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## Two-month target to 'stop bleeding cash'

Chief executive says it's crunch time for the Imported Motor Vehicle Industry Association as it seeks funds to keep running

All options to secure VIA's financial future are being investigated over the next few months.

They include ways to increase funding, a radical restructure, considering a merger and even shutting up shop after the organisation posted a deficit of \$233,181 for 2018/19.

David Vinsen, chief executive, told Autofile avenues will now be pursued following VIA's "make or break" national annual general meeting on May 29.

"Setting the deadline means we have to work through all of this sooner rather than later," he says.

"We cannot keep on bleeding cash and have set ourselves a finite period to sort this out, which is why we're looking at two months to determine the way forward."

The association's latest shortfall in funding follows a deficit of \$264,258 being recorded in 2017/18 with one also budgeted for the current financial year.

Vinsen describes the latest loss "an improvement over the previous year's result, but still disappointing", and issued a call to members before the meeting to get involved and suggest how VIA's fiscal position can be resolved.

One of the motions



passed at the AGM, as revealed by Autofile Online on May 30, is for the association to investigate if a levy can be charged on each used vehicle imported into New Zealand.

"Members want to have some sort of subscription on vehicles at the border to be put in place or some form of alternative funding mechanism raised," says Vinsen.

"We need to look across different ideas for different mechanisms. There might not be just one solution, but many."

The second motion approved means VIA's national executive is

now tasked with establishing a balanced budget and for members to be advised of progress made in two months' time.

This timescale will allow border-inspection organisations, and shipping and logistics companies, to mull over the levy idea, while the association seeks legal opinions on establishing such an import charge and how it can be collected.

"We needed a finite timescale for doing this to focus everyone's minds on the issues, hence a two-month deadline," says Vinsen.

"As things stand, we have 18 months left before our funding runs out or 24 months if we trim costs. We may have to look at our structure and income."

A merger or closing would be actions of last resort. If VIA were to shut up shop, its remaining funds couldn't by law be returned to members and would have to be handed over to a similar association with similar objectives.

Last month's national AGM



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GUEST EDITORIAL

## Efficient transport essential to future

Simon Kingham explores how cars fit into a framework to improve well-being and where we live

Transport is fundamentally important to people. It enables access to such things as employment, recreation, social support, health services, materials, products and markets.



PROF SIMON KINGHAM  
Chief science adviser  
Ministry of Transport

Traditionally, economic development has driven policy, but increasingly the broader impacts of transport – traffic accidents, climate change, congestion, sprawl, physical inactivity, community and mental health – are being acknowledged.

To reflect this, the Ministry of Transport has established a transport outcomes framework to clarify government aims.

The overall aim is “a transport system that improves well-being and liveability” with five identified outcomes – inclusive access, healthy and safe people, economic prosperity, environmental sustainability, and resilience and security.

One factor that will affect progress towards these outcomes is the role of technology. So what are these technologies?

Electric vehicles (EVs) are clearly a solution to air pollution and climate change, but lower fuel cost may increase the number and length of journeys, and potentially lead to more congestion, sprawl and health issues.

Autonomous vehicles will clearly improve road safety with an estimated 90 per cent reduction in accidents. However, they are expected to be so cheap there could be a dramatic rise in travel distances, creating congestion, sprawl and inactivity-related health problems.

Uber, Lime Scooters, Onzo, Cityhop and Yoogo have appeared to an extent, and smartphones enable informed and instantaneous decisions.

In the future, people will buy transport services rather than owning vehicles.

This is known as mobility as a service (MaaS) and, while still small-scale here, is becoming mainstream in other parts of the world, such as Finland.

Ordinarily people base transport choices on what modes they already own, usually a car. With MaaS, people will make choices depending on the features of individual journeys – including cost – often leading to using less “harmful” modes.

There’s potential for MaaS to positively affect climate change, pollution, congestion and so on, although there’s some suggestion it may lead to less active travel, such as cycling and walking.

Arguably, the last time we encountered such a crossroads in transport was the advent of the car. Motor vehicles were largely welcomed with open arms leading to urban sprawl. Some places were more resistant to cars and these are now among the most liveable places in the world, such as the Netherlands and Vancouver.

So, do we create a vision for our towns and cities, and use transport technology to help us achieve it, or will we stand back and wait and see what this technology delivers?

The question is, will we let transport be our master or our servant? ☺

## autofile

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## Entry Certification specialists



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in Auckland was attended by about 40 people from supply-chain service providers to well-established car dealers.

Vinsen's challenge to the floor during the debate was basically "what do you want us to do and how do you want to pay for it".

There were suggestions VIA needs to look at increasing its membership and options to achieve this are being explored, while some members are concerned many people in the industry have been getting a free ride.

"There was a good, vigorous debate getting to the guts of matters – issues facing the industry, as well as the viability of the association and its drop in income from technical services," Vinsen told Autofile.

"What was gratifying was the level of support from the industry, including offers of assistance to the national executive to work through these matters. All kinds of stakeholders and those on our industry council are keen to assist



VIA members await the results of a ballot to select a new member of the national executive, which was Hayden Johnston. Photo: Brian McCutcheon

by coming together for a working group or whatever it may be.

"Everyone at the AGM recognised and acknowledged the association's value. They all want us to continue. With issues that are coming up, the used-import industry needs VIA more than ever to help keep the industry's doors open.

"After the final stage of mandatory electronic stability control arrives on March 1, 2020, there will be other matters affecting our sector with the likes of safer vehicles, restrictions on what can come into the country

and plenty of political issues.

"We still see the development and introduction of new technology as being a key issue the industry will face over the medium term."

VIA's deficit for the past financial year has been largely attributed to reduced income from technical services because the number of vehicles requiring special certificates has reduced.

"Continued losses have caused our independent accountants to raise questions about our ongoing financial viability," says Vinsen in his annual report, which was published before the AGM.

"We've tried to reduce the deficit by seeking increased contributions from sponsors and having a levy collected on every used vehicle imported. Unfortunately, we haven't been able to implement such a levy."

VIA has been advised its proposal for the NZTA to collect an industry levy on its behalf will not proceed due to legal reasons.

It has also accepted legal advice that a fee collected by border-inspection organisations may be construed to be anti-competitive.

"We have developed a revised sponsorship agreement to be negotiated with these organisations. It will achieve a similar effect, but without exposing VIA to the risk of Commerce Commission charges. However, this hasn't progressed to signing as at the end of our financial year."

Looking to the future, Vinsen says: "VIA continues to be the only effective voice for the used-import vehicle trade.

"We need the continued assistance and support – financially and in numbers – of all businesses so we can continue to provide an excellent service to members and the wider industry."

One future income stream may involve the NZTA with specific suggestions made about work and research the agency is willing to pay for, "and we are progressing these initiatives".

WORKING FOR INDUSTRY  
Chief executive David Vinsen places what VIA does into three main

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# Vital for business

"There are only two options going forward – identify and engage additional funding models or sources, or cut back on service levels and representation to industry to match current revenues."

That was the message from Graeme Macdonald and Lloyd Wilson, chairmen of VIA's North and South Island branches respectively at the association's AGM.

They say given difficulties faced by the industry, and the need for leadership and advocacy on major issues, the executive understands from members that the association is vital to businesses.

However, extra funding needs to be sourced to "replace income lost as demand for technical statements and certificates declines".

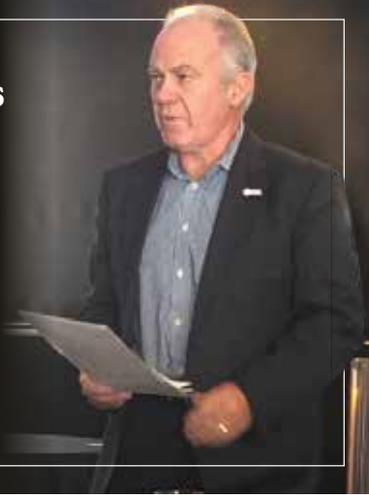
Wilson and Macdonald say it has become evident all avenues explored until the AGM on May 29 to supplement revenues have not been feasible.

"At every meeting or matter of urgency, we're told VIA's role is essential whether through single-issue lobbying or background work to ensure a business-as-usual transition," say the co-chairmen.

"In short, VIA has supported and facilitated the continuance of

**“VIA continues to be the only effective voice for the used-import vehicle trade”**

– David Vinsen



◀ categories by timescales.

Its current or ongoing work includes providing technical advice and support to the industry, and dealing with urgent issues as they arise – such as stink bugs and Takata airbag recalls.

In the medium term, political advocacy and consultation are needed to ensure the industry is being properly represented, and its voice heard when new legislation is being considered, developed or implemented.

As for the future, VIA monitors and researches trends and changes likely to affect the used-import sector.

When it comes to providing technical services, it makes

applications to the NZTA for exemptions on a wide range of compliance issues, carries out research into international standards, and advises on technical issues for new and used vehicles.

It also advises and assists on entry-certification matters, helps importers with documentation for UK vehicles and liaises with marques for technical information.

On a more general level, VIA takes part in consultative and working groups on vehicle and road transport-related issues, and its work requires liaison with government departments, agencies and other organisations. ☺

business from the smallest dealers to the largest integrated supply chains. Success can be measured by our industry remaining relevant and viable.”

However, while recognising the association has been fortunate to have been backed by the industry, funding levels are insufficient to allow VIA to maintain current service levels.

“The reality is continued operation, advocacy and service levels may no longer be feasible.”

Macdonald and Wilson say the continued drain on membership funds into 2019/20 cannot be allowed because of governance controls.

“Funding models proposed must be sustainable, and allow for the certainty of contracts, staffing

and our other commitments.

“At a time when VIA’s relevance and lobbying effectiveness are at a peak, our financial fortunes are at a low point.

“Effective representation requires funding and, without guarantees of income, we have no choice but to ask members to consider options – including closure or merger – unless fiscal stability can be restored.

“We represent your interests in the survival of the organisation that continues to work to ensure you have sustainable business models, and a voice in Wellington.

“Your voice is required to provide the executive with the pathway needed to guide your association to continued representation or cease to exist.” ☺

## Crunching the numbers

VIA’s deficit for its 2018/19 financial year ending March 31 amounted to \$233,181.

Revenue came in at \$600,011 – down from \$649,892 in 2018. Income from providing services fell from \$253,827 to \$167,244, although revenue from membership and sponsorship contributions rose from \$334,768 to \$403,855.

The association’s expenses in 2019 were \$833,192 – down from \$914,150 in 2018. The main item, administration, dropped from \$757,111 to \$682,156.

All up, VIA’s operating deficit for the year was \$233,181 compared to \$264,258 last year – down by \$31,077 or by 11.76 per cent.

Equity at year-end and net assets have dropped from

\$517,847 to \$284,666. Total current assets fell from \$611,825 to \$353,122, current liabilities were down from \$110,091 to \$82,015 and working capital decreased from \$501,734 to \$271,107.

VIA’s overhead expenses dropped by 9.9 per cent from \$757,111 in 2018 to \$682,156 in 2019 with belt-tightening across the board.

Travel, meals and accommodation dropped from \$63,371 to \$46,602, communications fell from \$51,020 to \$44,940, executive fees fell from \$26,885 to \$17,315 and computer expenses were down from \$30,554 to \$9,971.

VIA’s revenue from taxable activities fell by 33.86 per cent from \$281,174 in 2018 to \$185,955 in 2019.

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# Views on conflicts of interest

A total of 20 submissions have been lodged with the NZTA on its consultation document for “managing the integrity of vehicle certification inspections and inspection organisations – operational policy”.

In addition, 14 submitters have appeared before an agency panel to give presentations and one supplementary submission has been made.

The NZTA's proposals include reviewing its policy to assessing conflicts of interest (COIs).

The agency anticipated some integration of the used-vehicle supply chain when setting up the current arrangements, “but not to the extent that has occurred” so that one business may be responsible for some or all parts of the system.

It says this needs to change and

describes COIs – real or perceived – as “unacceptable in modern business practice”.

The proposals include clarifying how a conflict of interest is defined, and tightening appointments of entry-certification inspectors and inspecting organisations to avoid them.

It all means applicants in this sector may be banned from certifying vehicles they have ownership interests in, and barred from entry-inspecting those they or someone linked to them has checked at the border.

The NZTA expects to announce any new policy by September and for it to take effect from December 31, 2019.

Autofile looks into the submissions of the agency's three key service delivery partners (KSDPs) – VINZ, VNTZ and the AA, which were formerly known as

transport service delivery agents.

INTEGRATION IS NEEDED  
VINZ believes the NZTA's proposed policy changes are “unnecessary and unjustified”.

Gordon Shaw, chief executive officer, says in his submission there has been “bias and pre-determination” with agency actions and internal correspondence indicating “a desire to implement” proposals regardless of feedback.

He adds a board member has industry affiliations and “advocated for the new policy”, and questions if the NZTA's decision “will be tainted”.

Shaw also says the agency has failed to provide evidence changes are needed to address any safety issues and why perceived risks cannot be managed. “All it has stated is that it has ‘identified the current process as a potential risk to safety’”.

The contention is the proposed policy is “inconsistent, impractical, extreme and internally incoherent”.

Part of it bans COIs regardless of whether they could be managed, says VINZ. Other sections permit conflicts if managed. Another part permits COIs with no requirement they are managed.

“COIs should be managed appropriately and only when this is impossible should they be avoided,” Shaw adds.

Looking at the bigger picture, VINZ, which is part of the Optimus Group, says it's inevitable there will be connections between businesses.

“The only way many will survive is if allowed to vertically integrate to some degree and provide multiple services.

“The used-vehicle industry has operated by managing these conflicts for decades. The NZTA has regulated COIs by requiring they are managed.”



Gordon Shaw, of VINZ

Shaw points out VNTZ is 40 per cent owned by the Motor Trade Association with DEKRA owning the rest.

“Despite this relationship, the NZTA permits VNTZ to rely on statements of compliance issued by DEKRA for vehicles certified by VNTZ.

“The AA has several business units, which include entry certification, WOF and COF [warrant and certificate of fitness] inspections, repair garages, and insurance and finance.”

Shaw says the policy would inflict severe damage on the used-vehicle industry, which is valued at about \$1 billion and employs thousands of Kiwis.

“Internal NZTA papers raise concerns of an inspector shortage. This would lead to a marked reduction in competition between organisations, higher prices for importers to have vehicles inspected and higher vehicle prices for consumers.”

The agency's board's aim of “no conflicts” would put hundreds of inspectors out of business if applied to WOFs, and create significant practical and commercial challenges for VNTZ, the AA and repair garages.

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Shaw submits the agency has no legal power to implement important parts of the policy, one clause is illegal for exceeding its authority under the Land Transport Rule Vehicle Standards Compliance Rule and the proposals are contrary to international best practice for managing COIs.

VINZ has put forward an alternative solution to ensure greater transparency in overseeing inspection organisations, which will also enhance public confidence.

"The NZTA should conduct random, unannounced and frequent audits of entry certifiers and organisations funded by an industry-wide levy.

"Such a levy would be paid by every organisation or person appointed as an entry certifier and its level could depend on certifications volume in the year prior.

"It wouldn't depend on whether the agency had reason to doubt the integrity of certifications that the organisation provided. The levy would allay concern about the cost of additional auditing."

#### FUNCTIONAL SEPARATION

VTNZ, in principal, backs separating inspection functions when a conflict of interest exists.

"We have no issues with the separation of entry certification with repair and maintenance activities, but have an issue with this requirement between entry and in-service inspection activities," says Greg O'Connor, country manager of VTNZ.

He highlights part of the agency's draft policy, which states functional separation should exist between entry-certification activities, and other inspection, repair and maintenance activities.

"In practice, organisations carry out entry and in-service inspections as do inspectors appointed by the NZTA."

O'Connor notes the primary outcome of changes will be more management of COIs in entry certification.

"VTNZ believes the proposed changes, if enforced and retrospective, will likely mean the operating structure of the Optimus

Group will need to change, or VINZ and JEVIC will no longer be able to carry out used entry-certification and border inspections respectively.

"It could also affect Autoterminal, which carries out border inspections while having financial interests in vehicles."

O'Connor points out if Optimus wasn't restructured to remove COIs, all inspecting organisations other than VINZ could gain market share, while the policy may result in unintended consequences.

"That is, organisations such as VTNZ, VINZ and AA having to choose between conducting entry and in-service inspections," he explains. "If this isn't what was intended, policy wording needs to be revisited."

During its presentation, VTNZ emphasised entry certifiers need to be independent of financial interests in vehicles they certify – or in servicing and repairs – and its key concern is with the vertical supply chain.

VTNZ says it's difficult to manage quality outcomes. Some compliance centres work well, but others need more emphasis on spot audits, data collection and risk management.

It wants better outcomes by entry-certification agents having better control over the process.

Under the current quality management system, an agent being audited gets a letter saying an auditor is coming.

"There are consultants who will get an agent's paperwork in order in anticipation of the audit, and essentially guarantee the agent will pass."

VTNZ's inspectors receive pressure from dealers, importers, owners and compliance centres. Some are regularly in compliance centres, and groups have interests if their cars are being tested.

O'Connor also highlights fixed pricing may be a problem with many importers getting lower auction grade vehicles and obtaining entry certification for a fixed price, so pressure is felt at compliance centres.

He adds the biggest issue with the agency's proposals will be



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the smooth transition of services away from current providers if appointments are suspended or revoked. The NZTA would then need to work with other organisations.

“This would put pressure on the agency to process a large number of site applications in a timely manner and is likely to cause business disruption,” says O’Connor.

“New-site applications are taking three-plus months. They used to take four to six weeks. Any increase in applications would likely mean longer lead times for sites to become operational.”

On VTNZ’s overall submission, O’Connor notes: “Although we have made some comments on the whole document and range of inspection services, we have focused on light-entry certification.”

“Further consultation with stakeholders would be required if the policy review scope was expanded.”

THIRD-PARTY ISSUES

The AA supports the NZTA’s policy review to manage conflicts of interest and strengthen the effective management of potential COIs.

However, Stella Stocks, general manager of motoring services, submits the agency’s proposals may affect the delivery of entry certification and WOF services because these aren’t separated at sites where the AA provides both.



“Pressure is from owners or staff wanting to maximise volumes for financial gain” – Stella Stocks

“Entry certifications conclude with WOFs issued at the same site, and we see no reason to separate these as we don’t consider there’s any COI,” says Stocks.

The AA is calling for the NZTA to review the current operating model, which permits entry certification to be carried out at third-party sites, such as repairers.

“While these activities are independent – inspectors are employed by the KSDPs – they can be influenced by staff or owners.”

It has been noted the current system creates COIs, and reversing it will put more emphasis on the process and safety.

At its own sites, the AA performs entry certification on vehicles. Its employees are banned from carrying out repairs under its NZTA deed and that hampers the process because many customers want a “one-stop shop”.

A bigger issue is in relation to third parties when entry certifiers’ work can be influenced – the

business owns the site and the AA provides regulatory inspections.

The association states if the NZTA is serious about safety, then that influence needs to be removed.

“The agency says it can put in policies and processes, but it’s dealing with people who will be pressured and make decisions based on the site,” says Stocks.

“Some sites have multiple inspectors depending on volumes, and pressure is from owners or staff wanting to maximise volumes for financial gain.”

To an extent, this pressure comes from the used-car industry at third-party sites and it can be multi-tiered with customers often there.

But such influences “can be managed for inspections at the AA’s sites because there are no dealers speaking to inspectors and questioning decisions”.

It would help if a KSDP performs entry certification at its own premises and third-party

repairers go to the KSDP’s site to make repairs.

