6.2	5.7%	2,192	6.3%
Mazda	BT-50	240	129	86.0	5.4%	1,492	4.3%
Isuzu	D-Max	212	234	-9.4	4.8%	1,796	5.2%
Ford	Transit	143	140	2.1	3.2%	617	1.8%
Fiat	Ducato	103	95	8.4	2.3%	577	1.7%
Volkswagen	Amarok	98	31	216.1	2.2%	629	1.8%
Mercedes-Benz	Sprinter	85	128	-33.6	1.9%	465	1.3%
Hyundai	iLoad	63	75	-16.0	1.4%	670	1.9%
Isuzu	N Series	61	61	0.0	1.4%	318	0.9%
LDV	V80	56	41	36.6	1.3%	449	1.3%
Isuzu	F Series	39	31	25.8	0.9%	365	1.1%
LDV	G10	39	29	34.5	0.9%	311	0.9%
Foton	Tunland	38	31	22.6	0.9%	433	1.2%
SsangYong	Actyon Sport	35	86	-59.3	0.8%	421	1.2%
Hino	500	30	25	20.0	0.7%	213	0.6%
Others		530	415	27.7	11.9%	4,065	11.7%
<b>Total</b>		<b>4,456</b>	<b>3,780</b>	<b>17.9</b>	<b>100.0%</b>	<b>34,715</b>	<b>100.0%</b>

FINDING IT HARD GETTING A  
**MESSAGE**  
TO YOUR TARGET MARKET?



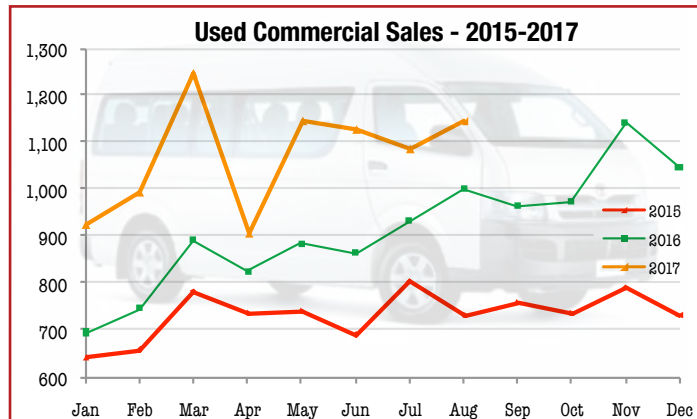
# Sales drop during winter months

There were 1,148 used commercial vehicles sold during August, which was a 14.6 per cent increase on the 1,002 units registered in August 2016.

Toyota continues to hold onto its pole position as market leader with 520 registrations – up by 7.9 per cent on August last year when 482 units were sold.

Nissan followed with 269 registrations. This was up a healthy 26.3 per cent on the same month last year on 213 units, while Isuzu was third with 74 sales – a massive 68.2 per cent increase on August 2016's sales of 44 units that relegated Mazda into fourth.

Year to date, Toyota has a 46.8 per cent share of the market with



4,025 registrations, while Nissan has a 21.5 per cent with 1,845. Mazda continues to hold onto third with a 6.8 per cent market share and 589 units.

Toyota's Hiace held steady at

the top of the ladder with 399 registrations last month, an increase of 13.7 per cent on August 2016 for a market share of 34.8 per cent.

Year to date, there have been 3,048 Hiaces sold for an overall

market share of 35.4 per cent.

Nissan Caravan sales fell by 7.6 per cent from 92 in August last year to 85.

Rob Morris, of United Autos in Warkworth, says sales in July and August are slow due to the cold, wet weather and school holidays.

He says the dealership prefers to source New Zealand-new second-hand stock, and he's very selective with his choice of utes, station wagons and four-wheel drives.

"A decent ute is hard to source," Morris told Autofile. "I try to source ex-lease vehicles because they have been well-serviced. There will always be a queue of private buyers prepared to pay good money for a mate's ute." ☺

