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Concerns over pulling cars apart to find bugs

New-vehicle industry calls for answers as government proposes changes that may lead to 'intrusive inspections' on imports

The Motor Industry Association (MIA) has called for more information about the possibility of new cars being dismantled on arrival in New Zealand to ensure no stink bugs hitch-hike on them across the border.

It is seeking more clarity from the Ministry for Primary Industries (MPI) on the issue as part of the consultation process on the draft import health standard (IHS) for vehicles, machinery and parts.

The MIA has also flagged up a suggestion to remove an exclusion for smaller-sized vehicles, which will make them subject to an MPI-approved system or treatment.

In addition, it has highlighted the fact China and South Korea are excluded from the list of schedule-three countries in the draft standard for the next stink-bug season.

The IHS lays down rules and procedures importers must stick to. For example, new vehicles from schedule-three countries, which



Brown marmorated stink bugs are a major biosecurity threat to New Zealand

are deemed to be high risk, must follow approved pathways into New Zealand.

Essentially, this involves systems being set up from production line to point of export from the country of manufacture to minimise biosecurity threats.

This is different to importing used cars from Japan, for example, which must be heat-treated before export because of their greater potential exposure to brown marmorated stink bugs (BMSBs).

Submissions on the review of the IHS close on July 17 and the revised version should be finalised by early August. This should give stakeholders enough time to get to grips with changes before

the next high-risk season for BMSBs, which runs from September 1, 2020 to April 30, 2021.

While backing action to ensure New Zealand remains stink-bug free, the MIA wants more details from the MPI about the proposed revisions to the standard.

Chief executive David Crawford says it is assumed requirements in the draft IHS are partially due to inspections now being carried out onshore due to coronavirus restraints.

On-arrival procedures – that's to say remotely controlled inspections and not dockside ramping – may, in future, apply to new vehicles even though they have previously been managed under MPI-approved systems or treated for stink bugs before arrival.

[continued on page 4]



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p6

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p10

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p15



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Moving our port makes no sense

Major costs to the car industry and wider economy would result from closing Auckland and moving operations, says Tony Gibson

Vehicle importers need to get their products to market fast and in good condition. When the main market is Auckland, using the local port makes sense. Using a port 150km away does not.



TONY GIBSON
Chief executive officer
Ports of Auckland

Ports of Auckland and car transporters have developed a highly efficient supply chain. They can make five to six port visits a day and vehicles stay at the port for less than three days on average. From Whangarei, you would get two trips – if you're lucky.

The longer distance by road increases the risk of damage to stock, and rail is worse. Cars would have to be unloaded from a ship, loaded onto a train, unloaded at a rail depot and then loaded on a truck for the final part of the journey. So many places for things to go wrong.

Transporting goods further over land increases carbon emissions. Shipping freight to Auckland and then driving it 15km will always beat shipping it to Northport and driving it 150km. Yes, trains emit less than trucks, but nothing beats shipping.

Moving goods further over land also costs more. More trucks and drivers will be needed because transporters can make fewer daily trips. More fuel and there would be a human cost too – more crashes.

Then there's the elephant in the room. Who's going to pay for the new infrastructure, and road and rail upgrades, needed to support it? Taxpayers.

There are not many of us New Zealanders, so the cost of closing Auckland's port and building the

infrastructure needed to move Auckland's freight via, say, Northland would be high per person. At a cost of \$10 billion for the move, that's \$2,000 each.

The 4.3 million Kiwis living outside Auckland

won't benefit from the city not having a port downtown, and I'm unsure they'd want to pay \$2,000 each so a few wealthy Aucklanders can have a seaside apartment.

All that spending is even crazier if you consider there's no need. Contrary to popular belief, Auckland's port isn't about to run out of room. Our existing masterplan provides the capacity we need until 2050 and our new car-handling building is almost complete.

Road links aren't an issue either. We already get very fast turnaround and there's ample off-peak road capacity at weekends and nights. Congestion charging or demand management would help, and the advance of battery and hydrogen technology will take away two key negative impacts of trucks – noise and emissions – making night-time trucking more acceptable.

So, there's a lot to consider. There have been six or seven studies about moving the port in my nine years as CEO. That's a lot, but because the last study was such a shambles, I'm pleased the Ministry of Transport and Treasury are doing another one.

They're a sober lot. I'm hopeful that they'll give us a much clearer idea of what it will take to move Auckland's port. ☺

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MPI-approved pathways exist from car factories in high-risk countries to minimise the chances of stink bugs getting into our country

[continued from page 1]

“But there is one aspect the MIA is uncertain about and that’s inspectors may require new vehicles to be dismantled,” says Crawford.

The relevant section of the IHS states: “MPI inspectors may require importers to fully or partially dismantle specific vehicles or machinery and leave them dismantled during shipping to confirm high-risk areas are free of biosecurity contaminants. Dismantling as much as possible is recommended for all vehicles and machinery.”

The MIA is opposed to “the need for such a potentially intrusive inspection” for new vehicles, while the IHS is “thin on detail for this proposal and our concerns relate to the potential damage, delay and related costs associated with such a practice”.

Crawford has also flagged up a proposal to remove an exclusion for smaller-sized vehicles, which will make them subject to an MPI-approved system or treatment if exported from schedule-three countries during the BMSB season.

This will target smaller products such as quad bikes, golf carts and motorcycles, which are currently excluded if certain procedures are followed.

“Even when vehicles are manufactured and stored indoors, warehouses are often large with many entrances and exits, and are often situated in semi-rural areas and pose a risk of contamination,” says the MPI. “In addition, there may be no pest-control programmes or systems.”

Crawford says: “The document implies the reason for this change is because some of these vehicles have structural complexity that may create possible hiding places for bugs. However, there is no mention that bugs have ever, in fact, been located on any of them.

“For some manufacturers, the exclusion was hard-earned despite

never having a single reported incident of BMSBs or any other bugs in their containers.

“A requirement to fumigate every container from the US for two years at considerable cost was required before gaining the exclusion. Considerable monitoring by the MPI over a lengthy period was undertaken to satisfy the management of risk.”

The MIA suggests such a policy fails to align with the exception for vehicles from China and South Korea. Also, it understands incurrences have been detected on goods from China, but such shipments remain free from treatment before arrival. This is especially so when the majority, if not all, of new light vehicles from there are shipped in containers.

Crawford adds the MPI commented it “is not proposing



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Schedule three concerns

The June 2020 issue of Autofile reported on the submission made on the draft IHS by the Imported Motor Vehicle Industry Association. It understands the MPI has no scientific data to support including China or South Korea on schedule three, but still has “concerns regarding shipments from there”.

Samuel Leske, the MPI’s director of intelligence planning and co-ordination services, says those two countries and Taiwan aren’t slated for schedule-three status because stink-bug detections from them “have not been sufficient to warrant additional

management requirements”.

Autofile reported in June that live BMSBs came into New Zealand from South Korea and China between September 1 and January 31 – during the 2019/20 high-risk season. That information was obtained through an Official Information Act request with the insects in question arriving via pathways other than vessels transporting vehicles.

Five live and 19 dead BMSBs were found in detections made in New Zealand with their country of origin being China, while one living and nine dead stink bugs from South Korea were intercepted onshore.

“We are aware shipping companies continue to express concern about South Korea and China not being included in schedule three”

– David Crawford



◀ light vehicles [referred to as smaller vehicles] from the 36 BMSB risk countries are at the same level of risk goods from Italy are yet. However, the risk is expected to increase and the MPI must be prepared for that in countries where it is establishing. BMSB-endemic and establishing countries need to be managed differently given different risk factors and considerations. Additionally, there were two detections of BMSB on motorcycles this season.”

The MIA was advised that, after the 2019/20 stink-bug season, the MPI was faced with the decision to change requirements for new light vehicles to a mandatory declaration linked to BMSB management exclusions or include treatment or system management.

The MPI has indicated that, in most circumstances, approval will be granted if the manufacturer can prove it:

- ▶ Stores light vehicles indoors and exports them in enclosed containers.
- ▶ Educates supply-chain staff of the risk of BMSBs and they look out for signs of them.
- ▶ Keeps residual insecticide where vehicles are made and stored.
- ▶ Report any stink-bug detections to the MPI.
- ▶ Complete a pest-monitoring programme in factories and storage facilities.
- ▶ Carry out a basic visual inspection before vehicles are loaded into containers.

As a result, the MIA recommends the IHS is revised to reflect the proposed changes to enable an MPI system management option for manufacturers of new light vehicles.

In addition, the MIA has no

specific objection to the removal of treatment for small used vehicles during the BMSB off-season.

Crawford says: “The MIA generally supports the proposed changes recognising the importance of the need to maintain strict measures to protect the people, animals and plant life and food sources in New Zealand.

“Changes including the treatment of used parts, removal of labelling requirements and inclusion of additional countries to schedule three are supported.

“However, there are some proposed changes with limited supporting information or justification. We seek clarification and offer response on these matters.”

The MIA has highlighted China and South Korea as being excluded from the list of schedule-three countries in the draft IHS for the next stink-bug season.

Vehicles from high-risk jurisdictions face tougher regulations, while the number of markets on schedule three almost doubled to 33 for the 2019/20 peak season.

“The MIA has no concern with the addition of Moldova, Ukraine, and Portugal to schedule three, and notes China and South Korea have not been added,” says Crawford.

“We are aware shipping companies continue to express concern about South Korea and China not being included in schedule three.

“However, the MIA is guided by Biosecurity NZ as to which controls need to apply to which country. We are aware of and support the principle that controls must be backed by scientific and economic evidence.”

While the MIA is not advocating for China and South Korea to be on schedule three, it wants an assurance that when any country is added to it that there is clear evidence to support that inclusion.