This would, however, be a large undertaking with the AA estimating 70 per cent of entry certification is completed via the third-party model.

“We’ve raised concerns about repairers being able to contract in entry certification with the NZTA in the past,” says Stocks.

“We recognise this would be a major change in policy, but if the agency is serious about the safety of vehicles, this needs to be considered.”

As for the NZTA’s overall policy, the AA wants clarity on the way forward and it believes this is lacking in its proposals – operators need to know exactly what’s expected of them and they will then be unable to act in ways that cannot be discovered.

While industry participants may have documents in place to protect against COIs, actual behaviour can be different, says Stocks.

For example, a process that says parties cannot be financially involved with vehicles they certify isn’t always what it seems.

“There is a need for robust practices – the tighter, the better. The agency also needs to audit regularly and audits need to be unannounced.”

Autofile will be reporting on more submissions made to the NZTA in future issues. ☺

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# Safe transport key for future

The transport industry needs to start thinking now about how technology can be used to improve safety and cut the country's road toll.

That's the view of David Vinsen, chairman of Intelligent Transport Systems New Zealand (ITS NZ).

He made his comments at T-Tech19 – a two-day conference in Christchurch, which attracted more than 200 delegates and speakers from here and overseas.

The summit organised by ITS NZ investigated how technology can help create safer motorists, cars, speeds, roads and infrastructure.

There were 45 fatalities on New Zealand's roads in April – a decade-high for the month of April – and Vinsen told delegates urgent change was needed.

"Autonomous vehicles [AVs] are in the future, but what about now," he asked. "How can we use

technology to improve safety?

"ITS NZ seeks to encourage the examination of solutions to help create a safer, more sustainable and efficient transport network, including business models, behaviours and technology-enabled.

"We're committed to developing a strategy by setting up a road-safety working group and driving the conversation on future transport."

Vinsen, also chief executive of VIA (the Imported Motor Vehicle Industry Association), said the automotive sector became interested in ITS after realising about five years ago these systems were developing quickly and would affect "our industry".

He added ITS NZ had changed since then. Traditionally, members were civil, electronics, communications and traffic



Craig Pomare, of the MTA, addressing delegates

they were to rely on today's means, we would need another billion cars", so population growth meant the global fleet would need to double to meet demand.

"We don't have the land for them to drive on or be parked on. The cost of housing vehicles is hundreds of trillions of dollars. What's the alternative?"

In the US, the most common distance of an Uber journey was up to 8.04km. "Why do we use cars to make these trips," he asked. "Uber says 47-50 per cent of trips are less than 4.8km. We will see emerging spaces for micro-mobility."

## KEEPING UP WITH CHANGE

The increase in electric vehicles (EVs) in New Zealand's fleet and other advances in technology "can be hard to keep up with", said Craig Pomare, chief executive officer of the Motor Trade Association (MTA). He told the conference, which ran from May 6-7, that his association supported about 3,700 automotive businesses so keeping up with technology was at the forefront of the MTA's agenda.

"Fundamentally, people still need vehicles," said Pomare. "With technology, there are many things going on."

He added it was difficult to change regulation at the pace technology progressed. "Change is coming, but we don't know how quickly."

As for the target of 64,000 EVs on our roads by 2021, he was unsure whether we would get there.

Pomare pointed out MITO recently released an EV qualification, but stressed training for new technologies needed to happen faster.

Twelve months to get qualifications recognised was too long and such timescales were caused by the hoops industry training organisations needed to jump through to get them recognised.

He added the MTA now had a two-day EV course for its members and mechanics who had

engineers, and then consultants and specialist technology companies. Local and central government, mobility service providers, drone developers and academia had since got on-board.

Meanwhile, ITS had expanded to cover service providers, work between sectors and companies, connected journeys and vehicles, shared and micro-mobility, economic and business opportunities, safety and urban design.

## MICRO-MOBILITY ON CARDS

An analyst of international technology believes the use of micro-mobility, such as electric scooters, will explode over the next five years.

Horace Dediu told delegates that trips made on micro-vehicles, defined as those weighing less than 500kg, might top one trillion over this timescale – and be used by up to 15 per cent of the world's population by 2024 as the main way to get about.

One of two keynote speakers at T-Tech19, he runs California-based Micromobility Industries, which researches alternative transport modes.

In developing countries, about 80 per cent of people lived in urban areas and 80 per cent of them were motorised, said Dediu.

This meant there were already billions needing transport and "if

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From left, David Vinsen with keynote speakers Horace Dediu and Dr Michelle Dickinson. Photos: John Kane, of VITC & KiwoOB, for ITS NZ

completed it wished they had done so sooner.

“However, they haven’t been able to test their skills because they haven’t seen the technology [in the workplace].”

Pomare described the country’s “old fleet” – with an average age of 14.2 years – as one of the challenges ahead.

“We need to move them on or bring them up to speed. Do we need to think about retrofitting and lifting up these vehicles.”

MODES OF TRANSPORT

Keynote speaker Dr Michelle Dickinson – a full-time nanotechnologist and engineer – is making it her mission for science and engineering to be accessible to all.

She covered transport she had used overseas, from pod-like AVs to China’s new high-speed train.

“I had wi-fi on the train, so I was able to run an office meeting, which opened up opportunities,” said Dickinson. “The combination of multiple technologies shows how fast we are moving and how we’re redefining our future.”

While in London, Dickinson travelled by electric AV to her hotel room. While on-board, it provided her with information she needed and where to go.

Dickinson, director of Nanogirl Labs in Auckland, drilled home the importance of diversity in engineering and technology.

“I failed high school and grew up with parents, who married at 18 with no qualifications and no money. Curiosity and tinkering provided deep learning experiences. My dad would take home a soldering iron and circuit board after night classes. Instead of saying no when I asked if I could join, he said yes.”

Dickinson, a member of the NZ Order of Merit, added she wanted to challenge stereotypes.

“We need to change the idea of what a scientist or engineer looks like. We want women to

understand if they go into these fields, they can make an impact. We also need to represent everyone, so everyday people don’t feel like it’s us and them, but it’s just us.”

DATA KEY TO SUCCESS

Mobility as a service (MaaS) is an ITS that will impact on the automotive industry. It essentially combines public and private transport to enable end-to-end journeys paid for by users as single charges.

As with many future technologies, who would control MaaS was tackled by Dr Glen Koorey, of Christchurch-based ViaStrada.

He said smartphone apps would be operated by three sectors – private transport operators, public and government organisations, and software developers.

Open-data standards across these different providers would be needed to develop and promote services.

Koorey added common booking and payment systems would be essential, while some operators might need subsidies in return for providing service data.

TESTING THE FLEET

Roadside technology and intelligent software being installed by the NZTA to order heavy vehicles off the road has the potential to be used across the passenger fleet.

When operational, the weight-right programme will direct overloaded vehicles into safety centres.

“It’s about safer roads and

smarter regulations,” said Matt Hunt, programme manager. “It’s a big change to regulation and involves police collaboration.

“We’ll be increasing locations and enhancing technology to screen multiple areas of vehicle and driver compliance.

“We now have the potential to screen private vehicles to see if permits are in-check, such as warrants of fitness and

registrations, and checking taxis and ride-sharing services.”

GETTING DRONES UP

An expert at the Ministry of Transport said government policies should enable opportunities for operators of commercial drones.

While enforcement and education was needed, progress must be enabled and finely balanced, said Richard Cross, manager of strategic policy and innovation.

“With commercial drones, the reason why we’re so interested is they go way beyond transport. One challenge is introducing a technology into an environment that’s risk-averse. It requires industry and government to work together.”

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## IN BRIEF

### Systems to monitor and combat drink-driving

Volvo is looking to use in-car systems to tackle intoxication and driver distraction.

It believes these are primary safety concerns in addition to speeding and it aims to combat the latter by limiting all models to 180kph from 2020.

The company says government statistics show driving under the influence of alcohol or drugs is a contributing factor in 29 per cent of fatal crashes on New Zealand roads, broadly in-line with other markets such as the US.

Coby Duggan, Volvo NZ's general manager, says the marque will be introducing monitoring and intervention technology to help cut the impact of drink-driving.

"This acknowledges the need for a proactive approach to behaviour alongside active and passive safety features. Technology will soon enable the car to intervene if it senses a drunk driver is putting themselves and others at risk."

Volvo says intoxication and distraction can be addressed by in-car cameras and sensors to monitor motorists, and systems will allow the vehicle to intervene if a driver fails to respond to warning signals and risks a serious accident.

That could involve decreasing speed, alerting Volvo's on-call assistance service when available and actively parking the vehicle.

### Toyota gearing up for journey to the moon

Japan's biggest car company is planning to tackle extra-terrestrial terrain by teaming up with its home-country space agency to develop a moon rover.

It will be a fuel-cell powered vehicle that enables astronauts to live inside without wearing space suits.

An agreement between the Japan Aerospace Exploration Agency (JAXA) and Toyota enables them to begin researching the project, with JAXA planning to send manned missions to the moon between 2029 and 2034.

The initial design for the pressurised six-wheeler includes enough living space for two people, but could sustain four crew members in an emergency.



### Staff get behind fundraiser to support foundation

A charity auction at Autosure's offices in Auckland has raised \$1,400 for the LoveYerGuts campaign run by the Gut Cancer Foundation.

The money from May 28's event means fundraising organised by Natalie Ross-Murphy had amassed more than \$4,000 by June 4.

She says: "The more people who know about the foundation, the greater its impact." It encourages Kiwis to consider their well-being to reduce cases of gastro-intestinal cancer.

Visit [www.autofile.co.nz](http://www.autofile.co.nz) for more on this story and to find out how to donate.



Amanda Gilmore, of Uber NZ, at T-Tech19 in Christchurch. Photo: Simon McManus, ITS NZ

## Women lead change across technology

From autonomous vehicles (AVs) to flying taxis, three women are looking to revolutionise our transport landscape.

Rita Excell, executive director of the Australia and New Zealand Driverless Vehicle Initiative (ADVI), Amanda Gilmore, country manager for Uber NZ, and Anna Kominik, country director of Zephyr Airworks were guest speakers at T-Tech19 last month.

Kominik's company is pioneering the Cora, an autonomous electric air taxi. It can carry two people and travel 100km at 150kph on one charge.

"The Cora is part of an emerging sector and we're drawing on it from many industries," she said.

"There has been more than \$28 billion of investment globally, which is expected to rise to \$80b, from the likes of car companies and OEMs.

"There have been questions around the safety of AVs and the Cora has several features. Each of its lift fans is a motor in itself. It can lose 40 per cent of those and still fly. It also has a ballistic parachute that comes out the back if it all turns turtle."

Kominik said there was a race for inner space. "Airspace is our last transport resource – not just the horizontal, but the vertical. We have the opportunity to figure out how."

Rita Excell said AVs could create huge business opportunities in New Zealand.

"We established ADVI to accelerate the safe introduction of driverless vehicles. We are aiming to bring them into a language

everyday people can understand."

She highlighted developments in Western Australia where mining companies had started using autonomous trucks.

"It shows how AVs can create opportunities for jobs and areas to grow," said Excell. "This is shown in investments with 63 per cent of our partners wanting to invest \$10b over five years.

"We're an economy that's important. We will be seeing some early commercialisation, perhaps not to level-five autonomy, but that chain is happening."

Reflecting on five years in New Zealand, Amanda Gilmore said Uber was helping people move freely via "a platform focus and integrating modes of transport into a technology-first approach".

"Kiwis have embraced Uber due to not having anything like it before. In Auckland, you can get an Uber within five minutes, but there's so much congestion. Ninety per cent of kilometres travelled in the city is by car, so how can we get people into different modalities."

Uber recently partnered with Transport Canberra to offer discounted late-night trips on rapid buses. Passengers used an app to book rides to and from interchanges, and automatically got \$10 off trips.

"In Auckland, 30 per cent of Uber trips are to and from buses," said Gilmore. "Instead of grabbing car keys, this could help residents push a button to get a ride.

"Uber is also developing shared air transport and we're working to launch fleets of small electric aircraft." ☺



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# Evidence of momentum growing

It takes a lot to start a revolution. Combustion-engine vehicles dominate our roads and vested interests want to keep it that way.

People are naturally wary of new technology, especially with something expensive and as necessary as a car for work, family and lifestyle.

No wonder many are unsure if and when they should switch to electric vehicles (EVs). A lot of misinformation swirls in media and many Kiwis know little about them. It takes a while to get your head around their pros and cons, and if they will meet your needs.

Surveys of the public's understanding, enthusiasms and worries about EVs have been commissioned by the Energy Efficiency and Conservation Authority (EECA) since July 2016.

Its results show EVs are gaining traction despite having familiarity built about them from scratch for most buyers.

Over the past three years or so, the number considering a battery electric vehicle (BEV) has about doubled. It has increased by half for plug-in hybrids (PHEVs) and by about one-third for conventional hybrids. This is advance evidence of the coming transport revolution.

Between July and September 2016, 43 per cent of adults reported they knew "nothing" or "almost nothing" about EVs.

The last survey, which was carried out from January to March 2019 showed this figure had dropped to 38 per cent.

Those knowing "just a little" climbed from 46-48 per cent, and

those who reckoned they knew EVs "quite well" or "very well" went up from 11-14 per cent.

These figures won't surprise many specialist dealers who find themselves spending more time explaining the workings, benefits and constraint of EVs than what's needed for "tried and true" petrol or diesel cars.

Obviously, we still have a job to do to put reliable evidence about electric cars out there so people can make a wise choice for themselves.

But we shouldn't fall into the trap that an EV revolution will be triggered simply by providing



Henrik Moller, co-founder, Flip The Fleet

more information. Many researchers blindly hope that will happen if we just plug the "knowledge deficit" or "educate".

Instead the decision to buy a new type of car is a complex mix of head and heart stuff – it's partly an emotional choice that can be nerve-wracking if you're financially stretched. Trust in the information is part of the push, but in the end there will be an element of faith in taking the plunge.

Although EECA's surveys provide a glimpse of good things to come, there's still a long way to go.

There were 480 new registrations of BEVs and PHEVs in

New Zealand in April 2019 – just 2.7 per cent of all new light-vehicle registrations for that month.

Kiwis hang onto their cars for much longer than owners in most other countries. Many colleagues and friends reckon it makes sense to run existing vehicles into the ground before switching to electric.

Flipping our combustion fleet is going to take longer than elsewhere because many of us expect to hold onto our familiar vehicles until they are 20 or more years old.

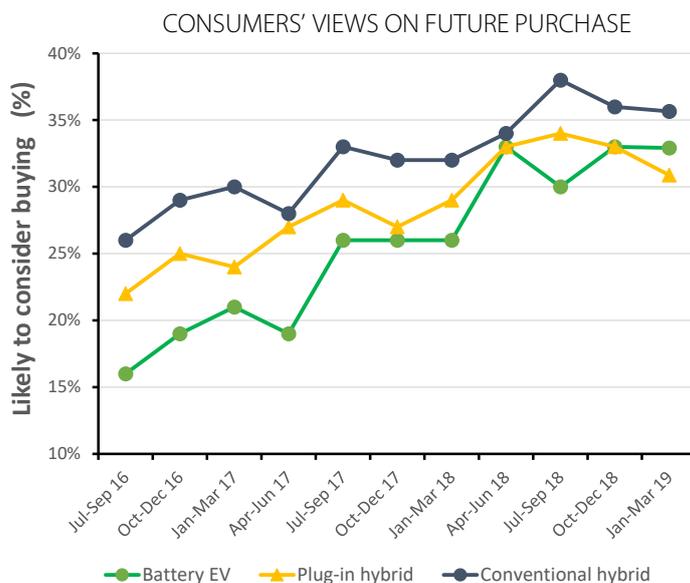
Rapid EV uptake is a community snowballing process. It can't be rushed, but will be unstoppable when we're rolling.

EECA has kick-started change by commissioning research on the benefits of EVs in New Zealand. It also manages the government's low-emission vehicle contestable fund to show them in action.

Scores of volunteers from support groups and non-governmental organisations – such as the Better NZ Trust, Drive Electric and Flip The Fleet – raise awareness and knowledge of electric options, but nothing can be achieved without car dealers pioneering choice.

A whole team has been sowing seeds from which a self-perpetuating revolution will grow. It will make mobility cheaper and more accessible, better connect families and communities, and will be more environmentally friendly. ☺

*Henrik Moller is a retired sustainability scientist. The surveys in this article were commissioned by EECA and made available by The Research Agency.*



*This graph shows the number of New Zealanders considering buying a BEV, PHEV or conventional hybrid over the past two-and-a-half years. Responses are from a random sample of those aged 18-plus who own a car or are intending to buy one. They were asked: "Thinking about your next purchase, how likely are you to consider the following." The figure shows the percentage answers for "somewhat likely" or "very likely".*

Live EV listings on Trade Me:

**-0.5%**  
Compared to last month

**+39.6%**  
Compared to prior year

New EV listings on Trade Me:

**-27.5%**  
Compared to last month

**+27.8%**  
Compared to prior year

EV watchlists on Trade Me:

**+20.1%**  
Compared to last month

**+16.0%**  
Compared to prior year

# Support to tackle pollution

Toyota NZ has welcomed the Zero Carbon Bill introduced to parliament as legislation urgently needed to address climate change.

As an original signatory to the Climate Leaders' Coalition in July 2018 and long-time member of the Sustainable Business Council, the company says it's committed to reducing greenhouse gas (GHG) emissions and promoting sustainable development.

Alistair Davis, the marque's chief executive and the council's chairman, believes the bill will provide the policy and framework to back work businesses are doing voluntarily.

"As the brand that has nearly one-quarter of all vehicles on our roads, Toyota takes its responsibilities seriously," he says.

The company aims to reduce CO2 emissions from new vehicles by 90 per cent by 2050 compared to 2010 levels.

To achieve this, it's continuing to

develop next-generation vehicles with low or zero emissions – hybrid, plug-in hybrid, electric and fuel cell – and encourage their adoption.

And it's aiming to have all models in the Toyota and Lexus line-ups available globally as dedicated electrified models or with electric-hybrid options by 2025.

"With transport emissions accounting for nearly 20 per cent of carbon output, we have a large influence on how New Zealand will progress to a zero-carbon economy," says Davis.

As the Zero Carbon Bill will establish long-term GHG reduction targets, he has called for its bipartisan support because climate change is too important for party politics.

"We and other businesses in New Zealand need a predictable legislative framework for carbon that gives us certainty to make investment decisions that, ultimately, will be for the benefit of our country and the planet."

## Total EVs by region

Northland	432
Auckland	5,910
Waikato	676
Bay of Plenty	455
Hawkes Bay	218
Gisborne	43
Taranaki	175
Manawatu/Wanganui	420
Wellington	1,930
Nelson/Marlborough	466
Canterbury	2,039
West Coast	15
Otago	790
Southland	99

Source: Ministry of Transport, May 3, 2019

The bill implies there will be a focus on reducing transport emissions and the uptake of electric cars will be encouraged, but there was little in the way of details when it was announced on May 8.

"We've built a practical consensus across government that creates a plan for the next 30 years, which provides the certainty industries need to get in front of

this challenge," says Prime Minister Jacinda Ardern.

James Shaw, Minister for Climate Change, adds: "The critical thing is to do everything we can over the next 30 years to limit global warming to no more than 1.5 degrees Celsius and the Zero Carbon Bill makes that a legally binding objective.