## Used Commercial Sales by Make - August 2017

MAKE	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	520	482	7.9	45.3%	4,025	46.8%
Nissan	269	213	26.3	23.4%	1,845	21.5%
Isuzu	74	44	68.2	6.4%	435	5.1%
Mazda	60	76	-21.1	5.2%	589	6.8%
Ford	52	39	33.3	4.5%	320	3.7%
Mitsubishi	45	32	40.6	3.9%	308	3.6%
Hino	33	30	10.0	2.9%	244	2.8%
Chevrolet	21	21	0.0	1.8%	165	1.9%
Holden	17	17	0.0	1.5%	163	1.9%
Volkswagen	8	3	166.7	0.7%	62	0.7%
Dodge	6	3	100.0	0.5%	34	0.4%
Fiat	5	4	25.0	0.4%	70	0.8%
GMC	5	5	0.0	0.4%	33	0.4%
Mercedes-Benz	4	2	100.0	0.3%	47	0.5%
Suzuki	4	9	-55.6	0.3%	17	0.2%
Iveco	3	1	200.0	0.3%	12	0.1%
Renault	3	2	50.0	0.3%	20	0.2%
DAF	2	2	0.0	0.2%	9	0.1%
Daihatsu	2	0	200.0	0.2%	21	0.2%
Land Rover	2	1	100.0	0.2%	12	0.1%
Others	13	16	-18.8	1.1%	168	2.0%
<b>Total</b>	<b>1,148</b>	<b>1,002</b>	<b>14.6</b>	<b>100.0%</b>	<b>8,599</b>	<b>100.0%</b>

## Used Commercial Sales by Model - August 2017

MAKE	MODEL	AUG'17	AUG'16	+/- %	AUG'17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	Hiace	399	351	13.7	34.8%	3,048	35.4%
Nissan	Caravan	85	92	-7.6	7.4%	676	7.9%
Mazda	Bongo	47	68	-30.9	4.1%	482	5.6%
Toyota	Regius	46	37	24.3	4.0%	343	4.0%
Nissan	NV200	40	38	5.3	3.5%	291	3.4%
Nissan	Atlas	34	18	88.9	3.0%	169	2.0%
Isuzu	Elf	34	32	6.3	3.0%	240	2.8%
Nissan	Vanette	33	36	-8.3	2.9%	296	3.4%
Nissan	NV350	31	8	287.5	2.7%	124	1.4%
Toyota	Dyna	25	34	-26.5	2.2%	227	2.6%
Isuzu	Forward	22	7	214.3	1.9%	111	1.3%
Nissan	Navara	22	13	69.2	1.9%	153	1.8%
Ford	Ranger	22	17	29.4	1.9%	122	1.4%
Toyota	Toyoace	21	22	-4.5	1.8%	142	1.7%
Mitsubishi	Canter	14	17	-17.6	1.2%	155	1.8%
Nissan	E-NV200	14	1	1,300.0	1.2%	52	0.6%
Hino	Dutro	13	15	-13.3	1.1%	127	1.5%
Toyota	Hilux	13	10	30.0	1.1%	129	1.5%
Ford	F150	12	5	140.0	1.0%	61	0.7%
Hino	Ranger	12	14	-14.3	1.0%	122	1.4%
Others		209	167	25.1	18.2%	1,529	17.8%
<b>Total</b>		<b>1,148</b>	<b>1,002</b>	<b>14.6</b>	<b>100.0%</b>	<b>8,599</b>	<b>100.0%</b>

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# Stock idles at dealerships

There is now well over eight months' supply of new passenger vehicle stock sitting on distributor or dealership yards.

Motor-vehicle traders' stock of new car imports have hit a new peak in the past 12 months.

There were 10,599 new passenger vehicles imported into New Zealand during August – a 19.8 per cent decrease on the same month last year, which saw 13,210 units imported. The total was down by 15.8 per cent on July 2017's 12,591 units.

Although dealers registered 8,606 new cars last month, there were 1,993 units unsold, which raised the stock-on-hand level to 74,747 new cars yet to be registered.

This means there has been an 18.8 per cent increase in unsold stock sitting on yards compared to the same month last year, which

had 62,921 units unregistered.

Year to date, 78,030 new cars have crossed the border and 69,204 of those cars have been sold leaving a variance of 8,826.

Dealers throughout the country now have 254 days' worth of stock on hand – eight days more than July and 20 days higher than in August 2016. However, average daily sales remain strong and have increased from 269 in August last year to 295 last month.

Greg Brinck, general manager of Aston Martin Auckland, says sales of the luxury British brand have increased by 190 per cent on the same time last year mainly due to the incredible uptake of the new DB11.

He says there's "no science as such" behind stocking the dealership's new showroom in Grey Lynn, Auckland.

"We endeavour to have one of each model in stock at all times," he told Autofile.

"The majority of our customers like to personalise their cars by ordering their own unique colour options. Being hand-built, there are no restrictions as to what they can choose regarding colours and options."

Brinck says the dealership carries about a 50-50 mix of new and second-hand stock, and customers do trade in their current cars for a new Aston.

"This is one of the strengths of Aston Martin in New Zealand – strong customer loyalty."

When asked what challenges the dealership faces for sales at this level, Brinck replies: "Economic factors and world events always play a role in sales of luxury brands."

"Any time there is confidence out there it reflects in forward orders and sales. Matters such as Brexit and the US elections are the sort of things that are beyond our control and will

always have some level of impact on luxury sales."