Crawford says: “We recommend that when the MPI proposes additions to schedule three, the cost of those changes to industry and adequate time to make and implement any changes are considered.”

He adds the MIA is guided by

At a glance

When it comes to draft revisions to the IHS for importing vehicles, the MIA is seeking clarity on a proposal that may require new vehicles to be partially or fully dismantled on arrival.

The association supports the IHS being revised to reflect the proposed changes to enable an MPI system management option for manufacturers of new light vehicles.

The MIA is also seeking assurance that “robust analysis is applied” when deciding if a country is added, or not, to schedule three.

Biosecurity NZ as to which controls need to apply to which country and which goods – new and used vehicles, parts, machinery and so on.

“We are also aware the proposed version of the IHS refers to a wider range of pests in relation to used parts. The MIA supports the need for deliberate biosecurity measures being applied to protect our borders.”

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Members revamp association

The chief executive of the Imported Motor Vehicle Industry Association (VIA) is confident a dramatic restructure will ensure it is “fit for purpose” for the future and encourage more people to attend meetings.

David Vinsen has outlined details of the organisation’s transformation by its own members at a general meeting conducted by webinar.

Under the plans, VIA will formalise appointing a council, which will be mostly nominated and voted for by members, as well as overseeing what areas of work the association focuses on.

Vinsen says the move will make the organisation more transparent and accountable. Improving communication to members and shoring up finances are among main drivers for the changes.

“There’s also been a perception among some people that the national executive had become something of an old boys’ club and those on the board only pursued their own interests,” he told Autofile.

“That has never actually been the case, but that may have been the perception. I’ve seen a variety of people over the years come onto the board, always with passion and good intentions. They leave their personal or individual business agendas at the door and assume responsibility for industry-wide issues.

“VIA’s new council will provide a better opportunity for people across the industry to participate, understand and contribute.”

Vinsen stresses the changes are being driven by its membership, with a useful description of the initiative being “the association has been subject to a successful, friendly, internal takeover by its own members, who want to keep it and make it fit for purpose for the future”.

“They have taken the initiative to drive this change. It means they will have confidence about VIA’s continuity. We won’t be doing



David Vinsen, left, was joined during last month’s webinar presentation by Chris Stephenson, centre, of Enterprise Motor Group, and VINZ’s Sean Stevens, who “have been part of the working group driving all the detail” of VIA’s restructure

anything particularly different day to day apart from ensuring members better understand what we’re doing.”

Embracing modern technology will also give more members a chance to play a part in shaping the association’s future direction.

The webinar on June 25 was the first general meeting held wholly online by VIA. It has more than 100 members, who between them are responsible for dealing with every used vehicle imported into New Zealand.

The turnout surpassed the numbers that usually attend VIA’s annual general meetings and, in future, similar events will be held via the internet. The effectiveness of using digital technology to communicate was highlighted during the coronavirus lockdown.

“The changes will make it easier for our members to attend meetings,” explains Vinsen. “They won’t have to drive to Auckland or

Christchurch for an AGM or SGM.

“People have got into the habit of attending online conferences because of Covid-19. We will piggyback off that and use electronic systems ourselves.

“A year ago, a lot of people would have been too busy or too far away to attend in person. But using Zoom meetings and webinars will make our discussions more accessible for everyone.”

SETTING THE AGENDA

At the centre of VIA’s structure will be its new council. It will likely meet four to six times a year, or as needed, and will consist of between 15 and 25 members with more than half being elected.

It will help set the focus for Vinsen and his team, determine responses to political, legislative and industry roadblocks, and elect from its members a board of directors to which the chief

executive will report to in the future.

Vinsen was joined during last month’s webinar presentation by two chief executives – Chris Stephenson, of Enterprise Motor Group, and VINZ’s Sean Stevens, who “have been part of the working group driving all the detail” of the restructure.

The online meeting followed approval of the overhaul and adoption of a new constitution by members at a special general meeting in March. The new council will be formally appointed at VIA’s annual general meeting on July 21.

Last month’s webinar meeting was the culmination of a 12-month process with VIA having been in a difficult financial situation for some years and, despite the best efforts of everybody, “we couldn’t make it work as it was”.

Vinsen says: “Two years ago, we set up a council. This was an informal body made up of key stakeholders with the aim of delivering better communication with our membership.

“Out of that, some stakeholders started discussions with the national executive last year to review the association and its financial situation. They came up with a proposal for the restructure to make VIA fit for purpose going forward. The reasons for this were to address the finances, and to be more transparent to members and provide accountability.”

The inaugural council will consist of a cross-section of members ranked from tier one to five, with seats proportionally allocated to each tier. Tier one is automatically allocated one seat per member. Tiers two to five vote representatives onto the council and members can also nominate themselves.

Voting will take place annually. Prospective candidates for the council will need to provide a photograph and brief biography for circulation with voting packs. Voting will be carried out for one week and

Choosing the council

VIA’s council will be a cross-section of members with those in tier one automatically allocated one council seat. Tiers two to five vote representatives onto it.

Tier one receives one seat per member, tier two has one seat for every two members, tier three one seat for every four members, tier four one seat for every eight

members, and tier five one seat for every 16 members.

Each year, members will have the opportunity to select the council by choosing their tier and nominating and voting for who they would like to represent their tier on the council – including that member.

The council will appoint a board of three to five members, who will focus strictly on the governance of the association.

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is set to close one day before July's annual general meeting.

Non-council members will still be able to take part in meetings, and there will be the opportunity for them to raise issues and ask questions.

UNIFIED APPROACH

VIA's members have now received details about their annual subscriptions and membership tiers. While some changes have been made to the funding structure, "for most, the difference is minimal". Refreshing its structure comes after operating under the same rules and system for more than 30 years.

The association was formed in 1988 with members in the North and South islands working together to secure the right to import used cars. Those groups came together as an organisation, but kept their individual branches with their own committees and annual meetings to maintain geographic balance and represent different sectors.

"Over the years, the need and relevance for separate branches has dwindled because we have more modern communications, such as email and video-conferencing, and now have a much more unified approach," says Vinsen.

"Over the past two years, we've put together ad-hoc working groups of relevant stakeholders to

address issues such as stink bugs, clean car standards and, more recently, to tackle problems around Covid-19. Members who've been involved have found the working-group approach is a chance to network with colleagues, and gain greater understanding of issues facing the industry and how we deal with them.

"The new council will be similar in that sense. It will be a formal group and become the association's pre-eminent body. It is also an opportunity for all members to participate, contribute,

learn, network and give direction.

"When you bring together people who are running their own successful businesses and they start bouncing ideas off each other, they come up with wonderful ideas and proposals."

HEALTHY DISCUSSIONS

It is hoped communication will improve thanks to the revamp and information will be disseminated in a timelier manner to VIA's membership.

Vinsen notes the organisation is still not satisfied with its communications to members, who want to know what the issues are and "what VIA is doing about them".

After the webinar presentation, there was "good, healthy discussion" and questions raised around whether the transformation will balance the association's budget, as well as how the council can provide the management team with direction on what issues to campaign on.

VIA suffered a \$233,181 deficit

they have been allocated, they just pay the money. But if they want to promote themselves, they can move up the tiers. The tiers members are in are based on their size and relevant contribution to the industry.

"The way the council has been set up is that tier-one members get a seat on council if they want one. Others have a vote so the smaller guys still have an opportunity to elect people from among their group to the council. Every member has the right to attend council meetings and listen to the issues."

After details of the restructure emerged in the week leading up to the webinar, Vinsen says VIA received 10 fresh applications to join to take its membership base past the 100-mark.

"It's an exciting time for the association. We will continue to do what we do and do it with a greater level of transparency to the industry because it will have the chance to understand and be involved in the issues.

"We have our AGM on July 21. Voting will happen before then and the council will be confirmed at that meeting and away we go.

"Our members do not expect us to have all the answers, but do expect us to extract knowledge from the relevant people and to facilitate and use it." ☺

"Using Zoom meetings and webinars will make our discussions more accessible for everyone" – David Vinsen

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Second award for top dealer

Staff at Blackwells Mazda are celebrating being named as the marque's dealer of the year for the second consecutive time.

The honour is given for overall excellence after all business areas, such as vehicle and parts sales, performance of the service department and customer satisfaction results, are evaluated.

Seth Owens, dealer principal, is proud of the hard work his Christchurch team puts in and their commitment to ensuring clients come first.

"We are delighted to be Mazda's dealer of the year for the second year running," he says. "The team took last year's success and challenged themselves to do better. It's humbling to see our efforts pay off."

David Hodge, managing director of Mazda NZ, says Blackwells is constantly looking for ways to



Blackwells' management team. From left, parts manager Wayne McLellan, service manager Jeff Bunz, sales manager Aaron Frazer, marketing manager Kitty Hong and dealer principal Seth Owens

provide the best possible service.

"Our awards are about celebrating the brand, and acknowledging the hard work and dedication from our dealer network," adds Hodge. "Blackwells is the pinnacle of excellence among our group. They are a

fantastic team who do their jobs exceptionally well."

The awards are divided into three dealer groups for the annual prizegiving – metropolitan, provincial city and rural dealers. The top two scorers in each group are named dealer

performance award winners. The business with the most points takes out the top award.

Other winners of performance awards were Harbour Mazda, Pacific Motor Group in Whangarei, Palmfield Motors in Palmerston North, Nicholson Mazda in Whakatane and Gisborne Motors.

DIAMONDS UP IN LIGHTS

Mitsubishi Motors New Zealand (MMNZ) has recognised the talent across its 56-strong dealer network during a live-streamed ceremony.

Eight franchises led across all aspects of their businesses – sales, customer satisfaction, finance and service – to become Diamond Dealers for 2020.