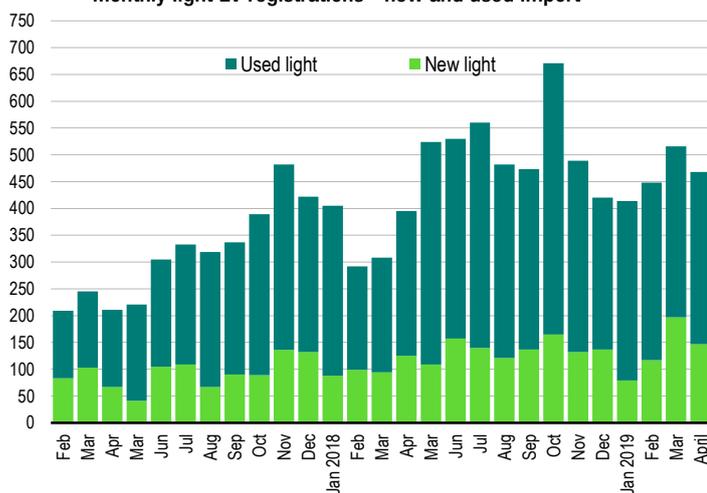
"Carbon dioxide is the most important thing we need to tackle – that's why we've taken a net zero-carbon approach."

The bill sets a target for 10 per cent reduction in biological methane emissions by 2030, and aims for a provisional reduction ranging from 24-47 per cent by 2050.

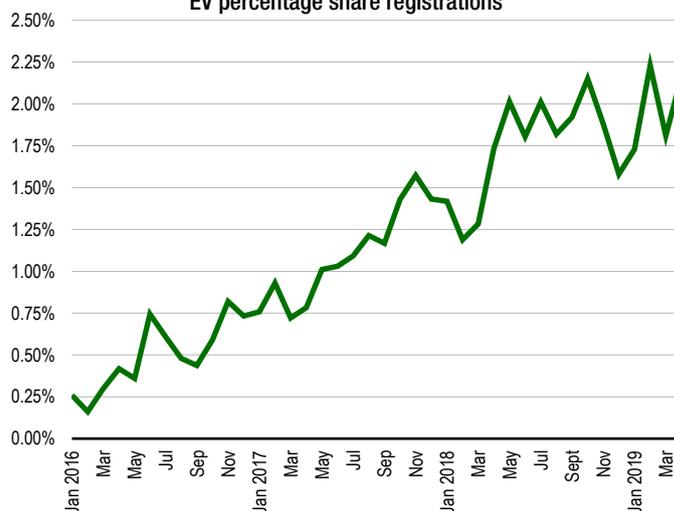
"It's not just about farmers, it's about all of us," says Shaw. "It's got to affect steel, aluminium, cement, transport. Virtually every part of the economy has got to see some shift.

"The new independent Climate Change Commission will support our emissions-reduction targets."

Monthly light EV registrations - new and used import



EV percentage share registrations



Source: MoT, May 3, 2019

### Top 5 EV models

listed on Trade Me last month:

- Nissan Leaf
- Nissan e-NV200
- BMW i3
- Kia Niro
- Hyundai IONIQ

Average listing price for the month:

**\$24.6k**

## Eye on EVs



\* Figures as per the end of May 2019

# Gearing up to go electric

A German marque chose one of the world's biggest megacities – Shanghai – and its motor show to take the wraps off an autonomous urban mobility concept.

It shows off Audi's work in this space and points to a compact electric vehicle (EV) that may hit the market early in the next decade.

Called the AI:ME, it's small in size but spacious and futuristic inside with level-four autonomous driving capability.

Its fully electric powertrain is based on a dedicated EV platform that enables clever packaging and accommodation in what's dubbed a "two-plus-X-seater".

The platform is understood to be Volkswagen Group's MEB modular electric-drive architecture, while the concept fits with Audi's



The Audi AI:ME



revised strategy for about 30 EVs to be brought to the market by 2025.

The AI:ME could preview a fresh take on the discontinued A2, although it will probably be an all-new model denoting a compact crossover.

The concept measures 4,300mm

by 1,900mm to place it in the small-car segment, but Audi says its 1,520mm height and 2,770mm wheelbase are more in keeping with the next higher class.

This is something the EV platform, which has a 125kW electric motor positioned on the rear axle, allows without a traditional combustion engine and related components, such as a transmission tunnel.

A 65kWh battery is under the floor, and the interior allows for

different seating positions and storage spaces for up to four occupants, including the driver.

The cabin boasts technology applied to other concepts and demonstration vehicles. These include AI-based bio-signal recognition, which allows functions to be controlled via eye movement, active noise control and in-car entertainment linked with virtual-reality glasses that respond to vehicle movements in real time.

The exterior showcases Audi's design direction and elements that may make their way into production models, such as surface treatments, lightweight body materials and lighting arrangements.

The marque emphasises the AI:ME's overall design "differs strongly from the mainstream competition".

It is Audi's third "vision" vehicle designed to "present an offer for use in clearly defined areas".

The AI:ME follows the Alcon, a level-five autonomous vehicle

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**Intelligent engineering**

The Evora GT4 Concept builds on Lotus' advanced lightweight engineering expertise to deliver a race car that encapsulates its competitive spirit.

Its slick-shod centre lock wheels, rear wing, aggressive stance and race-ready cockpit give an indication of its potential.

The marque's reputation as a leader in intelligent engineering is realised through the use of a lightweight carbon-composite body.

The concept revealed in Shanghai uses the same anodised, lightweight aluminium, epoxy-bonded and riveted high-stiffness chassis architecture as the road vehicle. It will weigh 1,200kg subject to ballast and will boast a top speed of 274kph.

The use of hybrid body panels with carbon-weave sections allows advanced aerodynamics to boost downforce and high-speed stability with a competition-biased balance. ⊕

The Evora GT4

designed for inner-city driving, and the PB18 e-tron that emerged last year and points to an R8 supercar successor. A fourth vehicle to "complete the concept quartet" will be unveiled in September.

The Rapide E – Aston Martin's first fully electric car – took centre stage at Shanghai Motor Show with deliveries down under for the model set to start in early 2020.

Local pricing has yet to be confirmed for the high-performance model boasting 450kW of power, but the marque has already received expressions of interest with global production limited to 155 units.

Aston Martin describes it as "a pivotal model" for the company, which will see its entire line-up electrified by 2025.

These will mostly have high-performance petrol-electric hybrid powertrains as Lagondas are reinvented as fully electric on dedicated EV platforms – starting in 2022 with an SUV followed by a large sedan.

However, other all-electric models are anticipated, including a version of the forthcoming DBX SUV.

Developed with Williams Advanced Engineering, the Rapide E's preliminary specifications include two rear-mounted electric motors for a combined 449kW of power and 950Nm of torque – enough to propel the four-door sports sedan to 96.5kph in less than four seconds. The surge from 80-113kph takes 1.5 seconds and the top speed is set at 249kph.

"These figures aren't restricted to a narrow window of battery charge or climatic conditions," the company says.

"The Rapide E will deliver its performance in a consistent and repeatable way as expected from a traditional Aston Martin."

Encased in carbon-fibre and kevlar, and positioned where the six-litre V12 engine and other parts – including the fuel tank and gearbox – would



The Rapide E

otherwise be located, the 65kWh battery pack enables a driving range of more than 322km under the WLTP testing protocol.

The marque says recharging can be completed in three hours using the high-power on-board AC charger.

The Rapide E has three driving modes, GT, Sport and Sport+, while its rear-drive twin electric motors go through a limited-slip differential.

When combined with revised spring and damper rates, this "ensures the pure handling characteristics of the petrol-powered AMR are retained".

Infiniti has revealed an all-electric concept previewing an emissions-free production sedan that may replace the Q50.

Dubbed "a sports concept for the electrified era", the Qs Inspiration has a gapless front grille, sleek headlights, large wheels, sloping roofline and barely-there side-view mirrors.

Although it isn't yet road-ready, it's built on an all-new flexible architecture to accommodate "high-performance powertrains".

Its exact powertrain details are still to be revealed, but the production version of the Qs Inspiration could take on the Porsche Taycan and Audi e-tron GT, which pack 440kW and 434kW of power respectively.

Infiniti says the concept's powertrain will be mounted low for improved handling and it will sport an electric all-wheel drivetrain.

It follows on from the high-riding QX Inspiration revealed at this year's Detroit Motor Show as the marque aims for half of its vehicles to feature electrified powertrains by 2025.

Xpeng Motors, a leading Chinese EV and



Infiniti's Qs Inspiration

technology company, says its new intelligent electric coupe may redefine market expectations.

The P7 gets from 0-100kph in four seconds, has high on-board intelligence running on a dual-chip smart electric architecture platform, and a design that "combines a coupe's flair with a three-metre wheelbase and generous interior space".

A second-generation smart car, the P7's hardware combines the

NVIDIA Drive Xavier, an advanced system-on-a-chip for autonomous driving, with a Qualcomm automotive processor.

This scalable, future-proofed system supports Xpeng's XPiLOT 3.0 to enable level-three autonomous driving to be progressively implemented.

Advanced features include a "fusion-based perception" for Xpeng's user interface, which interacts with the driver through voice, touch and even facial cues thanks to emotional recognition.

This is all allied to deep-learning capabilities that record and learn from drivers' habits, preferences and even moods.

He Xiaopeng, chairman of Xpeng Motors, says: "We intend to harness the power of AI, data integration and smart technology to jump-start the evolution of the automotive sector and enable it with ever-greater intelligence." ☺



Xpeng Motors' P7

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# The month that was... June

June 25, 2004

## Dealer hit for footpath parking

Auckland's Eastern Motors was clobbered with fines and costs totalling more than \$3,000 for displaying vehicles for sale in public spaces.

Eight charges were brought by the city council against the business leading to fines of \$300 per car plus \$130 per charge in court costs. The charges included displaying cars on a footpath and at the park and ride at Glen Innes railway station.

A council spokesman said "Eastern Motors obtained an unfair commercial advantage over other dealers complying with the law."

Bridget Cheeseman, of the Motor Trade Association, said "We don't condone our members breaking the law. However, we think the council has bigger fish to fry, particularly with unregistered traders.

David Vinsen, chief executive of the Imported Motor Vehicle Dealers' Association, said: "Once again the council has seen fit to attack an easy target for minor transgression when there are illegal traders out there breaking every rule in the book and undermining legitimate businesses paying taxes, rates and registration fees."



June 10, 2005

## Industry confidence low

More than 40 per cent of dealers predicted tougher times for the industry in the next 12 months, although many thought their businesses would weather the storm.

Seventy-five dealers responded to an Autofile survey, which asked traders to say whether they felt business would be better, worse or the same for them in the year ahead and the industry in general.

Thirty-three predicted the industry would be much the same, 31 said worse and just 11 – about 15 per cent – thought it would be better.

Only 20 thought their dealerships would be worse off and 25 – or 33 per cent – predicted they would do better, while 30 thought "much the same".

Earlier that month, Autofile reported despite business confidence in New Zealand dropping to a 17-year low, many dealers were reporting record sales.

Alistair Hazeldine, dealer principal of Cockram Nissan in Christchurch, said he was sick of the media's negative attitude. "Last month we achieved level three of our new-vehicle target and retailed 51 used vehicles when normally we would achieve about 40."



June 17, 2005

## Calling for sector's support

Prominent industry figure Jerry Clayton took a big stride forward in his legal battle with Land Transport New Zealand (LTNZ).

In a ruling by Auckland District Court in April, a 1999 Ferrari 360 Modena F1 imported by Clayton-owned business Kiwi Auto Exports in 1998 had been granted an exemption from the frontal impact rule.

However, LTNZ refused to remove the flag from the car and asked the high court to review the district court's decision. The review was expected to take place the following month, costing Clayton another \$20,000 in legal fees on top of the \$60,000 he had already spent on the case.

"The decision in the first hearing was quite ground-breaking because the judge actually mentioned the fact that new-vehicle manufacturers and their representatives were gaining commercial advantage from the current legislation," he said.

In granting the district court exemption, Judge Anne Kiernan stated she wasn't setting a precedent for importers. "Every importer, commercial or otherwise, is still bound to follow the statutory process if exemption for a particular vehicle from applicable New Zealand safety standards is sought."

However, one of LTNZ's review concerns was the alleged risk to the integrity of the current regime.



June 7, 1999

## Marque welcomes sales innovation

John Leighton, managing director of Mitsubishi Motors, congratulated the government on moving to free up the distribution chain for sales of new vehicles.

"It was quick to move on parallel importing, but failed to appreciate constrictions the outdated Motor Vehicle Dealers Act was placing on development in new-car sales," said Leighton. "The proposed legislation will help foster innovation in one of the most competitive markets in this country for the benefit of buyers.

"We're seeing retail distribution systems changing in all types of industries driven by competition and technology. Now the car industry can participate in true free-market fashion without bureaucratic intervention.

"We do not accept claims by the Motor Vehicle Dealers' Institute that jobs will be put at risk. The only businesses under threat will be those that cannot meet the needs of customers in an open market and it's arguable they would fade away in time anyway."

An amendment to the act had received its second reading in parliament and was then referred to the Commerce Select Committee, which was to report back to parliament. The legislative change would pave the way for distributors to direct-sell their vehicles.



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# EXPRESSIONS OF INTEREST



## JAGUAR LAND ROVER QUEENSTOWN

An exciting opportunity has presented itself in the Queenstown area. Jaguar Land Rover NZ in conjunction with the Giltrap Group are requesting expressions of interest to lease and operate a full Sales and Service facility in the heart of the South Island.

Queenstown is the ultimate playground for Land Rovers. With record sales in FY2018/19 up 14% on the previous year and the introduction of the new Defender arriving in 2020 it is the perfect time to capitalise on this opportunity.

The Jaguar range with its traditional sport cars heritage now offers world-class SUVs culminating in a record year up 34% in FY2018/19. The imminent arrival of the new fully electric I-PACE, recently awarded World Car of the Year, brings technology, range and capability to the Central Otago region like no other.

Land and buildings will be constructed to the latest JLR Architecture Standards with a yet to be agreed lease term. A future right to purchase may be given to the successful operator.

All Prime Market area statistical information and future sales and parts ambitions will be available upon request. The successful applicant will display a proven history in the industry at an operational level and/or have an understanding of the region to maximise the future potential these brands possess.

For more information, please send your expression of interest to:

### **Steve Kenchington**

Group General Manager

Motorcorp Distributors Limited

Steve.Kenchington@motorcorp.co.nz

DDI: (09) 919 2451

# Data in provides insights out

As technology evolves around dealerships, and they have the ability to leverage data and use smarter tools day to day, many realise there are massive holes in their data.

These holes are mainly due to historic processes, which are made up of lots of small pieces of important data. But when it comes to recording it, no value has been placed on capturing the information when it was available.

Examples of small pieces of important data include recording all customers' email addresses and phone numbers, all enquiries and test drives, specific costs against vehicles as part of pre-sale conditioning and after-sale expenses.

While each may seem small in isolation, they all contribute to a data set that's much bigger and very powerful to use when you want to leverage it to improve your business or start implementing tools that enable the data to be leveraged.

I've lost count of the number of dealerships over the years that have had the moment of realisation they've been poor at collecting data and wished they started years ago.

That being said, data entry isn't the favourite job of many in this industry and generally is a bad trait of sales people.

Poor processes or recording generally stems from past habits when data wasn't used for anything meaningful. It was seen as more of a pain to record it and, in typical sales-person fashion, if it isn't required and "doesn't benefit

me" then why record it.

All too often we now come across dealerships excited to use tools we have available only to learn they haven't recorded the best data over the past 10 years and are starting with diluted potential – or, worse still, are at square one as if they have just started the business.

This is a real shame and a hard lesson to swallow, but it's a growing reality in this day and age.

The old saying "crap in, equals crap out" couldn't be truer, or in many cases "no information in, means no information out".

The process around ensuring data is accurate and relevant starts at the top. It must be driven by the business owner or dealer principal to make changes today for the best

chance of survival in years to come.

If you're one of many who, until now, hasn't placed much value on data and information you can gather about your business, then start right now. At some stage in the near future, it will be the difference between winning or losing in this industry. Define your sales process around learning more to leverage more.

The reality is what your data can provide you with is as close



MARK GREENFIELD  
Motorcentral

to a crystal ball as you'll ever get your hands on, so why not access it, understand it and let it increase your probability of profitability and success.

However, you need to operate with your dealership management system (DMS) whether it be via automated solutions or manual data entry.

Even if you don't operate a DMS or can't use a computer, record information relating to customers and vehicles on a piece of paper. If you have to record it manually, ensure someone gets it into some form of system or spreadsheet for analysis and review.

A big area of focus for all dealerships should be the conversion of more customers who make contact. The starting point is

understanding how the business and individual sales people are performing right now.

This is usually the first area where holes in data or lack of recording processes start to show their head.

How do you know what to improve if you don't know what you achieve conversion-wise? Generally, this begins with customer enquiry – the first time someone comes in contact with

your people by phone, email or walk-in.

Once you capture that information, you can work on improving by enhancing customers' experiences to increase the probability of converting them to sales.

Processes have to be robust, but any tools you can utilise that gather important information and automate the recording of it in your DMS are of great value.

Solutions such as Motorcentral's Auto Attendant not only give customers 24/7 personalised responses from any online source when it's enabled, it also populates customer information into your DMS against the relevant vehicle at the same time as recording where the initial lead came from.

Once you start understanding where clients are coming from on what vehicles and what you convert, it's incredibly important information to learn and work with.

There are a growing number of solutions available that leverage off basic data, but the key is ensuring the information is captured and recorded where it should be.

When possible, the automation of this should be done for you to ensure accurate information is present and ready to access.

It's likely that at some time in the future you will want to make decisions or deploy solutions that leverage off your data, so it's important you get the small pieces and basic fundamentals of your business recorded now so you don't get caught out wishing you had some disciplines in place that covered this years ago. 

**“A big area of focus for all dealerships should be the conversion of more customers who make contact”**

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# Traders to benefit from deal

A strategic partnership between two companies means car dealers will be able to access data for use across different advertising platforms to attract more customers.

Trade Me and AdTorque Edge announced last month they were teaming up following six months of talks.

By working together, they aim to provide registered dealers with Trade Me data for use across various outlets, such as Google and Facebook.

"We've been aware of the great work AdTorque Edge has been doing in Australia where it's well-established," says Alan Clark, head of motors at Trade Me. "It's serving some of the same customers in New Zealand we are and we've been impressed by what we've seen."

"We thought about what could happen if we joined forces, and

have combined its expertise and marketing with ours. We can now better understand dealers' needs across the two companies to ensure they are fulfilled.

"The most tangible benefit will be AdTorque Edge's ability to use our data to better target advertisers so traders can be more efficient in finding people looking to buy cars right now."

Todd Fuller, general manager of AdTorque Edge, says the partnership means dealers can leverage the full value of both companies' products.

"This is a great opportunity for dealerships to aim for Trade Me's strong 'intendor' audience



Alan Clark



Todd Fuller

and target consumers' paths to conversion," he told Autofile.

"For example, if someone is looking for a Mitsubishi Triton we can send out adverts to that

person for that model in the range required."

On linking up with Trade Me, Fuller says it has taken a lot of work to come to fruition, "but it's been worth it".

He adds: "I worked at the NZ Herald for 30 years and imagined what would be possible with Trade Me's data because it has a great alignment with what we do and covers about 90 per cent of dealers in New Zealand. The partnership complements our other services.

"At the moment, it's about letting people know we're working with Trade Me and building products. We will obviously inform the market of what's coming next.

"The partnership signals a new chapter in the automotive space. We already work closely with AutoPlay and the response we've had from the industry to the Trade Me deal has been huge. There has been no negativity and everyone has been positive. We feel no one else in New Zealand can deliver this.

"AdTorque Edge is large in Australia and pretty new in this country, so we'll now be able to fast-track the pace at which we expand."