He adds the most requested Aston Martin colours by buyers in New Zealand are silver and black.

Haydn Mackenzie, chief executive officer of Albany Toyota on Auckland's North Shore, says August was a strong month for the dealership for both new and used cars.

"I think it will continue into next year. We sell a great brand with a great product."

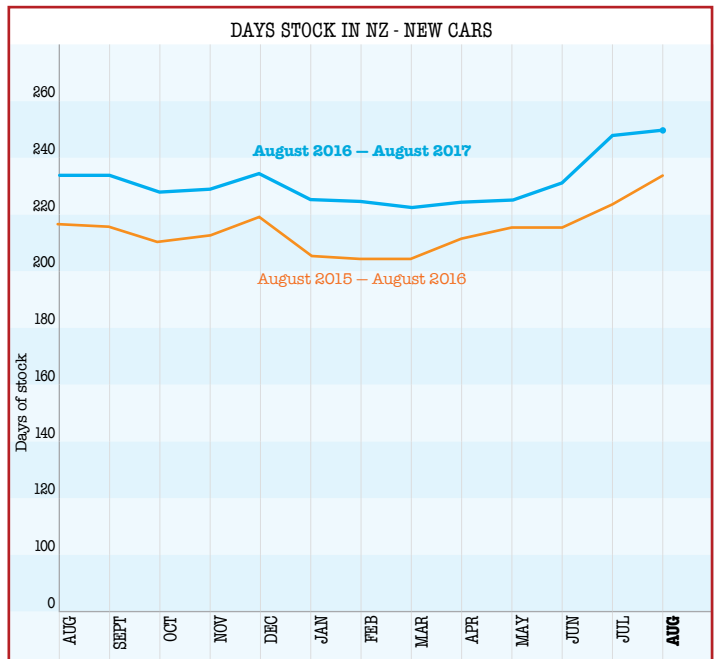
But he says due to buyer demand, keeping the yard well-stocked is a challenge for the business. Popular colours are silver – usually for fleet sales, black and white.

"There can be a three to five-month wait for some new models in some colours," explains Mackenzie.

"Customers do realise that they may have to wait to get exactly what they want. The Highlander has sold exceptionally well." ☺

## Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Aug '16	13,210	8,894	4,316	62,921	269	234
Sep '16	10,291	9,704	587	63,508	271	234
Oct '16	10,115	10,795	-680	62,828	274	229
Nov '16	11,059	9,722	1,337	64,165	279	230
Dec '16	9,825	8,069	1,756	65,921	281	234
Jan '17	8,489	10,150	-1,661	64,260	285	226
Feb '17	8,099	8,050	49	64,309	287	224
Mar '17	9,200	9,230	-30	64,279	290	222
Apr '17	8,234	6,996	1,238	65,517	290	226
May '17	9,539	8,386	1,153	66,670	293	228
Jun '17	11,279	10,181	1,098	67,768	296	229
Jul '17	12,591	7,605	4,986	72,754	295	246
<b>Aug '17</b>	<b>10,599</b>	<b>8,606</b>	<b>1,993</b>	<b>74,747</b>	<b>295</b>	<b>254</b>
<b>Year to date</b>	<b>78,030</b>	<b>69,204</b>	<b>8,826</b>			
<b>Change on last month</b>	<b>-15.8%</b>	<b>13.2%</b>		<b>2.7%</b>		
<b>Change on August 2016</b>	<b>-19.8%</b>	<b>-3.2%</b>		<b>18.8%</b>		
	<small>LESS IMPORTED</small>	<small>LESS SOLD</small>		<small>MORE STOCK</small>		



# Used imports down as sales steady

The stock level of used cars fell by 5.3 per cent in August when compared with July.

The decrease was due to a 14.1 per cent drop in the number of second-hand passenger vehicles crossing the border into New Zealand during August – 12,455 units compared with the previous month's total of 14,492 – and there were 14,483 registrations during the month, which was on a par with July's sales figures.

August's imports total was down by 11.4 per cent on the same month last year, but sales were up by 11.5 per cent.

Year to date, 116,113 used cars have entered the country and 108,865 units have been sold, resulting in a surplus stock of 7,248 units.

Current overall stock sits at 35,961 vehicles, which is an increase of 18.5 per cent compared to August

2016 when a total of 30,347 excess vehicles were recorded. Current stock dipped by 5.3 per cent when compared to July's 37,989 units.

Stock on-hand fell to 82 days in August, down from 87 in July, but still well ahead of the 12-month low of 64 days in January.

Daily sales have been consistently trending upwards during the past 12 months and reached an average of 439 sales each day over the past 12 months – 40 units more per day than in August 2016.