Piako Mitsubishi Morrinsville took out its 10th consecutive award with the judges saying it proves that operating in a town of less than 10,000 people need not

Making changes at top

Neeraj Lala has taken over as chief executive officer of Toyota NZ from Alistair Davis, who has retired from the position after 12 years.

Promoted from chief operating officer, Lala is only the fifth local CEO since the company was established more than 50 years ago. Davis retains a connection as non-executive chairman of the board.

"It has been a privilege to serve under Alistair's leadership over the past decade and I appreciate his encouragement of my career development," says Lala, pictured.

"Alistair's focus on people, culture and sustainability is well-embedded. I intend to carry on with that while advocating for an even better use of data and digital assets to get closer to our customers, particularly in these challenging and competitive times."



Davis says: "In Neeraj, Toyota has a well-prepared leader to take the company forward in the post-Covid-19 economy. He is an advocate for new ideas when it comes to how carmakers market

and sell their products."

Lala joined Toyota NZ as an internet development co-ordinator in 1998. Over the years, he has worked in most areas of the business, such as marketing, new and used vehicles, IT and product planning.

Since returning in 2018 from the US after a three-year executive leadership programme with Toyota Motor Sales, he has been instrumental in driving transformational change.

Born and bred in Wellington, Lala attended Wellington College, Otago and Victoria Universities. He is married with three children. ☺

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◀ restrict business, especially with parts and service support from Piako Mitsubishi Te Aroha.

As the first dealership in Australasia to sport the marque's refreshed global visual identity on brand-new premises, it has "plenty of reasons to be proud of continued success".

Other franchises scoring diamond success were Bay City Mitsubishi in Tauranga, Simon Lucas Mitsubishi in Auckland, Wayne Kirk Mitsubishi, which has two branches in Hawke's Bay, Wairarapa Mitsubishi in Masterton and Piako Mitsubishi Rotorua. Awards for parts and service went to Delaney Mitsubishi in Paraparaumu and Baigent Mitsubishi in Matamata.

"The success of the brand in New Zealand has always been a shared success and it takes strong teamwork to succeed," says Daniel Cook, MMNZ's chief operating officer.

"We look to encourage and support all dealers whenever we can. As with any team, we



Catherine and Darrell Russell, of Piako Mitsubishi Morrinsville took out their 10th Diamond Dealer award in a row



MMNZ's chief operating officer, Daniel Cook, hosting the awards via video-link



Angela and Aaron Chatfield, of Bay City Mitsubishi in Tauranga



Michelle and Nigel Rumpler, of Piako Mitsubishi Rotorua

have star performers. It's those with drive and ambition who rise to the top each year. We may face tough times ahead, but the passion and commitment demonstrated across our network will hold us in good stead."

There were also category winners. Andrew Simms Newmarket, Wayne Kirk Mitsubishi and Piako Mitsubishi Morrinsville received top new-vehicle sales awards in their respective groups, while Bay City Mitsubishi, Piako Mitsubishi Rotorua and Archibald Motors of Kaitia were honoured for achieving top market shares.

Stephen Duff Mitsubishi in Dunedin, Mexted Mitsubishi in Wellington and Saunders Mitsubishi in Thames were group winners for customer service, with Simon Lucas Mitsubishi and Baigent Motors being recognised for parts and service respectively.

Finance dealer of the year was Pacific Motor Group Mitsubishi, while the managing director's award went to Ingham Mitsubishi Taupo. ☺

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Eyeing up extra market share

New Zealand's biggest seller of used vehicles is now trading at the "best-possible scenario" following Covid-19 alert levels three and four.

Todd Hunter, chief executive of Turners Automotive Group, says recovery from the pandemic has been "better than thought" with the company "in a strong position to grow market share".

He is predicting industry consolidation and highlights dealer numbers dipping by around 15 per cent during the global financial crisis.

Hunter expects rationalisation in the used-car market to accelerate post-coronavirus with Turners aiming to accelerate gains of recent years.

The company last month posted an 11 per cent jump in underlying net profit before tax (NPBT) from \$26 million to \$28.8m for 2019/20. Revenue fell by one per cent to \$333m. Reported



Turners will be vacating its super-site in Penrose, Auckland, at the end of this year. Set up as a wholesale auction facility 20 years ago, it is "no longer appropriate in terms of cost base or customer experience"

NPBT was \$29.1m and in-line with guidance, while NPAT came in at \$21m – down from \$22.7m.

"Our business was hit hard during April with a 57 per cent drop in revenue compared to April 2019," says Hunter. "However, it recovered faster in May than our planning suggested.

"In April, three out of four businesses were profitable and

group profit, excluding the government wage subsidy, was a loss of \$424,000. In May, this improved to \$1.58m and June overall tracked ahead of June 2019 in almost every critical measure."

Company modelling in early April was based on an eight to 12-week shutdown, avoiding a dilutive capital raise if possible and positioning itself to take advantage of subsequent opportunities.

Even under lockdown, it sold 600 cars online to essential workers, while trading in May outstripped its trading in the same month last year.

The company has purchased no used cars from Japan since early March due to the disruption caused by Covid-19 with auctions there reduced during the pandemic and only online bidding.

"We resumed purchasing cars locally, which is probably where more of our focus will go," says Hunter, although Turners may resume imports this month after assessing exchange rates, prices and demand.

"We are now focused on the opportunities to grow. We've been successful in reducing costs through rental relief, government wage subsidies, staff reducing hours and using annual leave, travel and other expenditure.

"There have been good levels of sales and leads. How long that continues for is the question. The used-car market has shown resilience in previous downturns and early indications support this. Customers will be more likely to trade with businesses that have a strong

reputation such as Turners. This is the time to build market share."

Automotive retail revenue during 2019/20 was unchanged at \$224.9m year on year as operating profit of \$13.8m came in 24 per cent lower than \$18.3m in 2018/19. Underlying segment profit was \$13.3m, down from \$14.9m.

Hunter says: "During 2019/20, we observed a softening of the used-car market due to reduced consumer confidence. This decline was exacerbated during late February and March.

"There has been a cyclical reduction in consignment vehicles – down 26 per cent. However, this reduction was offset by an increase in sales of owned inventory – up by six per cent – with average gross profits per unit up 12 per cent to \$529."

Turners' Buy Now sales fell by about 0.5 per cent, "which considering the impact of Covid-19 we were pleased with". Damaged units were up by 12 per cent with gains from insurance vendors and one-off events, such as Timaru's hailstorm.

Revenue at Oxford Finance rose by four per cent to \$45.7m in 2019/20, operating profit came in at \$12.2m for a 10 per cent jump and underlying segment profit was \$12.1m – up from \$10.3m for "an excellent year".

Autosure saw revenue tumble by nine per cent to \$44.1m and operating profit nosedive by 25 per cent. Its underlying profit was \$6.2m, which was up 19 per cent from \$5.2m. ☺



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Jacanna launches partnership with loyalty tech company

Waikato-based loyalty innovator Smart Loyalty is partnering with Auckland-based logistics company Jacanna to celebrate, recognise and reward its long-standing business relationships.

Having recently celebrated 20 years in business, Jacanna was searching for a rewards solution that provided the company with an exclusive point of difference in New Zealand's used-car import game.

Smart Loyalty has, over the past 20 years, developed the SmartTrade Rewards Programme, which now provides Jacanna with a comprehensive solution to boost customer loyalty for its used-car import business and general freight. Jacanna is rewarding and incentivising its customers by offering them the opportunity to earn points on every shipment made with the company.

"I'm a massive loyalty advocate myself, and I've made my own purchasing decisions based on loyalty programmes for years," says Ken Quigley, founder and managing director at Jacanna. "We were looking for something that would inspire our customers in the same way.

"I love that now we're part of

SmartTrade, we have the best business programme in New Zealand to reward Jacanna customers for doing business with us. We've got some great long-standing customers that we have worked with over the past 20 years, and we are excited to launch this new rewards programme to celebrate, recognise and reward these great relationships."

Smart Loyalty provides Jacanna with a powerful, tailored suite of products including dashboards, apps, an online rewards platform and more, enabling Jacanna to directly reach its customers with news and promotions. Jacanna customers can also earn points from SmartTrade's wider coalition partners, such as Meridian, Mobil, Z, Caltex and OfficeMax.

"I love the fact that all of our customers will get a rewards app in their hands, which will not only feature Jacanna updates and promotions, but also access to thousands of rewards they can redeem on the fly – all for just doing business with us," says Ken.

"This is just the beginning – the platform gives us so many options to do some really great things for our customers going forward."

"I love that now we're part of SmartTrade. We have the best business programme in New Zealand to reward Jacanna customers for doing business with us."

Ken Quigley, Jacanna



The SmartTrade programme is supported by Smart Loyalty's unique approach to rewards. Members of the programme earn points for each imported vehicle and, although they can choose to spend these points in the curated online Rewards Shop of more than 4,000 products, they can also request any reward they want. In the past, redemptions have included spa pools, cars, engagement rings, travel and even maths lessons.

"We launched SmartTrade to help local New Zealand businesses get excited about retaining their trade customers in an engaging and effective way," says Quinton Scheurich, SmartTrade general manager at Smart Loyalty.

"Our Waikato-based team is continuing to develop fun, fresh ideas and discovering further ways we can continue to grow our partner businesses, like Jacanna, in what is otherwise a challenging market."

Part of the global Marque Group family of automotive technology companies, Smart Loyalty is a multi-industry loyalty solutions provider. It has been providing solutions to New Zealand businesses since 2002. Working to increase customer satisfaction, retention and overall business growth, Smart Loyalty has offices in both Hamilton and Sydney.