Clark says: "We're very excited to be partnering with AdTorque Edge with its expertise in digital marketing."

Visit [www.autofile.co.nz](http://www.autofile.co.nz) for more on this story. ☺

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# Rule change to impact imports

The next and final stage of the requirement for electronic stability control (ESC) to be installed and operational comes into force on March 1 next year.

This will require all used models in the MA, MB, MC and NA classes imported into New Zealand to be equipped with this safety technology with the usual exceptions, such as vehicles older than 20 years.

The rule is likely to have an effect on the industry comparable with the implementation of the frontal impact rule.

This is because many vehicles in Japan were not equipped with ESC until 2010, while New Zealand's used-vehicle importation industry still brings in significant volumes in the 2005-08 range.

In fact, during 2018 only 30 per cent of vehicles the used industry imported were manufactured after 2010.

One thing we can do to help us understand the potential impact is to look at what happened with the previous two stages of the roll-out of ESC.

On March 1, 2016, the initial stage that impacted on used imports came into effect. It required all MC-class vehicles be equipped with the safety system.

Comparing the volumes and average ages of vehicles imported each month for the year preceding the implementation and the months following it, we find the amount of units remained the same and the average age of those imported stayed the same at about 13 years.

However, the number of vehicles older than 20 years nearly doubled from 1.2 to 2.4 per cent of total volumes.

Moving onto the next stage of ESC being mandatory. On March 1, 2018, all MA-class vehicles with engine capacities greater than 2,000cc were required to have the system installed and operational to come into the country.

By completing a similar analysis, we find that volumes of the affected vehicles had been increasing year on year from 2012 through to the implementation of the rule in 2018. In that year, we

see a significant decline of almost 25 per cent after the implementation of the rule.

In addition to this decline in volume, we again see a slight increase in the number of vehicles older than 20 years – from 3.4 to 4.2 per cent.

Both previous implementations of the rule saw a higher volume



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of vehicles at 20-plus years old.

It's also worth noting that the previous stage of ESC implementation coincided with the stink-bug crisis and mandatory recall of Takata airbags, which both contributed to significant short-term

declines in all importers.

So, to the real question, what do the previous implementations tell us will occur following the last implementation next year?

This next stage will be significantly different than previous ones because – unlike the past iterations – importers

impacts. There will likely be up to a 20-25 per cent decrease in volumes and a possible significant increase in volumes of vehicles older than 20 years.

Within the fleet, we will see many of the older second-hand vehicles retain their values more than previously, and they will fill the gap left by the lack of newer used imports – especially with people movers.

The outlook for NA-class vehicles – that's to say light trucks, utes and vans with gross masses up to 3,500kg – is grim.

This is because the fitment of ESC to commercial vehicles in Japan has lagged well-behind passenger cars and it's only the latest models that are being equipped with this safety feature.

It's important to realise that in many cases lower-grade vehicles may not be ESC-equipped while higher-specification models may be equipped. This is especially relevant with "van grade" variants of station wagon-type vehicles.

One piece of important information that I'm neglecting in predicting the impact of this rule is the cost of the vehicles being imported.

Cost is central to the issue because while there are many vehicles available in Japan, the difficulty is finding appropriate ones at the right prices.

Unfortunately, that information isn't something VIA has had a means to collect in the past.

However, we are looking to remedy that so we can provide more relevant analyses in the future. ☺

**“This next stage will be significantly different... importers cannot simply choose to bring in vehicles the ESC rule doesn't apply to”**



cannot simply choose to instead bring in vehicles the ESC rule doesn't apply to.

For the past year, if importers couldn't find MA-class vehicles over 2,000cc with ESC, they could choose to import a vehicle under 2,000cc. With the upcoming iteration, there is nothing left to opt for. There is no "plan B".

That said, we can expect similar



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# Top honour for work on bugs

An operations supervisor has been recognised by the Customs Brokers and Freight Forwarders Federation.

Natarlia Harold, of Jacanna Customs and Freight in Auckland, has taken out the organisation's young achiever award for 2019.

The 25-year-old had to submit a 2,000-word dissertation on an industry topic, so she wrote about customers' cars being refused entry to New Zealand due to an infestation of brown marmorated stink bugs (BMSBs).

One of the judges, Peter Webb, chief executive Independent Verification Services, says: "It was a tough decision, but Natarlia's dissertation and interview were impressive. She quantified the problem and came up with a solution."

Harold is automatically nominated to represent New Zealand at the International Federation of Freight Forwarders' young international freight forwarder of the year awards.

*What follows is an edited version of Harold's dissertation. Visit [www.autofile.co.nz](http://www.autofile.co.nz) to for a full precis.*

The Ministry for Primary Industries (MPI) targets imported goods with a higher risk of carrying BMSBs, including new and used vehicles.

Schedule three of the import



Natarlia Harold with her award

health standard of August 2018 covered freight from the US, 14 European countries and Japan.

All such imports must be cleaned and treated to control BMSBs, and those from Japan must be cleaned and treated prior to shipment.

For containerised cargo, the solution is straightforward – fumigation. For break-bulk, it's more complicated.

In February 2018, two vessels were suspected to have BMSBs and couldn't continue into New Zealand. Requests to fumigate in Australian waters and to the MPI to use sulfuryl fluoride were declined.

The ships would be fogged at sea and then sail to Auckland, but BMSBs were found on the first vessel. Both were redirected to Singapore. After treatment there, they discharged in Auckland on April 11 after a 57-day delay.

From September 1, break-bulk cargo had to be heat-treated before being loaded in Japan, which has worked so far.

But there have been delays processing biosecurity authority clearance certificates (BACCs). The MPI used to take up to three working days, but took up to 12 during the 2018/19 BMSB season.

While the MPI hired more staff, this didn't help. Trainees often generated incorrect BACCs resulting in second submissions.

Increased costs caused by delays will ultimately be passed on to consumers. There is no simple solution, but some steps could be taken.

Customs brokers could be further trained to aid in biosecurity processing. They are trained by NZ Customs on tariffs and duty rates, and deal with commodities in detail.

If brokers were trained to include treatments in applications, it would mean the MPI would only have to accept the choice of action to diminish processing times.

Also, brokers could release BACCs. If fumigation-treatment certificates were presented, they could release them in the port system and have certificates uploaded for MPI checks.

Sharing tasks would alleviate pressure and support time for more training of MPI staff, and reduce the time its officers and freight forwarders spend editing applications due to processing errors.

New Zealand has a responsibility to look after our precious primary industries by abiding by our biosecurity regulations. Enabling our sector to "step up" could benefit the MPI, us and consumers. ☺

## Fire at franchise

Investigators are working to establish the cause of a fire at a dealership in Queenstown.

The incident on May 20 at Macaulay Motors, Grant Road, prompted a large-scale response from Fire and Emergency NZ (FENZ) with about 30 volunteers attending.

The blaze was brought under control within 25 minutes of the 9.43am alarm. One worker was

treated for moderate hand burns at hospital.

John Smalls, fire-risk management officer, says there are no indications the incident was suspicious. "It's most likely a workplace accident, but we cannot confirm that at this stage."

FENZ says there were about six vehicles in the building, some on hoists, and staff were working on them before the fire started.

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# Industry movers

**BRAD GARDINER** has been appointed general manager of Manheim NZ to replace Andrew Sherliker, who resigned after holding the position for five years.

Gardiner, pictured, joined the company two years ago as national sales manager for passenger and commercial vehicles, trucks and machinery.

Before that, he worked for the Turners Group where he spent 10 years and was a general manager when he left. He has about 17 years' experience in the automotive industry.

Charles Cumming, chief executive officer, says: "Brad has proven his capabilities since joining Manheim.

"He has a strong track record in sales and operational leadership gained in several senior positions during his career."



**RICHARD CHRISTENSEN** has started as transformation director for Fleetwise.

In his Auckland-based role, he will focus on helping clients nationwide shift to low-emission vehicles and alternative mobility options.

Christensen has joined Fleetwise after 15 years in the industry. He has held strategic roles in the fleet management, leasing and new-vehicle sectors, with a particular focus on electric cars.

He says: "The organisation is in a unique position in the market at a time when significant changes are occurring in mobility and sustainability."



**NOEL JOHNSTON** is now a shareholder director at MTF Finance after Mike King chose not to offer himself for re-election.

A shareholder since 1985, Johnston set up one of the company's original franchises in Dunedin in 2008. With business partners, he then established franchises in Invercargill and Queenstown.

King served as a director for nine years and chaired the credit committee for the past seven years.

**DAVID SMOL**, pictured, former head of the Ministry of Business Innovation and Employment, and **SHERIDAN BROADBENT**, ex-Counties Power chief executive, have joined the NZTA's board following the recent exits of members.



**CHERISE BARRIE** has been appointed chief financial officer of Heartland Bank. She has taken over from Myles Parry, who was acting in the role.

The chartered accountant has held executive positions at Westpac NZ, Health Alliance and Sovereign, and senior roles with ANZ Bank.

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# NZ labour market report

## EXIT INTERVIEWS ARE

vital when people leave dealerships. More often than not, they're forgotten or overlooked.

They may seem time-consuming, but information gathered from them can be incredibly beneficial to businesses.

Constructive feedback from staff leaving can help make positive changes at dealerships and provide valuable insight, whether that's into service, sales, finance or administration. It's information that may prevent others from leaving.

Exit interviews can also help improve processes and service levels. They can identify behaviour impacting on team morale, such as bullying and harassment, and even fraud.

Ultimately, you want to attract the best talent. Finding out useful information from departing staff can raise employee value propositions and help you become an employer of choice.

These interviews also enable you to drill down on why someone is leaving and help improve on what's in place for your people.

Is there something you could have done better to have kept staff? Are there benefits they will get elsewhere you could have provided?

Sometimes people don't leave because of pay. It may be lack of training or development opportunities. There are common themes why employees quit.

**Induction and training:** Some people feel inadequate training was provided when they started. Ensure induction processes are detailed enough to set up new staff for success. Do they have the technology and tools of trade needed on the first day? Are they told everything the role entails



WILL ALLAN  
Hello Monday

during recruitment? **Internal systems:** Exit interviews often bring to light processes to improve. Poorly functioning systems may affect business growth. How can you deliver a more effective

service? How can you make it easier for staff to do their jobs and have great results?

**Flexible working:** This reason is becoming more prevalent, particularly with millennials and working parents. Do staff have the option of working from home? Can they choose their hours if they get the job done? Not all dealership roles may have this option, but keep it in mind for others.

**Regular development:** Annual reviews are fading

with regular engagement from employers expected. Do you give staff regular feedback, coaching, training and development? Why not conduct an engagement survey to check on how people

feel about working for you?

Some situations require tact and empathy, such as a restructure. In other cases, people may not want to provide feedback or be negative. Ultimately, you want to capture all useful information from leavers. It's a chance to find out how people feel about your business and brand.

Using a third party to help with exit interviews can be easier because people often disclose more to someone they have no ties with.

If you gather information from employees, whether going or staying, you need to do something with it to show you care.

People notice if nothing gets done, which can cause trust and discontent issues. ↻

"Constructive feedback from leavers can help make positive changes"

# Work your database for results

What an industry this is to be involved in. We have continued population growth, investment in roading – although, arguably, not nearly enough – and authorities that struggle to provide effective, reliable public transport. All of this results in more cars being sold.

Change, however, is happening. There's uncertainty over property values and fuel prices are increasing, especially with Auckland's regional tax. We have increased technology, and the availability of hybrid and electric vehicles.

We're also seeing changes in buyer behaviour. Information is "king" and your customers are now able to make a lot of their decisions via the internet without the need to talk to your sales team.

We have to be careful not to rely on past experience or rely too heavily on trends because change is

gathering pace. This can be seen as a positive as it keeps us on our toes. It means what we did last year won't may not work this year.

We need to try different things. There's one thing we all can do to ensure we're getting people onto yards and that isn't anything new – it means working your database.

Regularly keep in touch with customers. The more you contact them, the more opportunities you have to sell cars. Ensure your communication is relevant and sells the benefits of your dealership.

For example, do you send birthday wishes or service reminders? Do you follow up with clients whose finance is about to expire or when you're notified by finance companies they've settled



COLIN MARSHALL  
Direct sales & marketing manager  
Protecta Insurance

early? This is a great chance to make contact.

Also, don't be afraid to contact customers after they have bought vehicles to check everything's going okay.

If it isn't, don't you want to know? You can easily turn potential problems into a reason for buyers to sing your

praises, and recommend you to friends and family.

This year should be another growth year for our industry, but you need to ensure you're ready. Do you have the staff in place? Are your sales people trained? Are your business managers up to date with new legislation, upcoming changes and latest sales techniques?

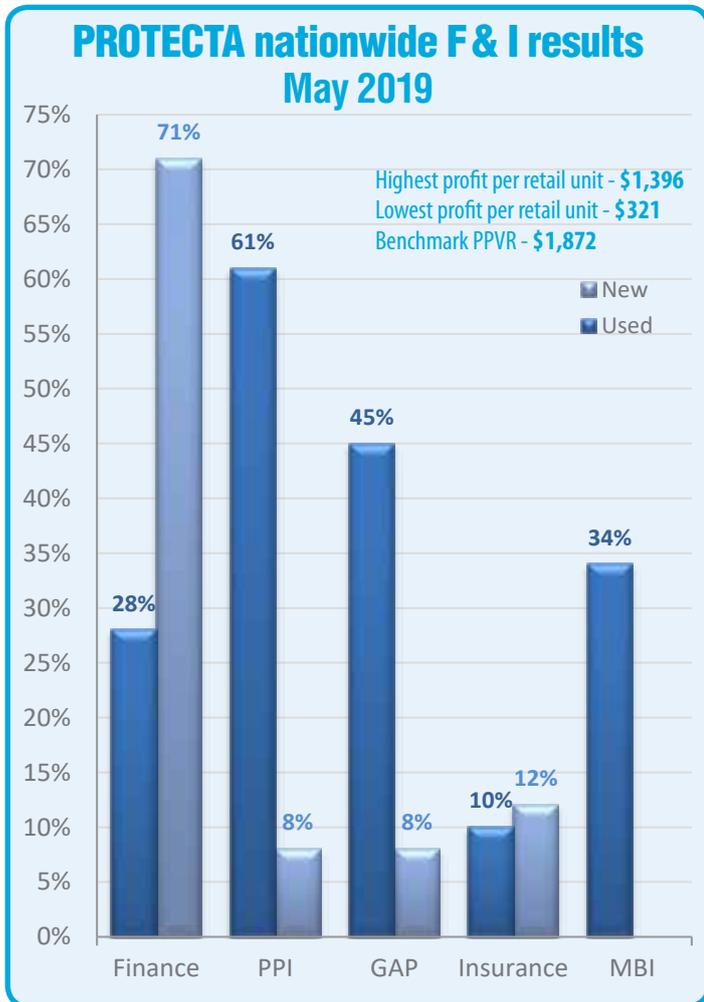
Protecta Insurance offers two-day courses to upskill or refresh business managers because

improving their performance directly adds profit to your dealership.

Now is the time to have a look at your business with fresh eyes. Get a friend to do a mystery shop to see what your clients are seeing. If you have a business manager, is your sales team turning customers over to him or her?

Have you ever watched Undercover Boss? It's amazing what people find out about their companies. Sure, it's hyped up for television, but some bosses are genuinely surprised by what they find out. A mystery shopper may highlight things you think are happening, but aren't or vice-versa. A friend of mine is a manager of a major retailer, which mystery shops all the time to ensure staff follow correct procedures.

The future provides opportunities. Are you ready? ☺



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# From workshop to boardroom

**E**ighteen years ago, Ben Giffin downed his tools, donned a suit and moved into the retail side of the automotive industry.

The general manager of Mercedes-Benz Cars and executive general manager of Mercedes-Benz NZ has never regretted that decision.

However, just securing a mechanic apprenticeship with Daimler Commercial Vehicles was no mean feat back in 1999.

"I remember sitting down in a room with 40 other applicants to take mathematical and aptitude tests, and being one of the few to get a call-back," he recalls. "It was highly competitive and difficult to get an apprenticeship back then, but I was able to fast-track and finish it in three years."

Giffin says having an engineering qualification has given him respect for technicians and the contribution they make at dealerships.

"I haven't always worn a suit, so I understood early in my career how important after-sales service is to retail, and how important it is to break down the silos between the back-end and the front of the business. It has also helped with customers because I understand the technical aspect."

In 2002, Giffin secured a sales co-ordinator role at Mercedes-Benz Cars'



Ben Giffin

wholesale division in Queensland.

"I was responsible for stock management, the demonstration fleet and ordering for all dealers from northern New South Wales up to Cairns. That's where I really cut my teeth and learnt about business."

Back in the early 2000s, luxury marques were niche players in Australia. It wasn't until the W204 C-Class entered the market in 2008 that a real growth in volume was seen and buyers realised they didn't need to be "extremely wealthy" to own a Mercedes-Benz.

"It has been interesting to see the transformation of people's perception of us and other luxury brands into what they have become today."

Giffin was soon promoted to business development manager with responsibility for the relationship between Queensland's wholesale and retail networks.

"That was a wonderful role, learning best practices. Highlights included building relationships with many dealers and the travel involved.

"I've been to most Australian cities thanks to my job and I've learnt a lot from the retailers over that time."

At the start of the global financial crisis in 2007, he moved from Brisbane to Melbourne continuing as a business development manager at the headquarters of Mercedes-Benz Australia and Pacific.

He needed to navigate the challenges the crisis threw at a luxury automotive manufacturer before being asked to become general manager of Mercedes-Benz New Zealand.

## CROSSING THE TASMAN

"I moved to Auckland in 2012, not long after the All Blacks had kicked the Wallabies out of the 2011 Rugby World Cup at Eden Park. It would be fair to say some people didn't like an Australian coming over and suggesting there was a different way of doing business," Giffin smiles.

"But the one thing I do enjoy about working here is that it's still about building relationships, trust and loyalty with our business partners. Kiwis still have a wonderful attitude to doing business.

"My first impression of New Zealand was that it was the Wild West because there was little to no regulation, few taxes and no compulsory third-party insurance. I had to learn how imported cars impacted on new-vehicle sales, trade valuations and depreciation.

"To be honest, it took me 12 months to get my head around how the industry works here. It's not a regulated market like Australia. There are many variables so you have to act differently.

"It has been one of the most

## Wheels fit in with surfing lifestyle

Ben Giffin was 17 when he bought a grey 1986 Toyota Camry, similar to the one pictured, for \$3,800 in 1998.

"I went to an auction and took my dad's advice to get a reliable car because I was doing surf lifesaving, and was travelling between Brisbane and the Gold Coast most weekends. It had more electronic gadgets than my friends' cars.

"The second and only other car I've owned was a Holden

Commodore VR Ute. It was a lot 'cooler' than the Camry. I got my surfboard and our family's German shepherd dog in the back. It only had one passenger seat, so I was no longer a taxi service for my mates."

Giffin sold his ute in 2002 after starting with Mercedes-Benz Cars and since then he has always driven a vehicle with the three-pointed star.

One model has stood out for him over the years. "One

of my jobs as a sales co-ordinator was to drop off vehicles to our AMG ambassador Mick Doohan, the five-time world motorcycle champion.

"I drove a SL65 AMG to his house on the Gold Coast. It was a twin-turbo V12 worth close to half a million dollars back then. When you're in your early 20s, the opportunity to steer one of those cars down the Pacific Highway is pretty exciting, and that memory

has always stuck with me."

Giffin, whose current drive is a GLE, loves living in Auckland and the ability to wake up in St Heliers before opting for a coast to surf.