Autofile contacted four dealers in Invercargill to get their views on the market.

Ian McDonald, sales manager for Turners, says: "We buy stock off other dealerships and pay cash for vehicles.

"Buying a car is a big exercise in trust. People have to have trust in the company. We regularly transport

cars here for Southland buyers."

McDonald says buyers want cars registered no later than 2000 so the vehicles have 12-month warrants of fitness (WOFs).

"People don't want to bother with getting a WOF every six months," he explains.

"Buyers from Queenstown want four-wheel drives, while seven-seater Mitsubishi Outlanders are popular. Families have moved away from the old-style people movers that were popular 10 years ago."

"We often sell cars to the people who work for farmers," says John Beck, owner of Top Cars and Commercials.

He says the dealership mainly stocks vehicles from the mid-to-late 2000s and in the \$10,000 to \$15,000 price range.

"We sell second-time-around Japanese imports, but it can be tricky to chase the stock we want

because we don't import cars from Japan," explains Beck.

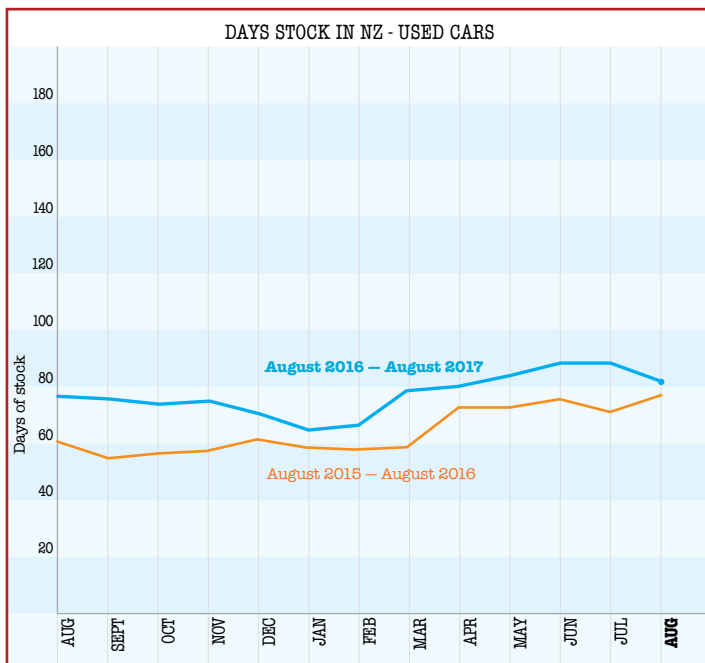
"We sell utes, people movers, and a few Commodores and Fords. We don't sell many small imported cars.

"We have been here for a while [since 1991]. We don't get spikes in sales, but we do get waves. Winter sales have been normal and the weather has been mild."

Steve Rhodes, owner of Steve Rhodes Feature Cars, describes August as "stop-startish" for sales, which is normal during the winter.

But he adds the dealership was busy during June and July, and "it has been a good year so far".

Scott Williamson, of Graham Williamson X Factor Cars, says that due to the dealership's good relationships with various dealers in the North Island, the business is able to stay well-stocked with late-model Fords and Holdens, and pre-owned Ford FPVs and Holden HSVs. ☺



Dealer stock of used cars in New Zealand						
	CAR SALES			STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED	VARIANCE			
Aug '16	14,058	12,993	1,065	30,347	399	76
Sep '16	11,629	12,564	-935	29,412	401	73
Oct '16	12,311	12,709	-398	29,014	405	72
Nov '16	13,400	12,762	638	29,652	408	73
Dec '16	12,242	13,181	-939	28,713	410	70
Jan '17	10,583	12,933	-2,350	26,363	413	64
Feb '17	13,829	12,260	1,569	27,932	415	67
Mar '17	19,546	14,474	5,072	33,004	421	78
Apr '17	13,017	12,507	510	33,514	422	79
May '17	16,584	14,439	2,145	35,659	427	84
Jun '17	15,607	13,339	2,268	37,927	431	88
Jul '17	14,492	14,430	62	37,989	434	87
<b>Aug '17</b>	<b>12,455</b>	<b>14,483</b>	<b>-2,028</b>	<b>35,961</b>	<b>439</b>	<b>82</b>
<b>Year to date</b>	<b>116,113</b>	<b>108,865</b>	<b>7,248</b>			
<b>Change on last month</b>	<b>-14.1%</b>	<b>0.4%</b>		<b>-5.3%</b>		
<b>Change on August 2016</b>	<b>-11.4%</b>	<b>11.5%</b>		<b>18.5%</b>		
	<small>LESS IMPORTED</small>	<small>MORE SOLD</small>		<small>MORE STOCK</small>		

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