Marque Group's other companies include NZ-based lead-management platform AutoPlay, and three UK-based entities – customer-experience platform Aura, data-driven solutions provider for the automotive industry Vital Software, and after-sales CRM platform THREE60 CRM.

Doing business with Jacanna just got more rewarding!



FOR MORE INFORMATION

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Slower, safer life under virus

Hundreds of Kiwis who own electric vehicles (EVs) report statistics about their cars to Flip The Fleet. It's a voluntary "citizen science" approach to understand the performance, constraints and opportunities of converting our light-vehicle fleet to electric.

There is a lot of hype promoting EVs as a perfect solution to environmental and mobility challenges – and lots of vested interests that may exaggerate or misrepresent evidence to promote business as usual with internal combustion vehicles (ICVs). Flip The Fleet aims to provide honest scientific evidence about the good and bad aspects of owning EVs in New Zealand conditions.

It's easy and not just for geeks. When they sign up, owners tell us a lot about their cars and charging – model, age, sticker price, odometer reading, cost of their electricity, the times and frequency of charging, and so on. That background information helps us make better sense of the patterns emerging.

From then on, it takes just five to 10 minutes at the start of each month to upload five to 15 figures about an EV's work and performance over the past month. Within seconds, the owners get back computer-generated graphs of how far they have travelled, emissions avoided, efficiency and changes in battery health, and cost savings from driving electric compared to running a conventional vehicle of the same size.

The national database now

has more than 21,750 monthly records of EVs, some stretching back to 2012. The accumulating data shows seasonal patterns and long-term trends to help set policy and urge more support for owners, as well as to encourage others to switch to electric if their mobility needs and budgets allow.

Baseline measures also provide scientific perspective on surprise events, such as the Covid-19 pandemic and lockdown.

New Zealand went into alert level four on March 26. Movement restrictions eased back to alert level three on April 28. For nearly all of April, only essential workers could use their cars as normal, while families and businesses could only make local trips for provisions or medical care.

More people regained mobility at level two from May 14. Therefore,



Henrik Moller, co-founder, Flip The Fleet

we expected EV use to have been marginally reduced in March, fully impacted in April and partially restricted in May.

Statistical modelling confirms these expectations. Average kilometres travelled in

April 2020 by Flip The Fleet's EV owners was 78 per cent lower than in April 2019. The 95 per cent uncertainty band spans a 74-82 per cent reduction. In normal conditions, EVs average 1,210km per month with the 95 per cent uncertainty band at 1,170-1,240km.

Restricting usage to local trips meant they travelled slower during lockdown. Average speed fell by 5.5kph (uncertainty band 4.3-6.5kph reduction), which was in stark contrast to the nearly constant average speed seen in all months over the preceding two years, as illustrated by the graph.

The Covid-19 shock has given us all a glimpse of potentially different mobility needs and options. Skies cleared in many highly congested cities overseas. NIWA estimated that while pollution was down by three-quarters on average, at least one-third of Aucklanders reduced their exposure to traffic pollution by 90 per cent during lockdown.

Human-generated air pollution is estimated to have cost New Zealand \$4.28 billion in 2012, of which 22 per cent was caused by motor vehicles.

Resilience thinkers refer to the "back loop to sustainability". That's to say, the way systems reorganise after collapse can either spur new, lasting and healthier lifeways, or get even more stuck in past corrosive and ultimately unsustainable patterns.

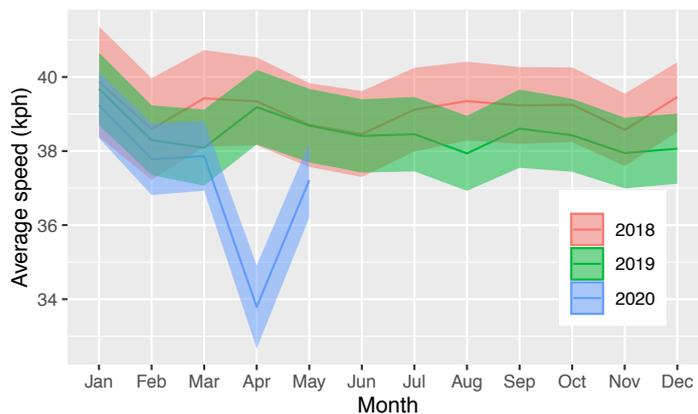
I'm proud to be one of country's team of five million that has limited the number of coronavirus deaths to 22, despite the considerable economic cost.

But, so far, there are few signs our success in beating Covid-19 has spurred a rethink of our strategies for improved transport, environmental and public-health goals.

Our leaders were prepared to spend taxpayer dollars on health and economic resuscitation. Now the question is will they invest substantial sums of our public funds in smart ways to accelerate EV uptake for health, environmental and economic benefits that we can all share. ☺

Henrik Moller is a retired sustainability scientist. Additional research by Daniel Myall and Dima Ivanov.

Average speed of electric vehicles since January 2018



The coloured bands show the 95 per cent uncertainty bands around the average speed in each month. There was a 14 per cent reduction in average speed in April 2020 compared to April 2019 (11-16 per cent uncertainty band)

Live EV listings on Trade Me:

-2.1%
Compared to last month

-7.9%
Compared to prior year

New EV listings on Trade Me:

+15%
Compared to last month

-6.7%
Compared to prior year

EV watchlists on Trade Me:

+32.8%
Compared to last month

-10.9%
Compared to prior year

Boosting range across marques

Kia and Hyundai say a heat-pump system to be deployed across their global electric vehicle (EV) line-up will maximise all-electric driving ranges in low temperatures.

The technology was first introduced in 2014 on the first-generation Soul. Comprising a compressor, evaporator and condenser, it captures waste heat from electrical components and recycles it to heat the cabin more efficiently and protect the EV's 180km range in extreme conditions.

The system has now been developed for electric cars from both South Korean marques for more consistent ranges in temperatures where other models may start to see a decline in distance possible from a single charge.

The Norwegian Automotive Federation compared 20 EVs with performance deviations of each one monitored in cold conditions before being tracked against

quoted manufacturer figures.

The Kona Electric came out top by travelling 405km in severe cold weather, which compared to 449km quoted under its official combined-cycle testing conditions. It offered 91 per cent of its WLTP combined cycle range, deviating by nine per cent from its claimed all-electric range.

Kia and Hyundai's heat-pump technology harvests more energy by recycling other waste heat not only from power-electrics modules – such as drive motors, on-board chargers and inverters – but also from the battery pack and slow-charger to vaporise refrigerant from liquid to gas.

High-pressure gas is discharged from the compressor and forced into a condenser to be converted back into a liquid. This process generates extra energy that is recovered by the pump and used to warm the cabin.

This captured energy improves the efficiency of the heating,

ventilation and air conditioning (HVAC) system, recycling it to more efficiently heat the inside of the car and minimise power consumption. By reducing the load on the battery, the pump cuts HVAC consumption to maximise available electric range.

The system has been refined since 2014 through extreme cold-weather testing in northern Sweden where temperatures

can drop to -35°C in winter. Such conditions have enabled research engineers to identify more ways to recycle as much waste heat as possible to increase the efficiency of the heat-pump system.

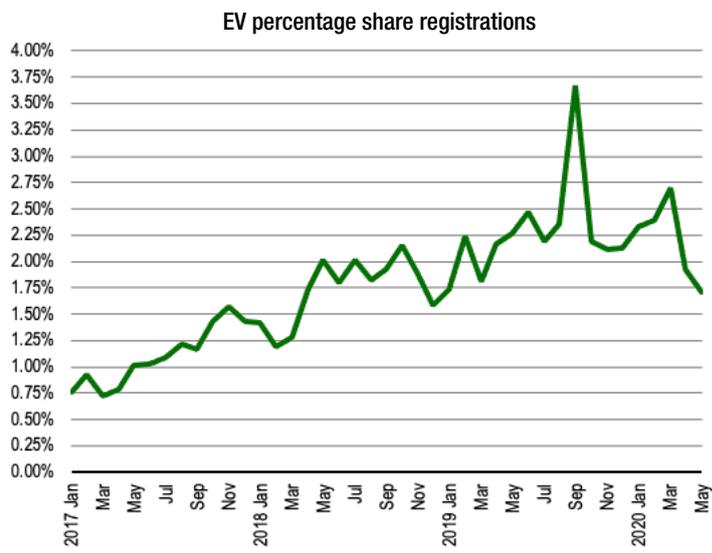
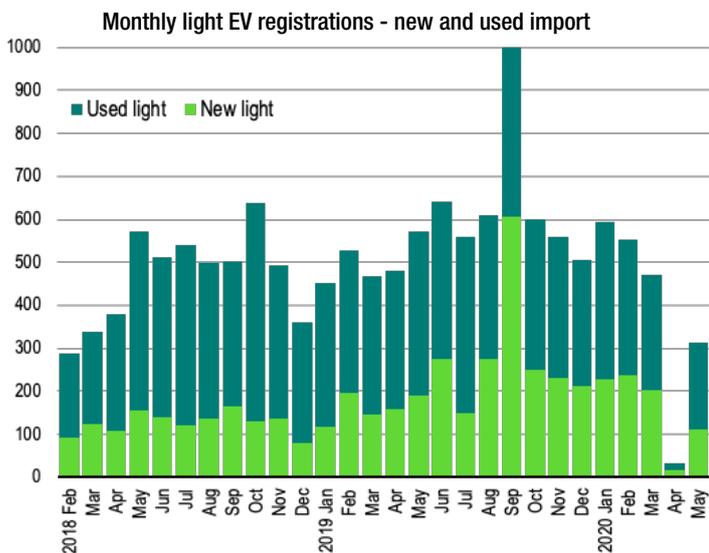
A water-cooling system for Kia and Hyundai's EV battery packs, rather than conventional air cooling, has yielded further boosts in range without increasing physical dimensions.