"Having the ability to choose multiple coastlines is unusual to me. I normally head to Muriwai on the west coast or Te Arai on the east."



◀ exciting places to operate in because of market dynamics, and it's not just localised dynamics you need to be aware of."

When comparing our market with his homeland, Giffin believes Kiwi dealers are better at selling used vehicles than their Australian counterparts because "they tend to keep their traded cars and manage good stock".

He adds: "A disadvantage is New Zealand's open market and reliance on currency effects. If the dollar strengthens, import dealers enter the market overnight.

"Franchised dealers that have invested heavily in staff, training and facilities have to deal with an influx of backyard traders able to import with no capital outlay and little to no ongoing responsibility.

"I think that's unfair for retailers who have invested heavily in this market, abided by the laws, paid their taxes and done the right thing by the brands, and most importantly their customers."

READY FOR CHANGE

Giffin says Mercedes-Benz's parent company, Stuttgart-based Daimler, is heavily investing in the future by looking at scenarios that may disrupt the industry, such as vehicle subscription whereby clients pay monthly or annual fees to franchises for the right to change cars twice a month.

"Various disrupters to the market are coming. We have customers who want new technology and flexibility, and that demand is only going to grow.

"Global research shows cars are only used on average for about one hour a day, which is inefficient. However, we accept that some consumers in the luxury market will say they are paying for the right to own a vehicle and use it whenever they want.

**"It took me 12 months to get my head around how the industry works here"**



Ben Giffin with the AA Driven New Zealand Car of the Year 2018 trophy for the A-Class

"Once you get mass acceptance of being able to share cars, you will see disrupters entering the market.

"If you look back 15 years, the taxi industry didn't see Uber coming. That industry had every opportunity to make changes and adopt new technology, but chose not to. Daimler and many other manufacturers don't want to be the next Blackberry or Kodak."

FUTURE IS ELECTRIC

Giffin says New Zealand is fortunate to have 80 per cent of its power as hydroelectric, which means there's no need for motorists to find a "green supply".

"It's good to hear the government talking about electric vehicles [EVs] and having targets in place, but what's disappointing is it hasn't done anything other than talk about them.

"The automotive industry needs to see some action. The government promised bus-lane trials, which have finished, and has talked about

fringe-benefit tax breaks and tax incentives, but we have yet to see anything definite.

"The next part of the journey for New Zealand moving into EVs is for the government to get behind them from a monetary perspective with incentives

to get corporates, fleets and private individuals buying into this technology because, like all new technology, when it's early to market it is expensive. It will not be until we get mass buy-in that prices of these products will come down."

Giffin's personal view is New Zealand shouldn't be sourcing used

EVs from overseas markets, such as Japan at the UK.

"My concern is that if we continue to import EVs already eight-plus years old, you may only get four years of emissions-free mobility from them before their batteries end up as landfill. If you buy new, there's probably about 15 years of emission-free driving that New Zealand benefits from.

"We need to understand the entire life cycle of these cars and understand the implications of that. If the government got behind EVs with incentives, it would help manufacturers to ensure supply and manage life-cycle challenges."

If or when the government does legislate incentives, Giffin says the market will have lost another year.

It will then be highly unlikely that New Zealand will meet the target set by the previous government for 64,000 EVs to be on our roads by 2021. ☺

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# Marque launches new racer

It has a revamped two-litre turbo engine, a raft of safety upgrades, more aerodynamic gear than its predecessor, more downforce and extra “mechanical” grip from bigger tyres.

Launched to a huge crowd of sponsors, drivers and motor-racing identities in late May at Hampton Downs, the FT60 lifts the Castrol Toyota Racing Series (TRS) into line with the new “regional” Formula 3 series in many countries.

It also bridges the gap between lower powered and “entry level” Formula 4, and the more powerful FIA F3 cars.



The all-new FT60

The FT60 is bigger in all dimensions, but the most striking visual difference is the adoption

of FIA's Halo driver protection aid, which wraps a protective structure around the vehicle's cockpit.

Its new engine is locally developed from a Lexus four-cylinder, the first such “family” powerplant switch for Toyota in New Zealand motorsport and possibly the world.

The car replaces the FT50, which could not be retrofitted with the Halo – now a mandatory feature of F3, F2 and F1.

It takes over immediately and will be the vehicle used in the coming 2020 summer series.

The influential TRS has been running since 2005. It has guided the career of almost every Kiwi driver now racing and winning overseas, in addition to bringing many of the world's best drivers to race on these shores.



Jayne McEwen, of Castrol, and Sarah Brown, of Toyota Gazoo Racing NZ, reveal the FT60's sleek lines

# Weather-beaten Cassidy hangs on in Japan

Nick Cassidy has had a tough start to his 2019 Super Formula Championship.

The Aucklander dropped from the lead after round one to second overall following the second round at the Autopolis circuit in Japan.

The weather played a huge part in the result with squalling rain preventing more than half the field from setting competitive times.

Front-running drivers ended up outside the 107 per cent rule, which enables them to take a place on the grid, but they were allowed



Nick Cassidy celebrates at Autopolis

to race by organisers struggling to deal with the issue.

Never one to leave the media wondering what he thinks, British driver Dan Ticktum described the

rain-affected qualifying session as “a comedy”. Starting the race from 14th place, he crashed out on lap three in a single-car incident.

Yuhi Sekiguchi claimed his first

win of the season at Autopolis last month with a charging drive from 16th on the grid.

Cassidy was eighth, adding a single point to his first-round tally of 10 ahead of the next round in Sugo on June 23.

The Kiwi is the only non-local in the top 10 and one of a handful of overseas drivers considered capable of winning this year's title.

The last time a non-Japanese driver won the Super Formula series was German Andre Lotterer in 2011 when racing for the TOM'S Toyota team.



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# From karting to IndyCars pit lane

**B**ack in the “olden times” of the Bruce and Denny Show, the accepted path into racing glory was a one-way ticket on an ocean liner to the UK.

Drivers would pitch up at the Cooper Works or Jack Brabham’s garage carrying letters of introduction from New Zealand motorsport identities or authorities.

If they were lucky, they would get offered a second-tier drive. Otherwise they would be reduced to sweeping up or making the tea until they had a chance to talk to the boss about a racing drive.

Often they would be put to work welding new race-car monocoques together or fashioning alloy panels for the body.

Following that lead, Kiwis less handy behind the wheel quickly worked out they could have their fill of motor-racing excitement as well as scratch their legendary itches for the big OEs.

Off we went to become spanners, tyre men, engineers, even designers. Sometimes the jobs were purely motor racing and others diverged off into the mainstream automotive industry. Excitement was found in the UK, Europe and equally in the US.

So it’s unsurprising that when the Team Penske pits erupted in celebration of Simon Pagnaud’s recent IndyCars wins and, in particular, his Indy 500 triumph



Malcolm Finch showing off the Borg-Warner Trophy, which is presented to the winner of the Indianapolis 500

during May – he pipped Scott Dixon, who led but was caught up in a late-race tangle and finished 17th – at least one of the “woohoos” had a distinctly Kiwi note.

Malcolm Finch is one of those passionate New Zealanders, motorsport mad for ages.

“From as early as I can remember, I was at a racetrack with my father when he was racing,” he says.

“As a natural progression, I started karting at a young age and then raced in various categories through the years. It was during my first year at university when I started to really focus on an

engineering career in motorsport.”

Finch also got heavily involved with the practical “build a race car” project, which is integral to automotive studies.

“I specialised in mechanical engineering at the University of Auckland. Alongside a bachelor’s degree, I was also a part of the Formula SAE team, which was supported by some of the faculty at the university.”

He was also using his summers well, working for Toyota Racing NZ on the Toyota Racing Series.

Finch says adding practical experience is important for Kiwis aiming to go offshore.

“Most teams look for engineers who have had some experience with a professional motorsport team. That could be as simple as volunteering on race weekends. Ideally finding a way to work or volunteer for a team while

simultaneously studying is a strong resume builder.

“It’s important to get an education or certification to be considered for a motorsport career. However, a lot of racing is hard to teach and best learnt through hands-on experience.”

Fast forward to 2019, and Finch is working as a data engineer for Team Penske in the IndyCar Series.

Within the team, data engineers are responsible for many of the running aspects of the vehicle and electronic components – anything from making wiring looms and testing sensors to on and off-track data analysis.

“During a race weekend my focus narrows to car 22 with Pagnaud when, as a data engineer, I concentrate on fuelling, strategy and, in a general sense, making sure the vehicle is performing properly electronically. ☺



Simon Pagnaud celebrates his Indy 500 win

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# Dealer refused to repair car claiming problems were owner's responsibility

## Background

Alice Greenwood bought a 2007 Holden Commodore for \$8,990 from Nelson's Sweet Carz Ltd on October 12, 2018.

She rejected it 16 days later because it was too rusty and didn't have the six-speed tiptronic automatic transmission as advertised.

The trader said the Holden had a current WOF and was fit for purpose under the Consumer Guarantees Act (CGA). It added an administration error resulted in the car being advertised online as having a six-speed tiptronic transmission and the buyer told the trader soon after purchase that she was happy with the vehicle.

The dealer refused to carry out repairs and said ongoing maintenance was the owner's responsibility.

## The case

When Greenwood first enquired about the car, she asked Sweet Carz if there was any corrosion under its radiator filler cap because her previous Commodore had corrosion in that area.

She added Sweet Carz's representative Brendon Taylor told her there was no rust and when she collected the car she didn't check under the cap because it was hot.

Soon after purchase, Greenwood replaced the Holden's shock absorbers at her own cost because she said driving it was like "riding in a swimming pool".

About a week after purchase, the "check engine" light came on.

Greenwood took the car to Fox's Automotive and Engineering. It found a problem with the oxygen sensor, but said the vehicle was okay to drive and should be checked by her mechanic.

Greenwood informed Taylor about the warning light. He told her to take the Holden to her mechanic and advise him of the outcome.

Coalgate Motors' mechanic Preston Smith, also a WOF inspector, gave the vehicle a post-sale inspection on October 26.

He reported the Holden appeared to have been used for launching boats into the sea because its underbody had extensive surface rust and, as a result, the exhaust system would soon need to be replaced.

Smith said brake rotors, disc pads and heater hoses should be replaced immediately, there was no anti-freeze in the coolant system and the oxygen sensor was faulty.

He told the hearing the car wasn't in a good state of repair to be sold and the WOF check sheet didn't reflect its true quality. He quoted \$3,144 for necessary repairs.

The buyer also produced a report from Darfield Collision Centre, which found extensive surface corrosion to the Holden's sub-frames, exhaust system and strut towers. It quoted \$5,950 for repairs.

The tribunal's assessor said the reports confirmed the Holden had serious body corrosion and was lacking anti-freeze, which indicated the car hadn't been serviced for some time prior to sale.

The trader said anti-freeze wasn't necessary in Nelson. The assessor pointed out all marques recommended using anti-freeze as a corrosion inhibitor.

Sweet Carz's response to this evidence relied on the fact the vehicle was warrantable when sold.

Evidence was then heard about the vehicle being advertised on Sweet Carz's website as having a six-speed tiptronic automatic transmission and a "full service history".

Greenwood said she rang Sweet Carz about this after purchase. She was told there had been a "clerical error" and the Holden wasn't meant to have been advertised as being tiptronic. She added there was no service history provided with the vehicle.

In his written submissions, Lee Barker, the trader's director, noted Greenwood knew about the lack of a tiptronic transmission within 24 hours of purchase, but had nevertheless indicated to Sweet Carz she was "very happy" with the car. Barker added she replaced the shock absorbers indicating she wanted to keep it.

Sixteen days after buying the Holden, Greenwood sent a letter of rejection to the trader.

In a reply email dated October 29, Barker told her second-hand vehicles required future maintenance and all the Holden's defects were repairable.

He said the vehicle was of "warrantable standard", was fit for purpose under the CGA's guidelines and she was unable

**The case:** The buyer rejected her 2007 Commodore because of serious rust issues and it didn't have a six-speed tiptronic transmission. The trader said the Holden had a warrant of fitness (WOF) at the time of sale and an administration error resulted in the purchaser believing the car had that transmission.

**The decision:** The tribunal ruled the buyer was within her rights to reject the vehicle and ordered the trader to pay \$10,260.

**At:** The Motor Vehicles Disputes Tribunal, Nelson.

reject it. He also declined to carry out repairs. Barker emailed Greenwood on November 2 referring to her concerns as "buyer's remorse", saying "this matter is settled".

He emailed her again on December 10 and wrote: "I do not make an offer to remedy any of the concerns you have raised as ongoing maintenance of this vehicle is the responsibility of the owner."

## The finding

The tribunal concluded a reasonable consumer wouldn't find the Holden to be of acceptable quality under the CGA due to its corrosion and significant durability concerns.

The adjudicator ruled the Holden failed to comply with its advertised description and that failure was substantial, so the buyer was entitled to reject the car.

Greenwood was also entitled to reject because Sweet Carz refused to repair the corrosion and sensor.

## Order

The dealer was ordered to pay the buyer \$10,260, which included a refund of a \$1,270 mechanical breakdown insurance policy, and to collect the vehicle. ☺



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# Buyer fails to win damages from trader after on-selling her van for \$10k loss

## Background

Dakota Blue said the 2009 Fiat Ducato Swift Sundance Campervan she purchased from Motorhome Centre Ltd, trading as Freedom RV, for \$95,000 on March 19, 2018, had a number of faults and the trader didn't respond appropriately to her complaints.

The dealer said it had remedied the issues at its own expense and in a reasonable timeframe.

In August last year, Blue asked Freedom RV to refund the purchase price. The trader refused, but the parties agreed the dealer would sell the camper on her behalf.

But this arrangement eventually proved unsatisfactory to Blue and a month later her lawyer sent a letter to Freedom RV rejecting it.

Blue then sold the camper on Trade Me for \$85,000. She lodged a claim with the tribunal for \$11,649.14 in damages for what she said was the reduction in the van's value below the price she paid for it, compensation and expenses.

## The case

Blue said the Fiat developed a number of post-purchase problems.

It had unsecure drawers that fell over when braking, it needed electrical repairs including an electrical warrant of fitness (e-WOF), and it had a leaking toilet cassette, unsuitable gas bottles and faults with its batteries.

She claimed Freedom RV didn't tell her the drawers were not secured, but the company said it

explained to Blue why this was the case during a detailed handover session. Due to her concerns, it attached them to the Fiat.

The dealer had Philip Ashley, an inspector with KB Electrics, repair the electrical issues. He discovered the camper needed a New Zealand e-WOF.

Blue said the lack of an e-WOF meant the van didn't comply with legal requirements and was unsafe.

But Ashley said the e-WOF had been issued by a registered electrical inspector and was safe even though Blue paid \$75 for a New Zealand e-WOF.

He also found the battery charger had stopped working, but discovered items had been incorrectly stored around its vents causing it to overheat and fail.

On August 13, Ashley replaced a blown heater switch, a faulty inverter and the residual current device (RCD) to meet New Zealand standards, and covered the back of an exposed socket.

Soon after purchase, the dealer replaced a broken tank valve plate on the toilet cassette. However, subsequent complaints from Blue regarding the cassette were attributed to incorrect use.

Blue claimed the Fiat's gas bottles had faulty gauges. Freedom RV said it explained at the time of purchase the gauges were "notoriously unreliable" and gave her a more accurate way of finding the gas level.

The buyer added the gas would often freeze. The dealer said that was due to low gas levels and it

added insulation to the gas locker.

It was claimed there were problems with the camper's battery, which Freedom RV replaced.

Despite the dealer fixing the defaults, Blue rejected the Fiat on August 18, 2018, and asked for a refund of the purchase price.

The trader refused to accept the rejection. Instead, it offered to sell the Fiat on Blue's behalf at a reduced commission and she agreed.

She told Freedom RV she wanted to recover \$98,000 – \$3,000 more than she paid for the vehicle, even though she had driven it for about 4,000km. It didn't sell.

On September 17, Blue's lawyer sent a letter of rejection to Freedom RV. The on-behalf sale agreement was terminated and she eventually sold the Fiat for \$85,000 on Trade Me.

Blue lodged a claim with the tribunal seeking \$11,649.14 in damages from the trader.

This comprised of \$10,000 being the difference between the purchase price of the Fiat and the amount she sold it for, \$75 for the e-WOF, \$197.99 for the Trade Me listing fee, the \$50 tribunal filing charge, \$156.40 for vehicle grooming, \$49.75 for her dispute preparation photocopy costs, and \$1,120 in accommodation costs while the van was in Freedom RV's yard and after she took it back.

## The finding

The tribunal found the vehicle

**The case:** The buyer discovered a number of faults with her Fiat campervan and wanted to reject it. The dealer fixed the issues and tried to resell it on her behalf. However, the purchaser sold it on Trade Me and sought the tribunal's help to recover damages from the trader.

**The decision:** The adjudicator ruled the dealer had repaired all the faults within a reasonable timeframe and dismissed the claim.

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

failed to comply with the guarantee of acceptable quality in the Consumer Guarantees Act (CGA) because it had several minor defects.

But it ruled the failures weren't of a substantial character and were fixed at Freedom RV's expense within a reasonable timeframe.

It said a reasonable consumer would expect a nine-year-old campervan to have minor issues arising that required attention from time to time and wouldn't have been deterred from purchasing it.

Blue argued the Fiat was unsafe because it needed a new RCD to get a valid e-WOF, but the adjudicator didn't consider the original part was defective or unsafe.

The tribunal also found she wasn't entitled to a remedy or to reject the van.

These remedies, which are provided under the section 18 of the CGA, depend on the buyer proving the failure couldn't be remedied or was of substantial character. Blue didn't establish either of these prerequisites.