This means battery cells can be packaged more tightly with water-cooling channels taking up less space than air-cooling alternatives, increasing density by up to 35 per cent and offering about twice as much range and capacity compared to first-generation models.

For example, the first-generation Soul offered owners about 180km from a single charge of its 30kWh lithium-ion polymer battery pack. The second-generation model, with a 64kWh battery occupying a similar space, can travel up to 386km on one charge. ☺

Total EVs by region	
Northland	631
Auckland	8,648
Waikato	1,102
Bay of Plenty	726
Hawkes Bay	344
Gisborne	60
Taranaki	264
Manawatu/Wanganui	628
Wellington	2,969
Nelson/Marlborough	730
Canterbury	3,121
West Coast	30
Otago	1,238
Southland	150

Source: MoT, June 10, 2020



Top 5 EV models listed on Trade Me last month:

- Nissan Leaf
- Nissan e-NV200
- BMW i3
- Mitsubishi Outlander
- Audi e-tron

Average listing price for the month:

\$26.4k

* Figures as per the end of June 2020

Eye on EVs



'I think, therefore I am'

An autonomous vehicle (AV) concept is being described by its manufacturer as "a third living space".

The AI:ME also represents a vision of what driverless cars on a commercial scale could be like with this one featuring Audi's Intelligence Experience, meaning it can – apparently – "think and even feel for itself".

Using a combination of artificial intelligence (AI) and smart functions, it will learn its occupants' habits, preferred destinations, seat positions, media, route guidance and climate-control settings. It can even monitor occupants' vital signs and adjust journey settings accordingly.

Over time, Audi says the AI:ME's "knowledge and understanding" of who's inside will build to a point that it will implement all these functions and more automatically.

For those wanting to withdraw from the journey and forget they're even in a car, it even has a set of virtual-reality (VR) goggles for a scenic flight over a mountain range, adapting virtual content to the vehicle's real-time movements.

Other features include eye-tracking communication so people can "communicate" with the car and have it perform tasks, such as ordering takeaways and arranging deliveries to destination points around estimated arrival times.

Away from the AI:ME, Audi has been working with Samsung on a new "3D mixed reality" head-up display, which uses one pixel for the left eye and its neighbour for the right.

To avoid the driver's eyes having



Audi's AI:ME

to refocus every time to take note of the read-out, the display has been set up to appear as if it's "floating" between eight and 10 metres up the road.

Other technology from the marque updates include the launch of its third-generation modular infotainment platform, which operates 10 times faster than its predecessor alongside the brand's "human-centric lighting" project.

The system can combat driver fatigue by using targeted blue and white light to stimulate the eyes and minds of the driver and passenger if needed or wanted.

Electric vehicles (EVs), connectivity and AVs are among hot topics in the automotive industry.

With that in mind, Fiat Chrysler Automobiles (FCA) has demonstrated its newest technologies related to these areas.

Jeep has announced the Wrangler 4xe, Compass 4xe and Renegade 4xe are part of FCA's commitment to globally launch more than 30 electrified nameplates by 2022.

People at this year's CES in Las Vegas could experience them thanks to simulated trips as part as a VR experience.

Using Moab in Utah as the backdrop, they navigated the infamous Hell's Revenge trail and among virtual software assets was the driver's view inside the Wrangler 4xe.

To create the experience, a Rubicon was positioned on four hydraulic cylinders with the Wrangler reacting to input provided by wheel position-data recorded on the trail.

The hydraulics pushed the latter's suspension, replicating the movement a driver would experience crossing an obstacle or hill.

Inside, participants sporting VR goggles saw the actual scenery correlated to the trail.

As the display travels to different events around the world, extra off-road routes will be loaded into the module to provide an array of Jeeps in different environments.

FCA has also created six two-sided screens to show off its Uconnect system, which is tailored for each brand and model.

The company's Airflow Vision design concept envisions the next generation of high-end transport and user experience by considering how those inside could interact with advanced technologies.

Its inside has been designed to be a captivating experience using multi-layered, high-contrast graphics and details that provide a clean appearance.

Via a menu-based format, screens can be simplified and grouped to meet individual needs and interests. The information can be shared with all passengers by swiping with customisation and personalisation being key.

Using the dimensions and flat-load floor of the Chrysler Pacifica PHEV, the interior creates a spacious environment for all occupants.

Meanwhile, Fiat says its Concept Centoventi represents "the perfect expression of the brand's vision of electric mass mobility".

It's fundamentally a "blank canvas ready to be painted to suit the customer's tastes and needs at any time" without customisation restrictions at the time of purchase.

Produced in one colour, the car may be "painted" by its owner using the "4U" program, with the exterior personalised with a choice of four roof options, four bumpers, four wheel covers and four external wrappings.

Interchangeable accessories, such as the instrument cluster, compartments, seats and child restraints, may be installed in "plug and play" mode on a patented dashboard.

One of the concept's selling points is owners no longer having to wait for special editions or facelifts – they may change their cars on any day.

Thanks to its battery modular architecture, its range may be customised from 95-480km for urban commuting or weekend trips.

The cockpit has a small screen facing the windshield outward to communicate messages such as "busy", "free" and "parking paid".

In addition, a second large tailgate display enables the car to become a social-media device with messages being shared with the outside world. When the vehicle is in motion, it will only show the Fiat logo. When it stops, the driver can switch to "messenger" mode and create a new message.

Fiat says the Centoventi has been designed with sharing and future forms of mobility in mind. ☺



The Airflow Vision design concept

Crisis no time to stop advertising

During the early stages of the coronavirus crisis, many businesses were rendered powerless and left floundering as customer numbers dwindled and revenue dried up.

At the time, it was difficult to predict what the future would hold and, as the public was told to stay home and restaurants and retailers were closed, many businesses were left questioning what the right tactics would be to get them through such an uncertain time.

The automotive industry was no different. During March and April, many of our dealer clients chose to tighten their budgets and cut their advertising spends in attempts to reduce as many costs as possible. The view was that with people isolated in their homes and fearful of contracting Covid-19, no one would be looking to purchase a vehicle and so they saw little point in advertising.

Although a seemingly logical strategy at the time, hindsight has proven that many of the dealerships that made this call ended up being outperformed by competitors bucking the trend by continuing to advertise as normal.

The aim of automotive digital advertising is to drive prospective buyers to your website and encourage engagement with your business that results in sales.

The insights we have gained following the peak of coronavirus uncertainty have found that car traders who continued to invest

in digital campaigns during March and April achieved – on average – 43 per cent more website traffic than those who stopped advertising. This shows that despite social distancing and isolation, people were still looking at purchasing a vehicle.

We also discovered through our call-tracking system that about 40 per cent of all phone calls coming into dealerships after alert level two were to confirm that the showroom and service department had reopened. Those that didn't run advertising to promote the fact that they were conducting business



TODD FULLER
General manager
AdTorque Edge NZ

a lower cost-per-click on search and social platforms due to reduced competition for space. Charges on Google dropped by 70 per cent and on Facebook by 50 per cent meaning dealers who did continue to advertise were able to do so at a much lower fee.

Sale events proved to be game changers once coming out of lockdown. Our findings show that dealers who ran promotions in May, such as "rental car sell-outs", sold roughly the same number of vehicles as they would in a normal month. This demonstrates that – despite the

each of which was averaging between 10 and 15 new-vehicle sales per week at the beginning of the pandemic.

When these dealerships increased their advertising and promoted that they were open for business, their weekly new-car sales figures jumped by 160 per cent. By comparison, two of their competitors, which did not advertise during this period, continued to record weekly sales figures of 12 and 14 units respectively. This was a reduction on their pre-coronavirus trade by approximately 70 per cent.

We appear to have broken the back of Covid-19. However, there is still a threat of potential outbreaks resulting in restrictions being tightened again. If we continue on the current and positive trajectory, the automotive market as we knew it will take some time to recover.

What we have learned, however, from the past several months is that for dealerships "always-on" digital advertising that continually adapts its messaging – dependent on the offer or what their customers want to know – can play a massive role in hitting those sales and service targets.

Regardless of whether it is during an economic downturn or simply following a month of significant sales activity, such as at the end of the financial year, investing in ongoing advertising is key to running a successful dealership. ☺



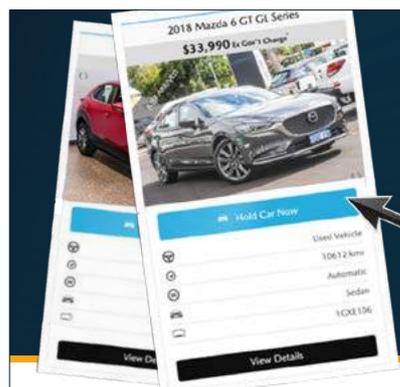
Sale events proved to be game changers for car dealers coming out of lockdown, says Todd Fuller

as usual saw a 60 to 70 per cent drop in sales. However, those who continued their advertising only suffered a reduction of between 30 and 40 per cent.

These optimistic dealers also benefited from their decision from a budget point of view by paying

crisis – customers were still keen to take advantage of a good deal.

We also reviewed a case study that was done in Australia to get a barometer on how things might look in New Zealand. As part of our analysis, we looked at three of our Melbourne-based dealer clients,



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Power shifting towards consumers

In solidarity with evolving events, I considered writing about institutionalised racism and the difficulty in seeing privilege as one of those who are privileged from within a system that enshrines it.

After expanding on that, I would have used this example as a stepping stone to illustrate similarities in the difficulty in seeing other ideologies built into a system – ideologies that reinforce each other with the result of preventing positive, or even necessary, change.

While I want to spend more time talking about these things that I care about deeply, I think I've overused my soapbox in this forum recently.

However, I will simply take one moment to shamelessly admit to being a "social-justice warrior", express my opinion that we should all be one, voice my support for positive change and let one of my favourite quotes – by Diane Richler, of Inclusion International – speak for itself. That is: "Inclusion is not a strategy to help people fit into the systems and structures which exist in our societies, it is about transforming those systems and structures to make it better for everyone."

Attempting to make this more relevant to the automotive industry, social empowerment will have a large influence on it moving forward.

According to a recent report published by PwC, the access to data and analytics that has been driving change in business will start shifting power toward the consumer, with the multi-national professional services network specifically mentioning smartphones as the catalyst for this change.

While this report was focused on the insurance industry, there are many relevant takeaways for the rest of us.

Consumers of the future will demand quicker and more convenient transactions. They will want to get products and deals personalised for them. This goes beyond targeted adverts. They will want the entire process customised for their benefit.

PwC specifically mentions two catalysts for this change. One is the ubiquity of smartphones and the ready access to data that provides, with the other being the data businesses have access to.

The competitive advantage for companies using analytics is reducing as more adopt it. A big

reason for this is the availability of simpler or more user-friendly tools. Access to analytics no longer requires specialised staff or expensive programs.

And, conversely, as the competitive gap between businesses using data narrows, the gap between those that are and are not utilising insights from better data will continue to grow.

The consumer of the near future will also be less likely to prioritise relationships than in the past. With ready access to instant



KIT WILKERSON
Policy adviser and analyst
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quotes and websites that compare offerings, data is becoming a more important part of the process and final decision on whether to purchase or not.

While these points are relevant for the entire industry, the report does give a specific warning to

the insurance sector because tech companies, new and established, see insurance as "ripe for targeting".

They are prepared to use what they have learned from involvement in other sectors, such as telecommunications, to provide customers with what they want, and they can build it from the ground up without the constraints and limitations of existing legacy processes.

"Data is becoming a more important part of the process and final decision on whether to purchase or not"

To clarify, the report classifies companies as having one of three focuses.

- ▶ Product-centric is the traditional model where the business focus is on providing a good product.
- ▶ Customer-centric companies focus on the benefits of their products to consumers and ways to improve user experience. This is often what we think of when we talk about businesses utilising data and "going digital".

- ▶ The third type is what PwC argues is the near future. This is total customer-centric, which means a focus entirely on customer outcomes, and will include both the tailoring of product and blurring of traditional industry divisions to maximise those outcomes.

For our industry, this might mean that your automotive insurer offers pay-as-you-go rates or even monitors driving through vehicle or mobile device sensors and varies policy rates based on driving habits.

Not only is this tailored for users, but actively encourages – if not is outright gamifying – safer motoring, improving outcomes for clients on multiple levels.

Another likely difference between customer-centric and total customer-centric business models tends to be the speed at which data is utilised. Customer-centric tends to use data in retrospect to improve future interactions and products, while total customer-centric will need to be able to utilise data in near real time to modify offerings on the fly.

Coming full circle, these changes will not just manifest in the insurance industry. Consumer access to data will continue to push successful businesses into change and that change is only likely to accelerate.

Those businesses that cannot or will not adapt will be pushed aside by established players dedicating resources to change management or by upstarts who simply appear with a new and better way of doing things. No industry or business is safe simply maintaining the status quo. ☹



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The month that was... July

July 4, 2008

New campaign 'a waste' – dealers

A Land Transport NZ (LTNZ) television campaign to promote public awareness of side-curtain airbags was highlighted by dealers, who claimed most Kiwis would be unable to afford the high-end feature.

The advertising featured a brain-damaged woman explaining how the safety system worked.

Mike Vinsen, dealer principal of Mike Vinsen Motors, believed LTNZ had wasted money on the campaign and had outlined his concerns in an email to Maurice Williamson, National's transport spokesman.

"Land Transport is spending tens of thousands of taxpayers' money on a TV campaign telling people to insist on side-curtain airbags in their next car to avoid brain injuries in an accident," the email stated.

"It would be virtually impossible for a person on the average, or even upper end of the average, income in this country to afford a car with these features."

Vinsen said the airbags were only available in near-new vehicles.

Andy Knackstedt, LTNZ's media manager, said: "We make no apologies for educating people on the importance of airbags or electronic stability control. The aim of the campaign is to increase demand for these safety features, which can mean the difference between life and death."



July 27, 2007

Car safety ratings released

Thinking about trading in your old four-wheel drive (4WD) or large car for something smaller and cheaper to run, but don't want to compromise on safety?

That was being asked by LTNZ and the AA following the 2007 Used Car safety Ratings just being released.

The ratings assessed the relative safety of 289 popular used models, ranging from light cars to large 4WDs and vans.

LTNZ's vehicles manager, Don Hutchinson, said because the results were based on actual crashes, the ratings could be used to compare relative safety across different classes of vehicles.

"That means the small cars with better-than-average results in these ratings have outperformed large cars and 4WDs with average or below-average ratings in terms of driver protection in real crashes."

Stella Stocks, the AA's general manager of technical services, added: "Choosing a safer used car can literally mean the difference between life and death in a crash."

A key finding in driver-protection assessment was that many of the better-performing vehicles were newer models, showing the benefits of modern safety technology, such as airbags and side-intrusion beams.



July 23, 2004

Anger over odometer claims

A heated debate between competing companies sparked concerns over damage being done to the credibility of New Zealand's vehicle importers and dealers.

Claims were being traded over the reliability of services after a vehicle was given the thumbs-up amid concerns it had been wound back 100,000km.

According to the Dominion Post of July 17, the car was mistakenly certified and the owner given a \$12,000 refund when it broke down before it was resold.

Peter Johnston, of Genuine Vehicle Imports in Auckland, told Autofile he was "disgusted" with the airing of the debate in the media. "I am saddened that a commercial rift between two rival companies has been brought into the public domain."

During the previous week, odometer tampering had also been the subject of television reports by One News and Fair Go, one of which focused on a dealership.

"Importers have worked very hard over the past three or four years to clean up our act and this wind-up is destroying our credibility," added Johnston.



July 5, 1999

Toyota pushes industry to clean up

Toyota New Zealand called for the automotive industry to pay greater attention to environmental issues.

The company was leading the way in this country on that very touchy matter – for the motor-vehicle industry anyway – and a largely ignored subject with some groundbreaking eco-initiatives.

About 85 per cent of the new-model Toyotas on the market at the time were recyclable, and the company was developing a fuel-cell electric car as part of its quest to find the ultimate environmentally friendly vehicle of the future. And it was evaluating a hybrid, the Prius, for possible sale here.

Bob Field, managing director of Toyota NZ, said care for the environment was going to become increasingly important.

He added New Zealand collected more end-of-life cars units per head of population that anywhere else in the world. "Each year about 200,000 dead vehicles are disposed of"

New vehicles normally had lifespans of 20 years at the time, whereas used imports might have had half that. With used imports outnumbering new by two to one, he added the increasing age of those from Japan meant their Kiwi lifespans were down to as low as five years.



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Time to focus on the details

It has been a busy time for members of the Motor Trade Association's mediation and complaints team since New Zealand moved to alert level one due to Covid-19.

Rather than skipping in delight with the shackles of national lockdown being released, it seems some troubles have been exposed and that's to be expected given the backlog of issues that have finally been able to be aired.

But something is different now because the tone and manner seem to have changed. Many more Kiwis than usual seem to be agitated and difficult. These same observations have also been borne out by various external media commentaries claiming people are much more "angry" than usual.

Perhaps that's a symptom of the pressure we are under or feeling, but short tempers might not be limited to the consumer side of the equation because employees may also be carrying similar burdens.

There are no easy resolutions to the circumstances we find ourselves in. There are likely to be many different reasons for this behind the scenes, such as job security and finding employment, worries about business and

household expenses, family pressures and global events.

You might never discover the real reasons, so your focus needs to be on maintaining a conciliatory stance and finding resolutions. Even though we are nearly back to "normal" in the sense that businesses are open and trading, it seems many people are not in that place in their personal lives.

In the automotive industry, dispute situations could take the form of car sales being cancelled, complaints about product quality, questions being raised about service costs and people having payment problems.

You may even find that clients who were once reasonable folk can suddenly "fire up". To make matters worse, it may sometimes be really difficult to identify the real cause of some of these behavioural hiccups.

Obviously, a vehicle might have a problem, the repair "wasn't right" or someone wrongly assumed the customer would have wanted some work done. Those issues can serve as triggers, but the scale of the reaction rests elsewhere, perhaps in



TONY EVERETT
Sector manager – dealers,
Motor Trade Association

the personal pressures some folk are carrying.

You might be puzzled at the scale of reactions for what might be rather simple issues and you can't be expected to know what's going on in people's private lives.

You can't fix customers' personal issues, but you can make sure you do everything 100 per cent right at your end to avoid becoming a trigger.

In this environment, it seems that any small omission, failure or problem can become a catalyst for complaint, so now is the time to ensure your processes are thorough and complete. Here are some areas you can focus on.

- ▶ Make sure all documents, such as contracts, consumer information notices, vehicle offer and sale agreements, work orders and invoices are filled in 100 per cent correctly, and take no shortcuts in this part of your business.
- ▶ Ensure all service work is pre-approved by the customer because jobs that aren't signed off in this way are always problematic, even at the best of times.

- ▶ Resulting invoices need to fully describe the work completed, along with a record of anything additional that has been recommended but left unaddressed.
- ▶ Discussion about payment methods should be upfront. It's important for this not to be done later when the jobs have been done and customers declare they can't pay and want a stretch.

It is also important for all representations made by sales staff to be correct and factual. If they don't know the answer, they should not "bluff" it.