## Order

The claim was dismissed. ⊕

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JAPAN	Moji	–	15 June	–
	Osaka	3 June	16 June	3 July
	Nagoya	4 June	17 June	4 July
	Yokohama	5 June	18 June	6 July
NEW ZEALAND	Auckland	21 June	7 July	21 July
	Wellington	8 July	10 July	27 July
	Lyttelton	6 July	11 July	25 July
	Nelson	8 July	16 July	27 July

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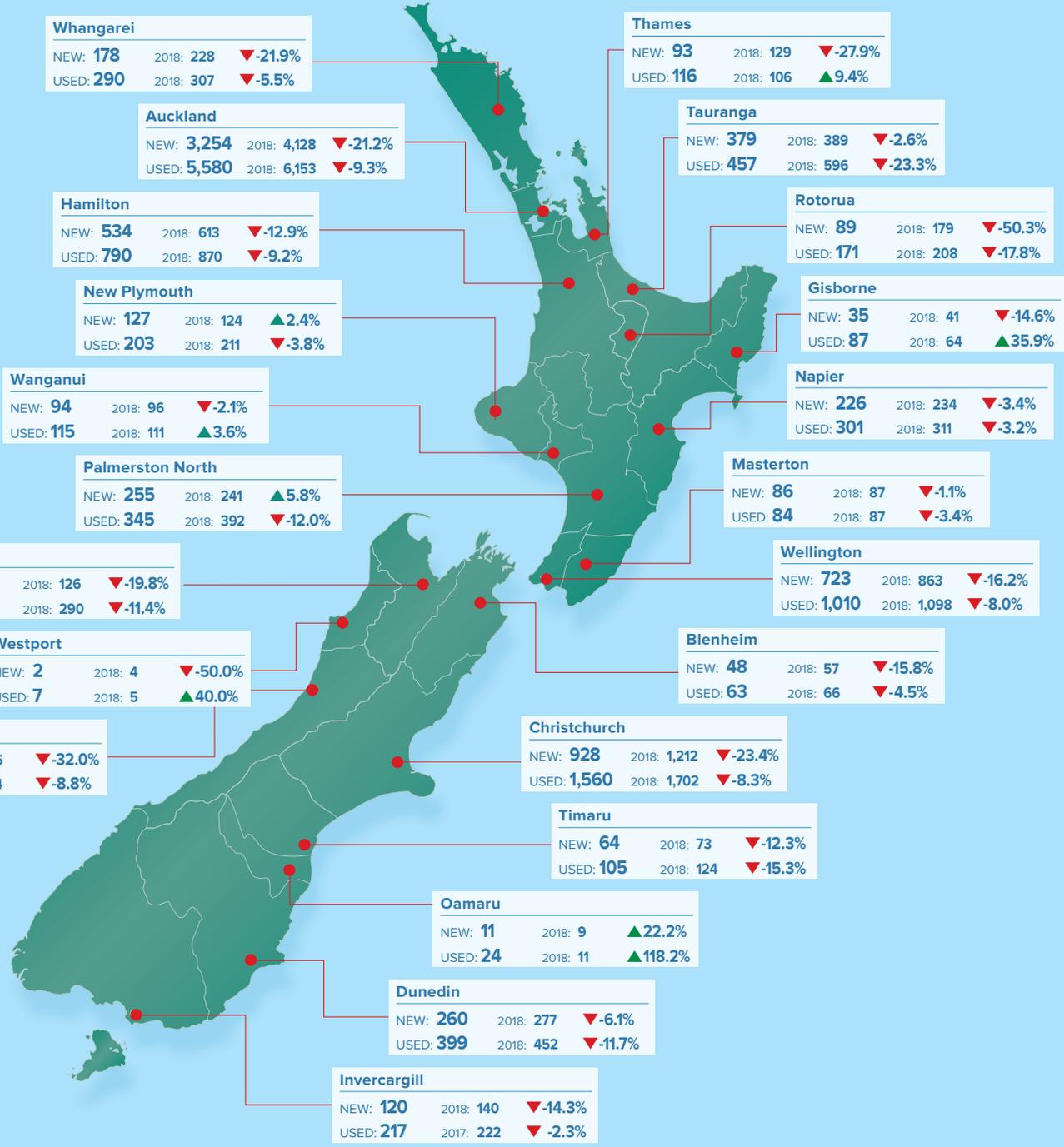
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### Imported Passenger Vehicle Sales by Make - May 2019

MAKE	MAY'19	MAY'18	+/- %	MAY'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,591	3,102	-16.5	21.2%	12,322	21.4%
Nissan	2,424	2,630	-7.8	19.8%	11,195	19.4%
Mazda	2,013	2,063	-2.4	16.5%	9,527	16.5%
Honda	1,318	1,374	-4.1	10.8%	6,401	11.1%
Subaru	748	770	-2.9	6.1%	3,301	5.7%
Suzuki	636	682	-6.7	5.2%	3,175	5.5%
Mitsubishi	512	463	10.6	4.2%	2,651	4.6%
BMW	441	621	-29.0	3.6%	2,103	3.6%
Volkswagen	415	402	3.2	3.4%	1,845	3.2%
Audi	246	276	-10.9	2.0%	1,088	1.9%
Mercedes-Benz	156	257	-39.3	1.3%	774	1.3%
Lexus	155	99	56.6	1.3%	612	1.1%
Ford	66	102	-35.3	0.5%	385	0.7%
Volvo	65	81	-19.8	0.5%	288	0.5%
Jaguar	55	53	3.8	0.5%	222	0.4%
Holden	44	44	0.0	0.4%	157	0.3%
Hyundai	39	30	30.0	0.3%	127	0.2%
Chevrolet	38	41	-7.3	0.3%	199	0.3%
Land Rover	34	40	-15.0	0.3%	184	0.3%
Porsche	28	24	16.7	0.2%	101	0.2%
Jeep	26	32	-18.8	0.2%	123	0.2%
Dodge	25	39	-35.9	0.2%	135	0.2%
Chrysler	24	17	41.2	0.2%	111	0.2%
Mini	24	37	-35.1	0.2%	147	0.3%
Kia	11	10	10.0	0.1%	50	0.1%
Peugeot	8	17	-52.9	0.1%	33	0.1%
Citroen	7	4	75.0	0.1%	37	0.1%
Smart	7	5	40.0	0.1%	25	0.0%
Cadillac	6	8	-25.0	0.0%	24	0.0%
Renault	6	6	0.0	0.0%	28	0.0%
Bentley	5	3	66.7	0.0%	18	0.0%
Range Rover	4	1	300.0	0.0%	13	0.0%
Rover	4	4	0.0	0.0%	13	0.0%
Skoda	4	3	33.3	0.0%	7	0.0%
Austin-Healey	2	0	200.0	0.0%	3	0.0%
Others	25	80	-68.8	0.2%	250	0.4%
<b>Total</b>	<b>12,212</b>	<b>13,420</b>	<b>-9.0</b>	<b>100.0%</b>	<b>57,674</b>	<b>100.0%</b>

### Imported Passenger Vehicle Sales by Model - May 2019

MAKE	MODEL	MAY'19	MAY'18	+/- %	MAY'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Mazda	Axela	631	617	2.3	5.2%	3,065	5.3%
Honda	Fit	589	509	15.7	4.8%	2,767	4.8%
Suzuki	Swift	537	559	-3.9	4.4%	2,731	4.7%
Nissan	Tiida	496	572	-13.3	4.1%	2,487	4.3%
Mazda	Demio	479	480	-0.2	3.9%	2,314	4.0%
Toyota	Prius	315	359	-12.3	2.6%	1,553	2.7%
Subaru	Legacy	305	354	-13.8	2.5%	1,338	2.3%
Nissan	Leaf	304	338	-10.1	2.5%	1,387	2.4%
Mitsubishi	Outlander	296	259	14.3	2.4%	1,542	2.7%
Mazda	Atenza	288	293	-1.7	2.4%	1,222	2.1%
Subaru	Impreza	257	215	19.5	2.1%	1,139	2.0%
Toyota	Vitz	244	299	-18.4	2.0%	1,221	2.1%
Toyota	Aqua	241	100	141.0	2.0%	1,045	1.8%
Nissan	Dualis	238	194	22.7	1.9%	1,098	1.9%
Mazda	Premacy	231	218	6.0	1.9%	1,121	1.9%
Nissan	Note	212	217	-2.3	1.7%	1,001	1.7%
Toyota	Auris	198	151	31.1	1.6%	822	1.4%
Nissan	X-Trail	191	122	56.6	1.6%	816	1.4%
Toyota	Corolla	184	191	-3.7	1.5%	771	1.3%
Nissan	Skyline	161	187	-13.9	1.3%	630	1.1%
Honda	Stream	142	162	-12.3	1.2%	705	1.2%
Nissan	Serena	124	35	254.3	1.0%	498	0.9%
Toyota	Blade	120	182	-34.1	1.0%	577	1.0%
Toyota	Ractis	118	101	16.8	1.0%	492	0.9%
Nissan	Bluebird	113	123	-8.1	0.9%	529	0.9%
Mazda	CX-5	107	57	87.7	0.9%	475	0.8%
Mazda	Verisa	103	115	-10.4	0.8%	515	0.9%
Nissan	Juke	101	55	83.6	0.8%	435	0.8%
Honda	CRV	100	125	-20.0	0.8%	480	0.8%
Toyota	MarkX	94	214	-56.1	0.8%	505	0.9%
Honda	Civic	87	104	-16.3	0.7%	383	0.7%
Toyota	Vanguard	86	61	41.0	0.7%	381	0.7%
Honda	Odyssey	85	125	-32.0	0.7%	453	0.8%
Nissan	March	84	116	-27.6	0.7%	438	0.8%
BMW	320i	83	134	-38.1	0.7%	386	0.7%
Others		4,268	5,477	-22.1	34.9%	20,352	35.3%
<b>Total</b>		<b>12,212</b>	<b>13,420</b>	<b>-9.0</b>	<b>100.0%</b>	<b>57,674</b>	<b>100.0%</b>



# WHAT DO YOU WANT FROM YOUR VEHICLE SUPPLIER?

# Chairmen review industry issues

The past 12 months have been described as a “tumultuous period” for the used-imports industry.

The co-chairmen of VIA (the Imported Motor Vehicle Industry Association) have covered off issues that have affected the sector over the past year – and have looked to the future – in their annual report.

Graeme Macdonald and Lloyd Wilson, who head the North and South Island branches respectively, highlight the impact of the brown marmorated stink bug (BMSB) crisis in their report for 2018/19.

“At our last annual general meeting, VIA was actively engaged in bringing all affected parties together to deal with the BMSB crisis and assist in managing an effective pathway to ensure minimal shipping interruptions,” they say.

“One year on, and the ongoing facilitation and management provided by our association has helped to ensure objectives of the Ministry for Primary Industries are met, while providing certainty and security for members.”

This is one example of important work VIA has been involved in, with the past 12 months being “a tumultuous period for the imported vehicle industry with strong representation and advocacy essential to represent the diverse interests and – at times – opinions, of this fiercely independent business”.

Wilson and Macdonald say: “From being a show-stopper with significant financial penalties and uncertain risk management, the Takata airbag recall process was

managed responsibly and with the minimum possible impost to the industry in a joint approach between VIA and the Motor Industry Association.”

As for what’s around the corner, the next and final implementation phase for mandatory inclusion of electronic stability control (ESC) in vehicles crossing the border kicks in on March 1, 2020.

“Planning for this has been ongoing through 2018 and 2019 with VIA working through the vast amount of data collected with the intention of supplying the industry with a workable range of ESC-compliant options – and possibilities – before the March cut-off.”

VIA has also continued to make representation in the research and development of the electric-vehicle sector, including charging hardware, raising concerns over battery degradation, brake testing and whole-of-life emission costings.

Other contentious issues

faced during the year included the ongoing regulatory review of entry certification and conflicts of interest (COIs), and there has been the “crippling restructure of the NZTA that has left the organisation facing uncertainty and stagnation over many projects”.

The fleet’s safety has come under the government’s microscope with it being determined to review how one and two-star rated vehicles could be taken off our roads.

Macdonald and Wilson describe the debate over Ports of Auckland’s future as being “blatantly politically motivated” with the push to move vehicle arrivals to Northport, while product end-of-life stewardship – including vehicles and components – is another issue the association has been involved with.

“Much of the workload VIA undertakes on behalf of the industry goes unnoticed,” they say, while the stated goal of the association is to “keep the doors open”.

“We have taken, for more than a decade, the position that effective decision-making at government level is best influenced at the front – by providing guidance, lobbying and, at times, standing firm on positions that result in certainty and continuation for members rather than constraints as a result of poorly informed policy.”

Over the past year, VIA has been involved in consultations and submissions on a number of issues including the light-vehicle brake rule for mandatory ABS on motorcycles.

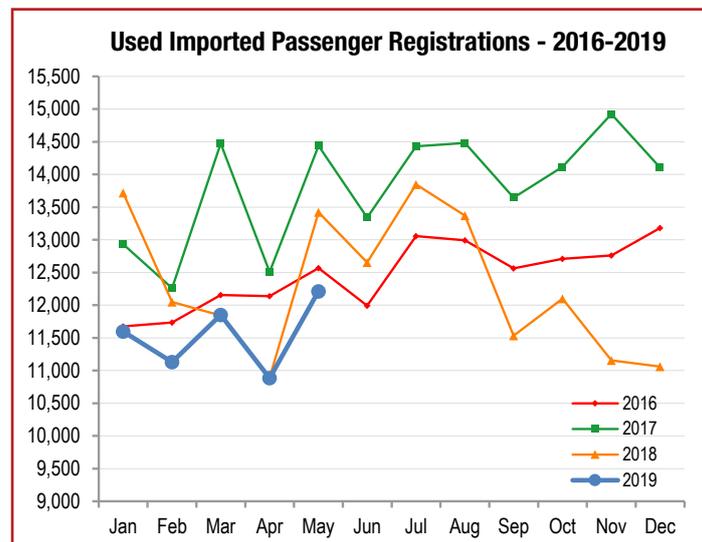
It made a written submission on what chief executive David Vinsen describes as its “commercially agnostic position” on the NZTA’s review of COIs in entry certification and vehicle inspections, which was followed by a presentation to an agency panel in Auckland on April 17.

In regards to reforming the vocational education system, VIA broadly agrees with proposed changes to polytechnic funding, but supports the retention of effective industry training organisations, including MITO.

The association continues to take part in the government’s leadership group on electric vehicles (EVs), with its focus now including carbon reduction.

As for last month’s industry statistics, 12,212 used imported cars were registered – a nine per cent drop from 13,420 in the same month of last year.

The year-to-date total is now 57,674, which is down by 6.9 per cent on the same period in 2018’s total of 61,921 units. ☺



# Fuel-economy data collected

Entry certifiers have started to collate information about emissions levels of used vehicles crossing the border.

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), says the action taken by the NZTA indicates the first stage of the government working towards fuel-economy standards, including a possible feebate scheme.

The latter could result in charges being imposed on high-pollution emitting vehicles with rebates issued for those that are better for the environment.

An average fuel-economy

standard would mean importers having to stay under an emissions level. They could bring in high-emitting vehicles and balance them out with low-emitters.

However, the government needs a mechanism to be in place in order to run such systems.

Vinsen told Autofile an official bulletin was issued by the NZTA late on May 31 and came into effect on June 1, which was when the collection of information had to be started as part of the entry-certification process.

"It requires all vehicles being entry certified to have their fuel-consumption characteristics

collected," explains Vinsen. "It includes vehicles' gross and tare [unladen] weights, and CO2/100km as per manufacturers' guidelines.

"This may well be the first stage of measures or an initiative to control the fuel consumption of vehicles entering the fleet, but we don't yet know what mechanisms will be used.

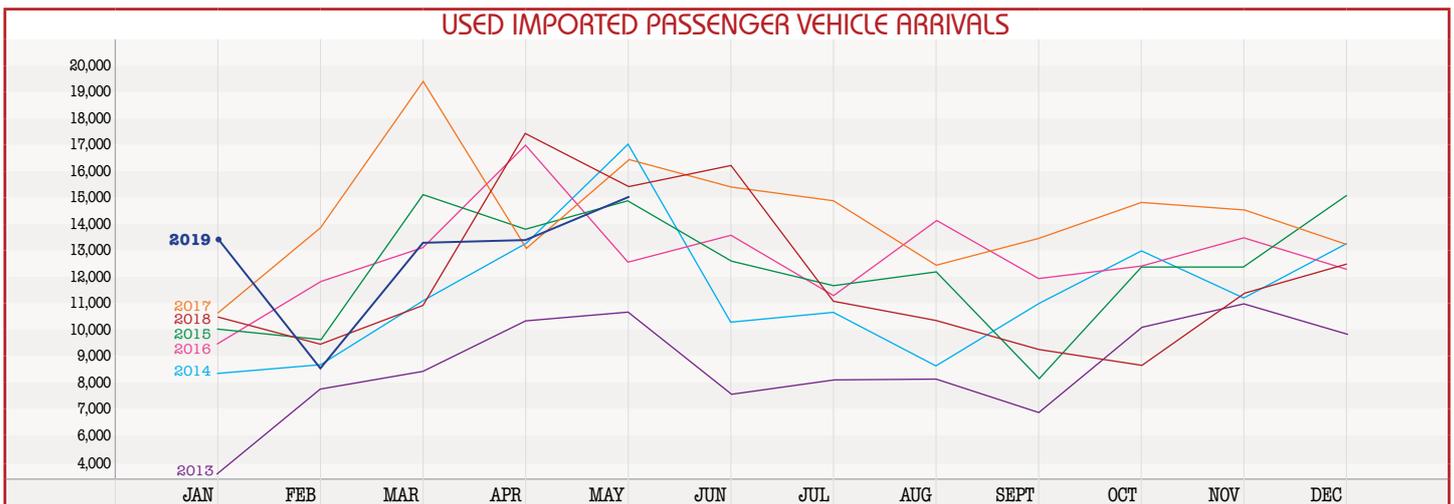
"However, this is the start of serious work to control the emissions of vehicles. Information needs to be recorded and reported, so a comprehensive suite can start to be developed before controls can be brought in, which would be the next stage of the process."

That said, many vehicles are likely to be granted exemptions if fuel-consumption details are unavailable.

Vinsen adds the remit of the electric-vehicle leadership group set up by the government has been extended to include how CO2 emissions can be reduced – perhaps another indicator of policies to come.

As for last month, the number of used passenger vehicles imported into the country came in at 15,203.

This was a drop of 1.7 per cent, or by 261 units, when compared to May 2018. ☺



## Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2019							2018					2017		
	JAN '19	FEB '19	MAR '19	APR '19	MAY '19	MAY MARKET SHARE%	2019 TOTAL	Q1	Q2	Q3	Q4	2018 TOTAL	SHARE	2017 TOTAL	MRKT SHARE
Australia	277	399	647	496	406	3.7%	2,225	1,170	1,054	950	1,009	4,183	2.9%	5,540	3.2%
Great Britain	101	61	74	54	77	0.4%	367	280	229	235	282	1,026	0.7%	2,173	1.3%
Japan	12,823	7,839	12,287	12,571	14,504	94.2%	60,024	26,715	48,862	28,646	30,287	134,510	94.2%	160,822	93.8%
Singapore	141	174	163	158	131	1.2%	767	338	351	386	456	1,531	1.1%	1,202	0.7%
USA	58	44	73	41	59	0.3%	275	281	287	265	275	1,108	0.8%	1,419	0.8%
Other countries	33	20	46	29	26	0.2%	154	153	80	73	109	415	0.3%	387	0.2%
<b>Total</b>	<b>13,433</b>	<b>8,537</b>	<b>13,290</b>	<b>13,349</b>	<b>15,203</b>	<b>100.0%</b>	<b>63,812</b>	<b>28,937</b>	<b>50,863</b>	<b>30,555</b>	<b>32,418</b>	<b>142,773</b>	<b>100.0%</b>	<b>171,543</b>	<b>100.0%</b>



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## DOOR-TO-DOOR VEHICLE SHIPPING EXPERTS

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# Resale values hold the key

The prices consumers get when they resell their vehicles depend on what segment they have bought in.

That's the view of Lindsay West, dealer principal of Dargaville Ford.

"Rangers are still selling very well," he told Autofile. "We do get some coming in as trade-ins and they go as quickly as they arrive. They tend to take longer to sell when we're trading other brands.

"We are mostly trading used utes for new utes. Getting an SUV as a trade-in for a utility doesn't happen very often – it's an exception to the rule."

When looking back to the

Toyota Hilux's heyday "about eight years ago, it had a purple patch, was going really well and they had great resale values", adds West.

"What happened to the Hilux back then is now happening to us with the Ranger with second-hand models holding their values. The reason why we're selling so many is because of its quality."

Ben Giffin, executive general manager of Mercedes-Benz NZ, says: "Our statistics suggest that 65 to 70 per cent of all customers who bought a car from us in 2018 were new to the brand, and trade-ins were from all marques and models.

"People want to take advantage of new technology and safety advances, but it's a shame New Zealand has such an old fleet.

"It means people are often driving unsafe cars and the government still allows these second-hand cars to be imported.

"We need to get motorists into younger cars that have more safety features, which in turn would reduce our high road toll."

There were 18,921 second-hand vehicles sold by traders to members of the public last month, which was only 13 units less than the same month of last year.

As for trade-ins, there was a 4.5 per cent decrease from 15,933 units in May 2018 when stacked up against 15,220 last month.

Public-to-public transactions were also similar to last May with 44,064 last month compared to 44,168 in 2018.