Situations involving misrepresentations about goods and services are "gold" for agitated customers wanting to reject vehicles. For example, the "vehicle year" is easy to get wrong. So too are safety ratings when models shift from ANCAP to the Used Car Safety Rating scores. Always check www.rightcar.govt.nz before making any declarations to customers.

In short, it's essential to ensure you eliminate any opportunity for someone to cite a failure by you or your staff as a reason for complaint. ☹

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Back with bit of va va vroom

Mitsubishi Motors NZ is returning to the van market following the exit of its L300 in 2015, which sold 38,806 units after being launched here in 1980.

The high-specification Express boasts a capacity of 5.2 cubic metres and a payload of up to 1,150kg.

It will be available later this year with manual and automatic options and is the first product made in France for the brand by Renault, its alliance partner.

"Mitsubishi is known for dynamic and dependable vehicles, equipped with the functionality and capability required across applications," says Reece Congdon, head of marketing and corporate affairs. "The Express delivers on this tradition and draws on expertise available through our alliance partnership.

"For customers looking for function and flexibility, dual sliding doors and accessories ensure easy configuration for different requirements. We believe these practical features, along with a strong value proposition, will attract transport operators and delivery drivers back to us."

Measuring 1,268mm between



The Express has been born from Mitsubishi's alliance with Renault

the wheel housings, the Express can accommodate standard-width Kiwi pallets and GIB sheet.

To ensure load stability and security, there are 16 in-built cargo rings – three floor and five side-mounted on both sides. The passenger under-seat storage compartment flap can also be opened to load objects through it and up to the dash.

The manual model tares at 1,810kg, and offers a 1,150kg maximum payload and 2,000kg braked-towing capacity. The automatic weighs 1,869kg with a top payload of 1,116kg and 1,715kg towing. Both models have a 3,098mm wheelbase.

The 1.6-litre twin-turbo diesel

engine is paired with a six-speed manual transmission for 103kW of power and 340Nm of torque, while the single-turbo diesel with a slick six-speed dual-clutch automatic transmission delivers up to 125kW and 380Nm. The dual wet clutch configuration of the 6DCT ensures a crisp and responsive drive, with lower fuel consumption and emissions.

Both models are front-wheel drive with extended grip – a traction-control mode activated by the driver to assist in low-grip conditions.

The van has three seats up-front with added comfort for the driver thanks to manual height and lumbar adjustment, as well

as height and reach steering-wheel adjustment. Its audio unit is enabled for Bluetooth and USB connection for hands-free phone use and music streaming.

Standard safety features include cruise control with speed limiter, stop and start with manual off-switch, hill-start assist, reversing sensor, anti-lock brakes, electronic stability control and brakeforce distribution, and wide-view, dead-angle vision.

The Express features five airbags – driver and passenger front and curtains, and driver thorax. Both models also have a rear-view camera, dusk-sensing automatic headlights and rain-sensing windscreen wipers. ☺

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Design takes off

With its more rugged styling cues, the Black Edition mHawk – the flagship variant of Mahindra's Pick-Up – is based on the duel-cab four-by-four S10+ and was previously available as a limited edition.

It has the same 2.2-litre four-cylinder turbo-diesel producing 103kW of power and 320Nm of torque, sending drive to all four wheels via a six-speed manual transmission.

Payload capacity is rated at 1,095kg while the limit for braked towing capacity is 2.5 tonnes.

Standard extras include a steel bull bar, side steps, alloy sports bar, wheel-arch flares, custom

decal kit, 17-inch rims and tub liner – all finished in black.

The kit list includes a seven-inch touchscreen, satellite navigation, reversing camera, Bluetooth, Android Auto, cruise control, fabric seats, rear seat air-conditioning, two Isofix child-seat restraints with three top-tether points, one-touch lane indicator, rain-sensing wipers, automatic headlights, hill descent control and hill hold. ☺

The Black Edition mHawk



Customising on-road workplace

Ford has added two new Transit models to its New Zealand range – the Custom Sport Van with more power, torque and features, and the Custom Double Cab-in-Van (DCiV), which can carry up to six passengers while offering 4.3 cubic metres of load space.

In addition to fresh body styles and powertrain upgrades, they include a full suite of driver-assist technologies as standard, such as autonomous emergency braking (AEB) with pedestrian detection.

“We’ve learned from the Ranger’s success that you need to always be improving to stay ahead,” says David Herbert, Ford NZ’s marketing manager for light commercials.

“While Ford is the number-one light commercial brand in New Zealand, competition remains fierce so we are raising the bar with new vans, such as the Transit Sport and Double Cab.

“We know buyers are looking for even greater versatility and more choice when it comes to their work van. With AEB as standard on every model, we’ve covered practicality and personality for customers looking for capability and character.”

The latest Transit Custom builds on previous updates, which



Ford's Transit Custom Sport Van



The Custom Double Cab-in-Van

have included an automatic transmission and SYNC 3 with a full-colour eight-inch touchscreen and Apple CarPlay and Android Auto smartphone capability.

Other standard safety systems are adaptive cruise control, lane-departure warning, blind-spot information system with rear cross-traffic alert, dynamic stability control with roll-over mitigation and trailer-sway control, side-wind stabilisation, load-adaptive control and hill-launch assist.

A 4.2-inch full colour instrument cluster is standard and joins MyKey – a programmable key that can be used to restrict vehicle settings such as speed, driver-assist systems and audio settings.

The Transit Custom’s advanced

common-rail turbo-diesel engine meets Euro 6.2 emissions standards, while delivering 125kW of power, which is up by 30 per cent on the previous model. The upgraded two-litre EcoBlue powertrain offers 390Nm of torque.

Ford says the new Transit Custom 320S Sport Van adds more performance with 136kW of power and 405Nm of torque – available exclusively as a six-speed automatic – in addition to distinctive exterior and equipment upgrades.

Inside, the 320S Sport boasts an upgraded interior. This includes a 10-way power adjustable driver’s seat and partial leather seat trim to complement the textured leather steering wheel.

Design details include a gloss-

black applique and detailing, plus chrome-vent surrounds. The rear load area features new LED lighting for greater visibility alongside the steel bulkhead, side-wall trim board and load floor-protection is standard on all Custom van models.

The DCiV, which output’s statistics are 125kW and 390Nm, includes the upgraded powertrain and standard AEB with pedestrian detection. Its six seats are accessed by dual side load doors – three at the front and three at the rear, and 4.4 cubic metres of load space.

The Custom Sport Van is priced from \$59,990 after its special offer of \$49,990. The DCiV starts at \$64,990, while the Ford Standard Cargo costs from \$63,990 for the 350L rear-wheel-drive 2.0TD 6MT. Ⓞ

Bolder on outside

The 2020 Hilux features a tougher-looking exterior on most variants and a beefed up 2.8-litre turbo-diesel engine offering more power and better fuel efficiency than its predecessor.

The revised exterior styling delivers a robust on-road presence for the ute, “which takes its lead from the global Toyota truck family and reinforces its renowned heritage and go-anywhere credentials”.

Under the hood, the turbo diesel’s power has been boosted to 150kW and peak torque on automatic models has been ramped up by 11 per cent to 500Nm. The power increase was achieved by modifications to the

cylinder block, pistons, turbo design and cooling system.

Inside, the touchscreen for all variants has been upgraded to an eight-inch display, while the audio system includes Apple CarPlay and Android Auto.

The range offers consumers a wide range of choice. In addition to the turbo diesel, the Hilux is available with a 2.7-litre four-cylinder petrol engine. Both two-wheel-drive (2WD) and 4WD options are available along with four body styles – single, extra, double cab and cab chassis.

The range has four specification levels – Workmate, SR, SR5 and the range-topping SR5 Cruiser, with the latter available in 2WD and



4WD and only in automatic.

“Millions of Hiluxes have been sold worldwide and they keep going, year after year,” says Neeraj Lala, chief operating officer at Toyota NZ.

“We are excited to launch this new range to our customers as it has more power, better handling and stays true to brand quality.

“We will also be introducing a special launch-edition Hilux

inspired by the recent success of the Gladiator. It will be a special custom-built Hilux for New Zealand customers and conditions.

“A true Kiwi icon, the 2020 version comes with comprehensive safety technology and performance enhancements that make it even better to drive for work or play. It is the most technologically advanced ute ever offered by Toyota.” Ⓞ

Virus throws top event into doubt

As the world wakes up from its coronavirus-induced slumber, Covid-19 has had one final lash at Kiwi motorsport with Rally NZ's future in the balance.

Organisers were forced to cancel the World Rally Championship (WRC) event this year having run out of time to complete the necessary pre-work for it.

Now the FIA has issued a first draft WRC calendar for 2021 and it does not feature a Rally NZ slot.

Australia is back, which indicates the governing body may consider Antipodean rallying to be well-served. Also gone are Rally Great Britain and Rally Finland.

Insiders say two teams want a slimmed-down calendar for next year comprising of just 10 rounds, while the WRC's promoter is pushing for 12. This leaves 11 as a possible compromise.

There had also been an



Hayden Paddon competing in Rally NZ

unsuccessful push to adopt European Rally Championship rounds to keep travel costs down.

The desire to reduce the size of the calendar comes as automotive brands grapple with the effects of Covid-19 on sales. Budgets to develop new hybrid cars for 2022 are either being cut or frozen.

WINNERS DECLARED

The 2020 championship titles interrupted by Covid-19 will be resolved by September with many simply being declared early.

The Hi-Q Components NZ Formula First Championship ended one round early after series organisers decided to declare the 2019/20 title amid ongoing uncertainty caused by the coronavirus pandemic. Reece Hendl-Cox was named winner and has now taken back-to-back titles.