Auckland topped the ladder for increases in dealer-to-public sales during May. They jumped by 35.7 per cent to 6,762 units from 6,430 in the same month of last month for a market share of 5.2 per cent.

As for public-to-trader sales, the largest percentage rise – of 13.2 per cent – was in New Plymouth, from 219 to 248 units. ☺

## SECONDHAND CAR SALES - May 2019

	DEALER TO PUBLIC				PUBLIC TO PUBLIC				PUBLIC TO DEALER			
	MAY '19	MAY '18	+/- %	MARKET SHARE	MAY '19	MAY '18	+/- %		MAY '19	MAY '18	+/- %	
Whangarei	632	653	-3.2	3.34	2,149	2,081	3.3		276	303	-8.9	
Auckland	6,762	6,430	5.2	35.74	14,078	14,562	-3.3		5,474	6,254	-12.5	
Hamilton	1,450	1,506	-3.7	7.66	3,386	3,409	-0.7		1,141	1,129	1.1	
Thames	272	317	-14.2	1.44	701	716	-2.1		205	214	-4.2	
Tauranga	861	956	-9.9	4.55	2,290	2,192	4.5		613	633	-3.2	
Rotorua	377	409	-7.8	1.99	1,028	1,075	-4.4		139	141	-1.4	
Gisborne	150	170	-11.8	0.79	408	454	-10.1		72	65	10.8	
Napier	717	699	2.6	3.79	1,593	1,608	-0.9		478	496	-3.6	
New Plymouth	412	390	5.6	2.18	1,057	998	5.9		248	219	13.2	
Wanganui	258	281	-8.2	1.36	619	625	-1.0		173	163	6.1	
Palmerston North	794	776	2.3	4.20	1,725	1,670	3.3		1,697	1,660	2.2	
Masterton	223	239	-6.7	1.18	510	502	1.6		100	103	-2.9	
Wellington	1,728	1,581	9.3	9.13	3,484	3,157	10.4		1,218	1,165	4.5	
Nelson	304	353	-13.9	1.61	1,044	1,064	-1.9		182	275	-33.8	
Blenheim	177	177	0.0	0.94	459	529	-13.2		85	114	-25.4	
Greymouth	55	65	-15.4	0.29	191	220	-13.2		40	37	8.1	
Westport	9	2	350.0	0.05	36	37	-2.7		1	0	0.0	
Christchurch	2,258	2,377	-5.0	11.93	5,413	5,314	1.9		2,092	1,999	4.7	
Timaru	212	250	-15.2	1.12	555	580	-4.3		157	163	-3.7	
Oamaru	32	47	-31.9	0.17	130	118	10.2		2	3	-33.3	
Dunedin	781	770	1.4	4.13	2,059	2,132	-3.4		514	504	2.0	
Invercargill	457	460	-0.7	2.42	1,149	1,125	2.1		313	293	6.8	
<b>NZ Total</b>	<b>18,921</b>	<b>18,908</b>	<b>0.1</b>	<b>100.00</b>	<b>44,064</b>	<b>44,168</b>	<b>-0.2</b>		<b>15,220</b>	<b>15,933</b>	<b>-4.5</b>	

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**New Passenger Vehicle Sales by Make - May 2019**

MAKE	MAY'19	MAY'18	+/- %	APR'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	1,086	1,779	-39.0	14.2%	5,676	14.1%
Mazda	707	879	-19.6	9.3%	3,923	9.7%
Hyundai	688	831	-17.2	9.0%	2,890	7.2%
Holden	536	660	-18.8	7.0%	2,638	6.5%
Suzuki	528	543	-2.8	6.9%	2,724	6.8%
Mitsubishi	474	600	-21.0	6.2%	2,899	7.2%
Kia	455	618	-26.4	6.0%	2,908	7.2%
Honda	407	399	2.0	5.3%	2,373	5.9%
Nissan	346	268	29.1	4.5%	1,925	4.8%
Ford	328	487	-32.6	4.3%	1,969	4.9%
Volkswagen	311	336	-7.4	4.1%	1,532	3.8%
Subaru	305	342	-10.8	4.0%	1,623	4.0%
Mercedes-Benz	192	187	2.7	2.5%	964	2.4%
BMW	139	161	-13.7	1.8%	719	1.8%
Skoda	133	130	2.3	1.7%	585	1.4%
Audi	125	176	-29.0	1.6%	611	1.5%
Land Rover	96	135	-28.9	1.3%	628	1.6%
SsangYong	92	52	76.9	1.2%	362	0.9%
Mini	81	65	24.6	1.1%	317	0.8%
Peugeot	71	84	-15.5	0.9%	376	0.9%
Lexus	69	66	4.5	0.9%	365	0.9%
Haval	65	47	38.3	0.9%	272	0.7%
Volvo	54	50	8.0	0.7%	293	0.7%
MG	50	3	1,566.7	0.7%	88	0.2%
Jaguar	48	29	65.5	0.6%	194	0.5%
Jeep	37	153	-75.8	0.5%	361	0.9%
Porsche	32	30	6.7	0.4%	206	0.5%
Isuzu	25	20	25.0	0.3%	109	0.3%
Citroen	24	24	0.0	0.3%	119	0.3%
Renault	17	21	-19.0	0.2%	121	0.3%
Tesla	16	4	300.0	0.2%	77	0.2%
Mahindra	13	8	62.5	0.2%	49	0.1%
Alfa Romeo	11	6	83.3	0.1%	68	0.2%
Seat	11	15	-26.7	0.1%	62	0.2%
Ferrari	7	7	0.0	0.1%	15	0.0%
Others	45	60	-25.0	0.6%	306	0.8%
<b>Total</b>	<b>7,624</b>	<b>9,275</b>	<b>-17.8</b>	<b>100.0%</b>	<b>40,347</b>	<b>100.0%</b>

**New Passenger Vehicle Sales by Model - May 2019**

MAKE	MODEL	MAY'19	MAY'18	+/- %	MAY MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	RAV4	492	391	25.8	6.5%	1,473	3.7%
Hyundai	Tucson	301	136	121.3	3.9%	994	2.5%
Mazda	CX-5	224	375	-40.3	2.9%	1,442	3.6%
Mitsubishi	Outlander	217	184	17.9	2.8%	1,199	3.0%
Toyota	Corolla	211	295	-28.5	2.8%	1,609	4.0%
Suzuki	Swift	208	253	-17.8	2.7%	1,298	3.2%
Kia	Sportage	206	323	-36.2	2.7%	1,525	3.8%
Nissan	Qashqai	172	107	60.7	2.3%	910	2.3%
Mazda	Mazda3	170	169	0.6	2.2%	725	1.8%
Holden	Commodore	159	122	30.3	2.1%	712	1.8%
Honda	Jazz	155	177	-12.4	2.0%	761	1.9%
Hyundai	Kona	146	173	-15.6	1.9%	743	1.8%
Hyundai	Santa Fe	131	213	-38.5	1.7%	654	1.6%
Nissan	X-Trail	129	118	9.3	1.7%	682	1.7%
Mitsubishi	ASX	123	134	-8.2	1.6%	998	2.5%
Ford	Escape	116	92	26.1	1.5%	492	1.2%
Holden	Equinox	115	74	55.4	1.5%	432	1.1%
Suzuki	Vitara	114	86	32.6	1.5%	525	1.3%
Honda	HR-V	110	70	57.1	1.4%	690	1.7%
Volkswagen	Golf	105	66	59.1	1.4%	396	1.0%
Subaru	Outback	101	108	-6.5	1.3%	450	1.1%
Holden	Trax	98	44	122.7	1.3%	370	0.9%
Honda	CRV	97	107	-9.3	1.3%	636	1.6%
Subaru	XV	94	146	-35.6	1.2%	566	1.4%
Kia	Rio	90	105	-14.3	1.2%	414	1.0%
Mazda	CX-3	87	106	-17.9	1.1%	451	1.1%
Suzuki	Ignis	86	52	65.4	1.1%	302	0.7%
Mitsubishi	Eclipse Cross	85	144	-41.0	1.1%	401	1.0%
Volkswagen	Tiguan	84	171	-50.9	1.1%	596	1.5%
Mazda	CX-9	80	102	-21.6	1.0%	408	1.0%
Mazda	Mazda2	79	92	-14.1	1.0%	449	1.1%
Holden	Acadia	77	0	7,700.0	1.0%	264	0.7%
Toyota	C-HR	76	78	-2.6	1.0%	394	1.0%
Volkswagen	Polo	74	72	2.8	1.0%	308	0.8%
Subaru	Forester	73	33	121.2	1.0%	430	1.1%
Others		2,739	4,357	-37.1	35.9%	15,648	38.8%
<b>Total</b>		<b>7,624</b>	<b>9,275</b>	<b>-17.8</b>	<b>100.0%</b>	<b>40,347</b>	<b>100.0%</b>

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

**LEADS**

- Web - Classified ▲ 10.0%
- Web - Dealer ▲ 6.7%
- Brand ▲ 29.6%

**TEST DRIVES**

- Web - Dealer ▲ 12.4%
- Web - Classified ▲ 16.4%
- Direct ▲ 6.8%

# Developments at dealerships

A prestige franchise on Auckland's North Shore says it's poised to transform the way people buy vehicles.

Continental Cars BMW Takapuna is building New Zealand's biggest luxury multi-level dealership in Wairau Park.

When finished in late July, the glass showroom will have dedicated M Sport and electric-vehicle (EV) zones, a drive-in service centre and an undercover premium used-vehicle area.

"Our four-vehicle display case flanking SH1 marks a milestone, and we're offering clients a new way to experience shopping for vehicles in a modern environment," says Geoff Light, dealer principal.

The four-level facility features solar panels, rainwater catchment and recycling for car washing, EV charging stations and the capacity to showcase about 150 vehicles.

Light adds: "Momentum in the new-car market over the past four to five years has been incredible with the biggest roll-out of new BMWs ever."

Meanwhile, the Waikato is leading a global rebrand with Piako Mitsubishi, Morrinsville, becoming the first Australasian franchise to sport the marque's new visual identity.

The development has a sculptural black diagonal enfolding the building's front-left corner and a large black portal for an entrance.

The glass-walled showroom boasts the marque's fresh branding, and has concrete and timber accents inside.

Dealer principal Darrell Russell



Piako Mitsubishi, Morrinsville



Toyota's new Botany store  
Photo: Greg Wass



Continental Cars BMW, Wairau Park

says: "We approached Mitsubishi Motors NZ [MMNZ] with our blueprint and were invited to incorporate the new visual identity as part of it. The timing was perfect and the result is stunning."

Daniel Cook, chief operating officer of MMNZ, says the rebranding – to be rolled out nationwide over the next three

years – reinforces Mitsubishi as "forward thinking" while "the bar has been set high for what a modern dealership can be."

Toyota NZ has bolstered its presence in East Auckland with a store opening in Botany. It includes 10 servicing bays and a parts department.

Liam Keatley, branch manager,

says the site, which has high traffic volumes passing daily, was bought in 2008, but plans were put on hold due to the market slowdown caused by the global financial crisis.

The franchise has two buildings joined by a roof awning under which customers can park. Used cars are showcased outside with new models inside.

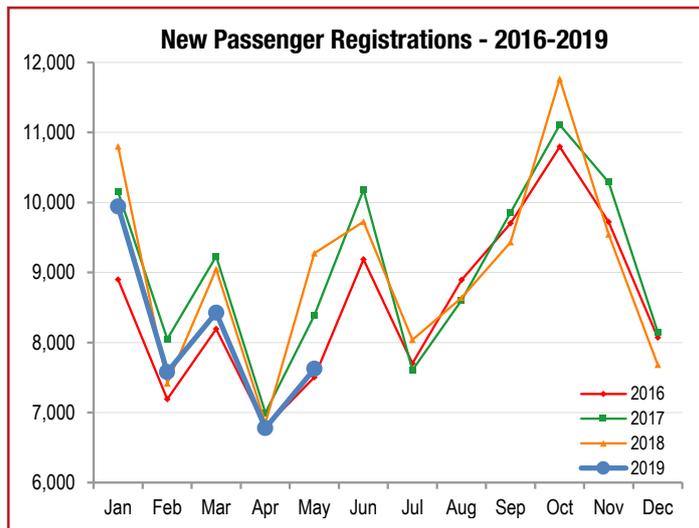
Keatley says: "There has been interest from the community since mid-March with people dropping in to visit the dealership because they've watched it being built."

As for last month's statistics, there were 7,624 passenger vehicles and SUVs registered in New Zealand. This was down by 17.8 per cent – or 1,651 units – compared to May 2018 to indicate the market is softening.

May's top-selling model was Toyota's RAV4 on 492 units. It was followed by Hyundai's Tucson on 301 and Mazda's CX-5 with 224.

Toyota was the market leader for the marque with a 14.2 per cent share for the month with 1,086 registrations.

It was followed by Mazda with 9.3 per cent and 707 units sold, and Hyundai on nine per cent and 688 sales. ☺



May 2019 ( ▲ ▼ vs April 2019)

**SALES**

- Web - Classified ▲ 12.9%
- Web - Dealer ▲ 3.5%
- Repeat ▲ 5.6%



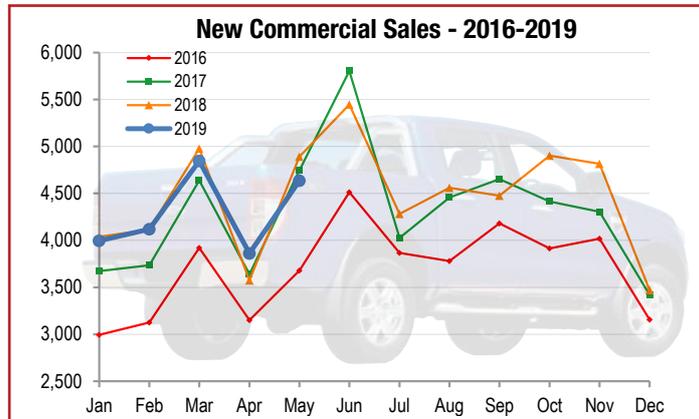
# Factory expands to meet demand

**R**AM Trucks cranked up its down-under production line to 24/7 at the start of June to meet growing demand for its range in New Zealand and across the Tasman.

"This isn't just great news for us, it's a fantastic achievement for the automotive industry and shows we're open for business," says Alex Stewart, general manager of RAM Trucks Australia.

"Since we started production, we have cut by more than two-thirds the time it takes to remanufacture a truck for our market.

"We use up to 400 components, the majority locally produced. By the time we went to three-shift working, we were employing more



than 160 people directly."

The marque's facility in Melbourne provides the design and engineering facilities that enable its trucks to be remanufactured from left to right-hand drive and in order

to meet full factory approval.

Its production lines are operated to produce the vehicles, and provide an after-sales parts service to 37 RAM franchises in Australia and 15 in New Zealand.

The facility is 130 metres long and 21 vehicles can be worked on simultaneously. It takes less than 24 hours for each to run its length – down from more than three days when RAM Trucks Australia started remanufacturing on-shore.

Fiat Chrysler Automobiles and RAM's international team have provided support and assistance, while AusIndustry – a division of the federal government – has come to the party via its programme to assist companies and staff following the end of local vehicle manufacturing across the Tasman.

There were 4,635 new commercials sold in New Zealand last month, down by 5.3 per cent compared to 4,892 in May 2018. 📉

## New Commercial Sales by Make - May 2019

MAKE	MAY'19	MAY'18	+/- %	MAY'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	1,009	1,132	-10.9	21.8%	4,562	21.3%
Toyota	807	789	2.3	17.4%	3,649	17.0%
Mitsubishi	514	437	17.6	11.1%	2,524	11.8%
Holden	466	412	13.1	10.1%	2,017	9.4%
Nissan	362	466	-22.3	7.8%	1,628	7.6%
Isuzu	273	319	-14.4	5.9%	1,364	6.4%
Mazda	206	197	4.6	4.4%	1,003	4.7%
Volkswagen	141	205	-31.2	3.0%	599	2.8%
Hyundai	114	80	42.5	2.5%	431	2.0%
Mercedes-Benz	95	94	1.1	2.0%	434	2.0%
LDV	86	159	-45.9	1.9%	583	2.7%
Fuso	80	64	25.0	1.7%	361	1.7%
Hino	80	55	45.5	1.7%	314	1.5%
Fiat	60	80	-25.0	1.3%	278	1.3%
Great Wall	40	18	122.2	0.9%	163	0.8%
SsangYong	39	21	85.7	0.8%	188	0.9%
DAF	31	22	40.9	0.7%	112	0.5%
Iveco	24	31	-22.6	0.5%	124	0.6%
UD Trucks	24	23	4.3	0.5%	111	0.5%
Foton	22	64	-65.6	0.5%	131	0.6%
Others	162	224	-27.7	3.5%	882	4.1%
<b>Total</b>	<b>4,635</b>	<b>4,892</b>	<b>-5.3</b>	<b>100.0%</b>	<b>21,458</b>	<b>100.0%</b>

## New Commercial Sales by Model - May 2019

MAKE	MODEL	MAY	MAY	+/- %	MAR'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	Ranger	878	1,017	-13.7	18.9%	4,024	18.8%
Toyota	Hilux	552	581	-5.0	11.9%	2,795	13.0%
Mitsubishi	Triton	514	437	17.6	11.1%	2,522	11.8%
Holden	Colorado	466	410	13.7	10.1%	1,989	9.3%
Nissan	Navara	362	466	-22.3	7.8%	1,627	7.6%
Toyota	Hiace	220	189	16.4	4.7%	720	3.4%
Mazda	BT-50	206	197	4.6	4.4%	1,003	4.7%
Isuzu	D-Max	145	206	-29.6	3.1%	830	3.9%
Ford	Transit	131	115	13.9	2.8%	538	2.5%
Hyundai	iLoad	111	79	40.5	2.4%	414	1.9%
Volkswagen	Amarok	62	83	-25.3	1.3%	314	1.5%
Fiat	Ducato	60	80	-25.0	1.3%	277	1.3%
Isuzu	N Series	49	42	16.7	1.1%	179	0.8%
Mercedes-Benz	Sprinter	48	49	-2.0	1.0%	181	0.8%
Isuzu	F Series	47	45	4.4	1.0%	233	1.1%
Hino	500	41	21	95.2	0.9%	170	0.8%
Volkswagen	T6	41	45	-8.9	0.9%	128	0.6%
Great Wall	Steed	40	18	122.2	0.9%	163	0.8%
Toyota	Landcruiser	35	19	84.2	0.8%	134	0.6%
SsangYong	Rhino	35	0	3,500.0	0.8%	175	0.8%
Others		592	793	-25.3	12.8%	3,042	14.2%
<b>Total</b>		<b>4,635</b>	<b>4,892</b>	<b>-5.3</b>	<b>100.0%</b>	<b>21,458</b>	<b>100.0%</b>

## Setting the Benchmark

6 Ports in Japan. 7 Ports in New Zealand

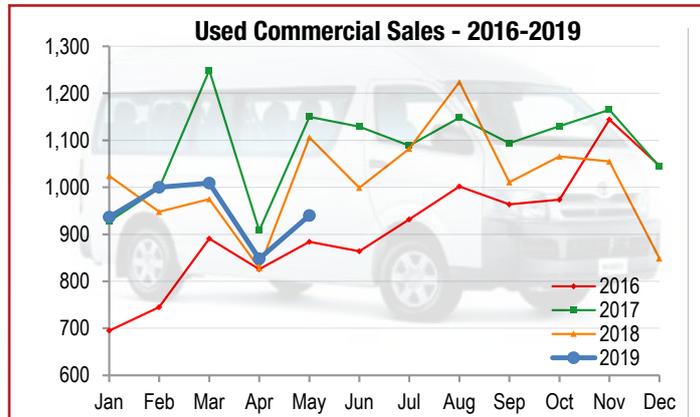
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# Supply-chain costs rising

Two issues being tackled by traders of used commercials are the cost of getting stock into New Zealand, and all imports needing to have electronic stability control (ESC) installed from March 1, 2020.

Counties Commercial Centre in Pukekohe, south of Auckland, is among the dealerships feeling the pinch with transit times from Japan jumping. It stocks a range of off-road four-by-fours, utes and recreational vehicles, but extra supply-chain costs are starting to bite.

Director Vince Harvey says he has found trading this year to be a lot more expensive and "probably coming in at about \$20,000 per shipment".



He told Autofile: "Shipping is extremely slow and hard. It's slow to ship vehicles out of Japan because they now take a lot more cleaning and ports over there are filled up – or they were six weeks ago."

"Our last shipment from Japan took at least seven weeks to actually get on the water. We aren't buying certain models if they're too hard to clear. Everything has now gone way over the top, so it's more

expensive per unit."

Jasmit Singh, manager of Wholesale Autos in Takanini, South Auckland, imports late-model vans, "so the ESC rule change will not impact on us".

He adds: "It will be good for business because dealers who bring in cheap vans will not be able to import them next year. There will be healthy competition and we'll all have to follow the new law."

"I generally bring in late-model cars and most have ESC, so there aren't many models we need to worry about."

There were 940 used commercials were sold in May, down by 15 per cent from the same month of last year. ☹

## Used Commercial Sales by Make - May 2019

MAKE	MAY'19	MAY'18	+/- %	MAY'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	446	494	-9.7	47.4%	2,162	45.7%
Nissan	218	223	-2.2	23.2%	1,064	22.5%
Isuzu	51	79	-35.4	5.4%	214	4.5%
Ford	40	41	-2.4	4.3%	216	4.6%
Hino	38	46	-17.4	4.0%	190	4.0%
Mitsubishi	36	41	-12.2	3.8%	145	3.1%
Mazda	26	65	-60.0	2.8%	221	4.7%
Holden	18	29	-37.9	1.9%	82	1.7%
Chevrolet	13	24	-45.8	1.4%	77	1.6%
Fiat	6	5	20.0	0.6%	85	1.8%
Mitsubishi Fuso	6	4	50.0	0.6%	19	0.4%
Volkswagen	5	7	-28.6	0.5%	33	0.7%
Kenworth	4	1	300.0	0.4%	10	0.2%
Dodge	3	11	-72.7	0.3%	20	0.4%
Renault	3	0	300.0	0.3%	8	0.2%
Suzuki	3	3	0.0	0.3%	31	0.7%
Western Star	3	1	200.0	0.3%	4	0.1%
Daihatsu	2	7	-71.4	0.2%	18	0.4%
GMC	2	1	100.0	0.2%	16	0.3%
Honda	2	0	200.0	0.2%	4	0.1%
Others	15	24	-37.5	1.6%	115	2.4%
<b>Total</b>	<b>940</b>	<b>1,106</b>	<b>-15.0</b>	<b>100.0%</b>	<b>4,734</b>	<b>100.0%</b>

## Used Commercial Sales by Model - May 2019

MAKE	MODEL	MAY'19	MAY'18	+/- %	MAY'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	Hiace	329	377	-12.7	35.0%	1,643	34.7%
Nissan	NV200	55	45	22.2	5.9%	234	4.9%
Nissan	Caravan	48	66	-27.3	5.1%	320	6.8%
Toyota	Dyna	44	44	0.0	4.7%	197	4.2%
Nissan	NV350	41	41	0.0	4.4%	175	3.7%
Isuzu	ELF	39	52	-25.0	4.1%	153	3.2%
Toyota	Regius	31	35	-11.4	3.3%	145	3.1%
Hino	Dutro	27	19	42.1	2.9%	129	2.7%
Nissan	Atlas	26	23	13.0	2.8%	113	2.4%
Nissan	Vanette	25	24	4.2	2.7%	127	2.7%
Toyota	Toyoace	20	16	25.0	2.1%	86	1.8%
Mazda	Bongo	17	49	-65.3	1.8%	158	3.3%
Mitsubishi	Canter	14	22	-36.4	1.5%	84	1.8%
Ford	Ranger	14	18	-22.2	1.5%	63	1.3%
Mitsubishi	Triton	14	7	100.0	1.5%	31	0.7%
Toyota	Hilux	12	9	33.3	1.3%	48	1.0%
Nissan	Navara	12	8	50.0	1.3%	48	1.0%
Holden	Colorado	10	11	-9.1	1.1%	39	0.8%
Isuzu	Forward	8	10	-20.0	0.9%	38	0.8%
Ford	Transit	8	8	0.0	0.9%	60	1.3%
Others		146	222	-34.2	15.5%	843	17.8%
<b>Total</b>		<b>940</b>	<b>1,106</b>	<b>-15.0</b>	<b>100.0%</b>	<b>4,734</b>	<b>100.0%</b>

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# Meeting battery demand essential

When accessing stock from overseas, there's one part of the industry all marques rely on – and that's the supply chain.

It's not just about getting enough cars into the country, it's about production lines being able to access systems and parts to build them.

Global sales of electric vehicles (EVs) are advancing so rapidly that demand for lithium-ion batteries has sky-rocketed, as well as for other components these cars require.

A case in point is Mercedes-Benz and its all-new EQC. The marque's first all-electric model is set to arrive on our shores in the first quarter of next year.

"The demand for batteries and parts in EVs needed from other electrical industries is growing exponentially," says Ben Giffin, of Mercedes-Benz Cars New Zealand.

"Our EQC goes into production globally in June and we may be lucky enough to see some of these SUVs landed this side of Christmas.

"But in regards to the volumes we think we'll need, I'm confident we won't have enough stock to fill that demand."

Hundreds of people have already expressed interest in the EQC, says Giffin. "It's an opportunity to present an alternative because, at the moment, there aren't too many luxury alternatives on the market.

"I can really see sales of EVs taking off in New Zealand, but the government will steer us on how fast that occurs. And perhaps 20 years from now, Mercedes-Benz may only be known as an electric-car company."

Giffin describes the EQC as "very exciting". The marque has done a local reveal of it, but that SUV has

since been flown back to Germany.

During the Melbourne Grand Prix, Formula One champion Lewis Hamilton, who normally has an AMG as his on-road car, took a left-hand pre-production EQC to an event and decided he wanted to keep it. Of course, the company agreed to this.

Giffin emphasises that Kiwis' love of SUVs and utes has dented sales of sedans in the prestige segment.

"Modern SUVs drive like luxury sedans and that's driving many people to consider them as their next purchases. The challenge for all manufacturers is changing the mix from passenger cars to SUVs.

"Traditionally, we've owned the luxury passenger-car segment. But we know we have to transition further into the SUV segment and, as we do that, we expect our share of that market to climb. However, the challenge will be maintaining

our sales of passenger cars."

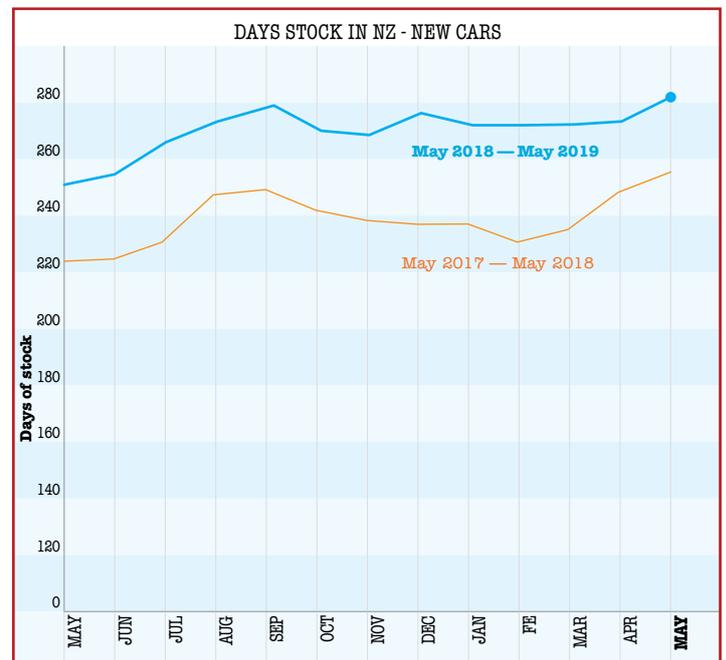
Imports and sales of new cars were down significantly in May when compared to the same month of last year.

There were 7,725 new passenger vehicles imported during May, which was down by 36.2 per cent on the same month of last year, while there were 7,624 new cars registered – down by 17.8 per cent on May 2018.

This left a variance increase of 101 units to bring the total number of unregistered new passenger vehicles in New Zealand to 81,544 – up by 6.4 per cent on the same month of last year. Daily average sales now stand at 288, down by 11 units on May 2018, and if sales continue at that rate per day there's 283 days or 9.3 months' worth of stock on-hand, compared to 256 days' worth of stock in May 2018.

## Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
May-18	12,102	9,275	2,827	76,637	299	256
Jun-18	10,138	9,725	413	77,050	298	259
Jul-18	11,503	8,040	3,463	80,513	299	269
Aug-18	11,175	8,639	2,536	83,049	299	278
Sep-18	10,382	9,431	951	84,000	298	282
Oct-18	9,921	11,765	-1,844	82,156	300	274
Nov-18	7,820	9,543	-1,723	80,433	298	270
Dec-18	9,317	7,681	1,636	82,069	296	277
Jan-19	7,462	9,942	-2,480	79,589	294	271
Feb-19	7,875	7,578	297	79,886	295	271
Mar-19	8,782	8,425	357	80,243	293	274
Apr-19	7,978	6,778	1,200	81,443	293	278
<b>May-19</b>	<b>7,725</b>	<b>7,624</b>	<b>101</b>	<b>81,544</b>	<b>288</b>	<b>283</b>
<b>Year to date</b>	<b>32,360</b>	<b>30,405</b>	<b>1,955</b>			
<b>Change on last month</b>	<b>-3.2%</b>	<b>12.5%</b>		<b>0.1%</b>		
<b>Change on May 2018</b>	<b>-36.2%</b>	<b>-17.8%</b>		<b>6.4%</b>		
	<small>LESS IMPORTED</small>	<small>LESS SOLD</small>		<small>MORE STOCK</small>		



# Vigilance needed with old stock

New Zealand's best-selling marque says its franchises need to be on-guard when addressing issues around older stock.

Steve Prangnell, head of used-car sales at Toyota NZ, says some of the company's dealers held a couple of sales earlier this year, while one branch in Auckland has been selling between six and eight units daily, which he describes as "very good".

"What we're saying to our network people is they have to be vigilant in terms of ensuring stock turns are fast and they address any old stock issues quickly, so they don't get caught if the market shifts," he told Autofile.

"Our dealers are looking forward to another good year. It feels a bit tight at the moment with Auckland house prices coming back, so people are feeling that

their equity has been squeezed.

"A car is probably the second biggest purchase after your home, so people may choose to hold onto their vehicles a little longer.

"Our people will be vigilant about stock on their yards and ensure they aren't caught out with old stock."

Lindsay West, dealer principal of Dargaville Ford, says: "There's always a market for quality used vehicles. If you trade crap, then you just have to expect it to be hard to sell. There are only two reasons why used vehicles don't sell – they are either no good or too expensive.

"Our territory is New Zealand and we have the highest percentage of pump-outs of any Ford dealer in the country. We sell a lot of Rangers to people in Warkworth and Wellsford, and a lot

of others down that way too."

West says the key is to ensure only "excellent products" are offered for sale.

"There are two other things I'm passionate about," he adds. "One is customer service, the other is staff training. If a vehicle breaks down or needs fixing, we've got to be able to do it and have the tools as well.

"If you get those two things right, then everything else looks after itself. I get people driving down from Kaitiāia, up from Warkworth and even from Waiheke Island to bring in their vehicles to us to be serviced.

"Also, I'm always looking for quality used cars. You can easily trade junk and vehicles with high kilometres.

"I have never imported any cars and we've always had New Zealand-new stock. Our new-

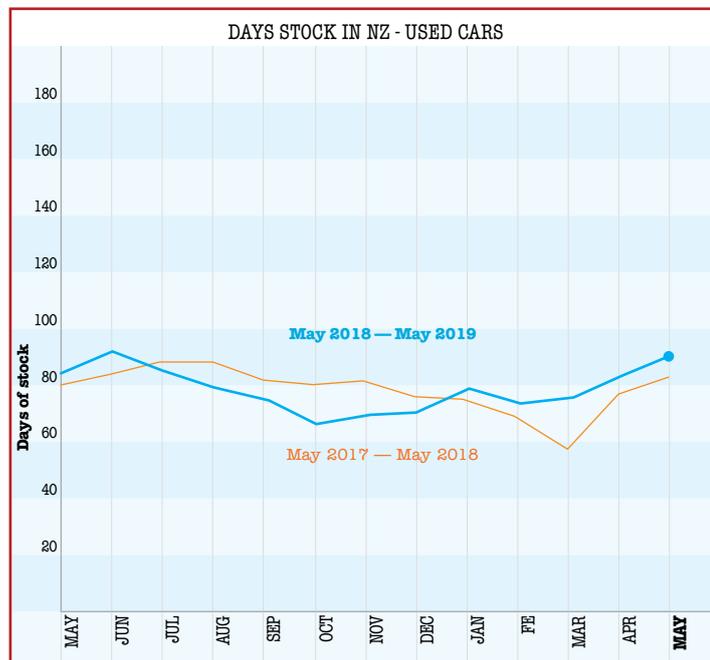
car sales are up, so we're always getting trade-ins coming through."

Used car imports and sales were up by 13.9 and 23.3 per cent respectively in May when compared to April.

However, when compared with the same month last year, there was a 1.7 per cent drop in used passenger vehicles imported, while registrations were exactly the same. Last month, 15,203 units crossed the border and 15,203 used imported cars were sold.

This left a variance of 1,783 units to bring the total number of stock on-hand to 34,941 – this is 4.3 per cent less stock than in May last year.

Daily average sales stand at 396 – down by 45 units on the same time last year. There is now 88 days' stock on-hand, or 2.9 months' worth, if sales continue at the current rate. ☺



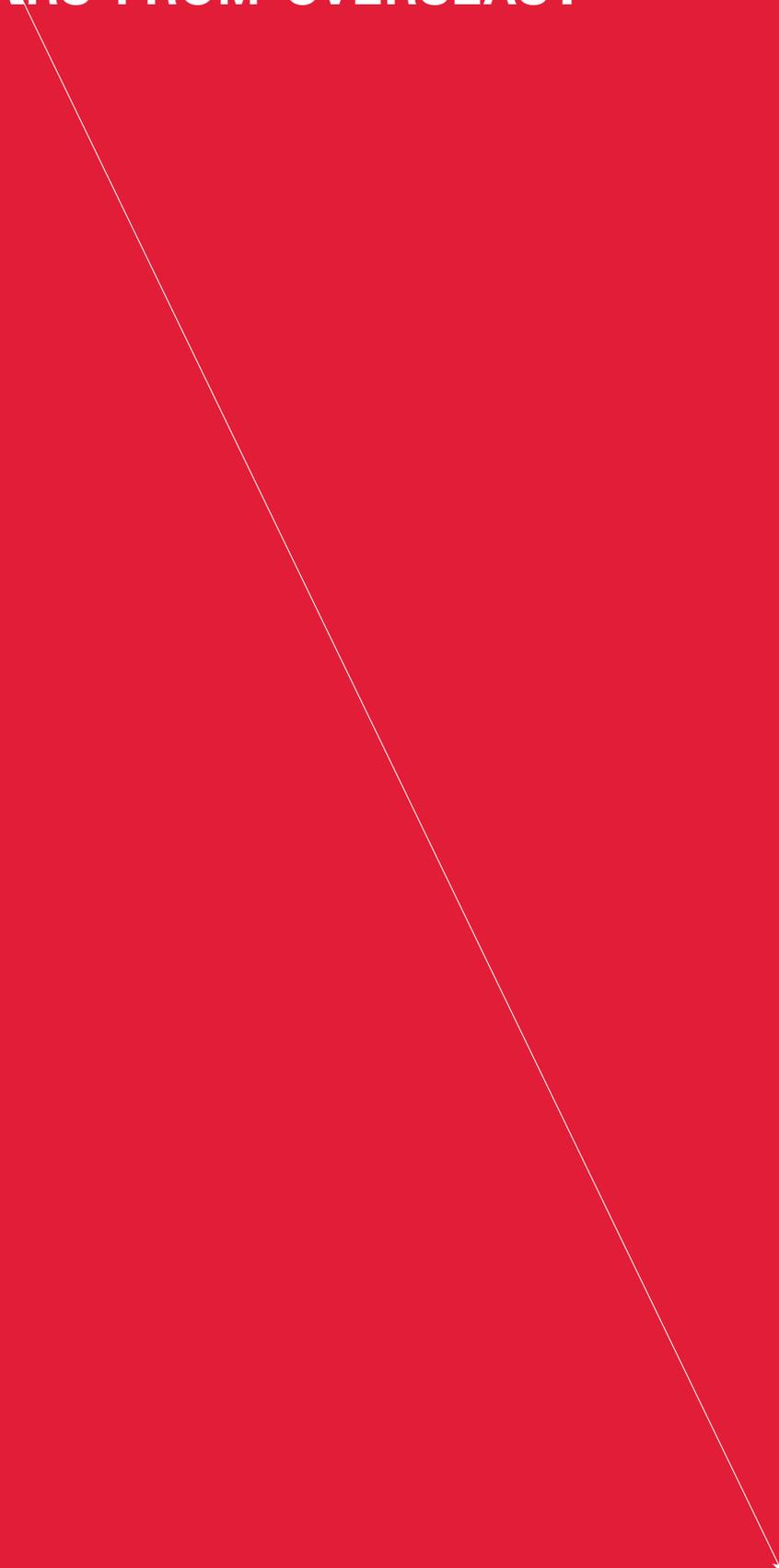
Dealer stock of used cars in New Zealand						
	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
May-18	15,464	13,420	2,044	36,520	441	83
Jun-18	15,961	12,651	3,310	39,830	439	91
Jul-18	11,028	13,847	-2,819	37,011	438	85
Aug-18	10,282	13,368	-3,086	33,925	434	78
Sep-18	9,245	11,533	-2,288	31,637	429	74
Oct-18	8,669	12,100	-3,431	28,206	423	67
Nov-18	11,301	11,156	145	28,351	413	69
Dec-18	12,448	11,061	1,387	29,738	404	74
Jan-19	13,479	11,598	1,881	31,619	399	79
Feb-19	8,764	11,129	-2,365	29,254	396	74
Mar-19	13,290	11,852	1,438	30,692	396	77
Apr-19	13,349	10,883	2,466	33,158	396	84
<b>May-19</b>	<b>15,203</b>	<b>13,420</b>	<b>1,783</b>	<b>34,941</b>	<b>396</b>	<b>88</b>
<b>Year to date</b>	<b>50,606</b>	<b>47,284</b>	<b>3,322</b>			
<b>Change on last month</b>	<b>13.9%</b>	<b>23.3%</b>		<b>5.4%</b>		
<b>Change on May 2018</b>	<b>-1.7%</b>	<b>0.0%</b>		<b>-4.3%</b>		
	<small>LESS IMPORTED</small>	<small>NO CHANGE</small>		<small>LESS STOCK</small>		

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