In F1600, the ITM NZ Formula Ford Championship has been decided early after the organisers voted to cancel the final round after exhausting viable options for a series finale. Billy Frazer has been crowned champion.

The Covid-19 restrictions and cancellation of the final two rounds have also forced the BNT V8s to declare the 2019/20 championship under "force majeure" with Andre Heimgartner being announced as the season's top driver. The popular series is now awaiting the debut of its new

TA2 cars and the restoration of full championship status.

John De Veth has been crowned Group GT1 and overall GTRNZ champion after it was announced that the revised Speedworks round in September will be a non-competition event.

The stand-out championship is the Best Bars Toyota 86 series in which Peter Vodanovich holds a narrow lead. Currently, the series will run its final round at the Speedworks finale.

SERIES IN EASTER

The V8 Supercars will return to New Zealand over Easter weekend 2021, according to Auckland Tourism, Events and Economic Development (Ateed).

Ahead of any official confirmation from the troubled series itself, the council-controlled organisation has also given the strongest possible hint that the event will return to Pukekohe.

It was unable to run this year due to a provision in the venue's management plan and resource consent that it would not run motor-racing events on Anzac Day.

Ateed's current contract for the event ends in 2021 and its general manager, Steve Armitage, says he does not expect any such issue next year.

"We've felt previously when we've had the Anzac round that it has provided a great opportunity for us to celebrate the relationship between the two countries," he adds. "We know the local community has high regard for the event and is very keen to see it come back to Pukekohe."

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WRC MEETINGS FOR 2021 - FIRST DRAFT

Event	Headquarters	Surface
Rally Australia	Coffs Harbour, New South Wales	Gravel
RACC Rally Catalunya de España	Salou, Catalonia	Tarmac/gravel
Rally Chile	Concepción, Biobío	Gravel
Rally Finland	Jyväskylä, central Finland	Gravel
Rally Italia Sardegna	Alghero, Sardinia	Gravel
Rally Japan	Nagoya, Chubu	Tarmac
Rallye Automobile Monte Carlo	Gap, Provence-Alpes-Côte d'Azur	Tarmac/snow
Rally de Portugal	Matosinhos, Porto	Gravel
Safari Rally Kenya	Nairobi, Nairobi county	Gravel
Rally Sweden	Torsby, Värmland	Snow

Debut Porsche win chalked up

Auckland-based driver Connor Adam is celebrating a month of firsts after dominating the Pirelli Porsche Cup Series on his debut at Bruce McLaren Motorsport Park in Taupo.

It was his first race since lockdown, his first race in a 997 and the first full-weekend hat-trick of wins in his career. Nationally, it was the first championship event held post-lockdown.

Adam, a regular at the Toyota 86 Championship, went up against series veteran Brian McGovern, Wellington-based Robert Dong and Jim McKernan to take out pole position in qualifying. He then led from the front to win both sprint and endurance races.

The weekend left the 21-year-old with a firm intention of securing more Porsche-based racing as soon as possible.

The transition from the 86 to the first-evolution GT3 came after he joined seasoned Porsche driver Will Bamber in an iRacing endurance event and, once in the "real thing", Adam describes the difference as acute.

"The 86s are definitely road vehicles built into race cars, and they are much simpler. The 997 has been designed as a racer with all the resources of Porsche's factory behind it."

The Toyota 86 cars are all manufactured in Auckland to a specification unique to New Zealand, while the 997 is factory-built as a racer.

Front-engined with a 50-50 race weight distribution, the 86 has never been accused of being



Connor Adam, below, and in action during the Pirelli Porsche Cup Series



The starting line-up at Bruce McLaren Motorsport Park

overburdened with power or torque. By contrast, the rear-engined GT3 balances power and torque with a factory aerodynamic package and massive braking capability.

"You're a lot busier in the Porsche, but it's much more rewarding," says Adam. "I had been prepared to mentally reset all my braking and power markers at Taupo, but in the end the Porsche could stop and go at roughly the same places – just the straights got a lot shorter."

The 997 was hitting the same speed on Taupo's short start-finish straight as the 86s were topping out on its long back straight.

The vehicle he ran was leased for the event, but mechanically and technically the big step was made easier by Adam's day job working for Lyall Williamson's International Motor Sport Group (IMS).

"I have worked for Lyall for four years now and I've got to know the workings of a 997 very well

in that time. That gives you more mechanical sympathy than many drivers. You know if you ride the kerbs too much that there's a limit to the endurance of the car and you know what time that will cost you making repairs."

Having grabbed the chance to race, Adam had mainly gone to Taupo with the aim of getting seat time in the Porsche. He missed one practice session when the throttle cable failed and went into qualifying having never heel-and-toed the car into corners or run a qualification-paced lap, and credits Will Bamber's presence in the pit lane as the biggest advantage he had all weekend.

"We proved you don't have to have the biggest engine to win. Ours is a 3.6-litre and we were up against 3.8 and 4.3 units in Evo 2 cars with more aero. Will's experience racing Porsches in south-east Asia meant that I

learned a lot about race strategy."

Bamber would normally have been back at his Malaysian base at this time of year, so in a way Adam has the Covid-19 pandemic to thank for the weekend coming together as it did.

"The Bammers and my dad [Simon Adam] had been talking, and they offered the chance to do the 12-hour e-race with them. It all evolved from there."

Next up for Adam is a final race of the 2020 Toyota 86 series on a date to be confirmed, but he admits to being hooked on the Porsche.

More lap time in a Porsche on Kiwi tracks may also be on the way and Adam is keen to be racing over summer, with his 86 as a fall-back option. The key, as always, is funding.

"It's not necessary to have an unlimited budget. It's much more important to spend your budget where it matters, where it makes a difference to performance on track." ⊕



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Tribunal cases 'often' involve cars being on-sold with major damage repaired

Background

Benjamin Cooper wanted to reject the 2015 Suzuki Swift that he purchased for \$14,500 from ANZ Autoparts Ltd in May 2019.

Cooper said the dealer breached the Fair Trading Act (FTA) by failing to disclose the vehicle had been damaged, deregistered, fixed and reregistered before it was supplied to him.

He added he wouldn't have purchased the Swift if ANZ Autoparts had told him that and he also claimed the car had a significant transmission fault that meant it wasn't of acceptable quality for the purposes of the Consumer Guarantees Act (CGA).

The case

Cooper had the car assessed by Nelson Bays Motor Group, a Suzuki franchise, which found evidence of previous damage and repairs.

These included broken interior panel clips, a bent rear-engine mount bracket, the transmission sump was pushed in, damage to the left side sill and chassis rails, and the front bumper and radiator supports had been repainted and replaced.

Cooper also provided photos of structural repairs to the front of the car that were consistent with extensive accident damage.

The tribunal's assessor said the vehicle would have been written off if an insurance claim had been made. He said there was also unrepaired damage to the transmission sump, which was likely to be causing performance issues. This was because the dent in the

sump would cause the oil pick-up to become partially blocked, affecting fluid pressure in the transmission.

Cooper provided a CarJam report showing the Swift was registered on October 13, 2015, with ANZ Autoparts buying it in February 2018. It was reregistered on October 17, 2018. This evidence showed it was deregistered and reregistered during the trader's ownership, so it knew – or should have known – of the vehicle's history.

Further, finance for the purchase was arranged through The Car Company Ltd. Its business manager Damien Taylor was concerned the registration plates had been changed and queried whether it was a "rebuild".

In an email dated May 10, Cooper raised his concerns with ANZ Autoparts, which replied the plates were changed because one was lost. However, the trader could have bought a replacement plate rather than reregistering the car.

Cooper added the consumer information notice (CIN) provided by the dealer incorrectly noted the vehicle hadn't been reregistered.

The finding

ANZ Autoparts didn't attend the hearing or provide any information in response to Cooper's claim.

Based on evidence provided, the tribunal found it highly likely the trader knew the vehicle had suffered significant structural damage, which it had repaired before selling it.

The CarJam report proved the Swift was deregistered and

reregistered during ANZ Autoparts' ownership.

In the tribunal's experience, a car was reregistered for one of two reasons – either its registration lapsed or the vehicle was written off for insurance purposes.

In this case, the evidence showed the Swift was most likely deregistered because it was damaged in an accident. In addition to being a trader, ANZ Autoparts was also an auto wrecker.

The dealer didn't disclose the vehicle's history to Cooper and actively misled him by providing an untrue explanation about why its plates were changed, and by stating on the CIN that the vehicle hadn't been reregistered. Those actions breached the FTA because, under the act, silence or failure to disclose a material fact can constitute misleading or deceptive conduct and the car's history was a material fact.

The adjudicator said stigma was attached to vehicles deregistered because of accident damage and any reasonable consumer would perform careful due diligence before purchasing such cars.

It was accepted the buyer wouldn't have chosen the Swift if he had been aware of its history and he had suffered loss as a result of purchasing it.

The tribunal often encounters cases involving vehicles that have suffered significant accident damage and are then repaired before sold to unsuspecting consumers. Common to those cases is evidence that, although there is a market for such cars, they are worth

The case: The purchaser wanted to reject his Suzuki Swift after discovering it had been seriously damaged, deregistered and repaired before then being reregistered. He added the car had a significant transmission fault. The trader failed to appear at the hearing without offering a reasonable explanation for its absence.

The decision: The tribunal ordered the dealer to pay the buyer \$14,671.48. This was a refund of the purchase price, associated costs and hearing costs of \$650, minus depreciation.

At: The Motor Vehicle Disputes Tribunal, Auckland.

less because of their histories.

Further, given the extent of the Swift's damage and repairs, the adjudicator considered a reasonable consumer wouldn't have bought it without extensive pre-purchase checks on its structural integrity and durability.

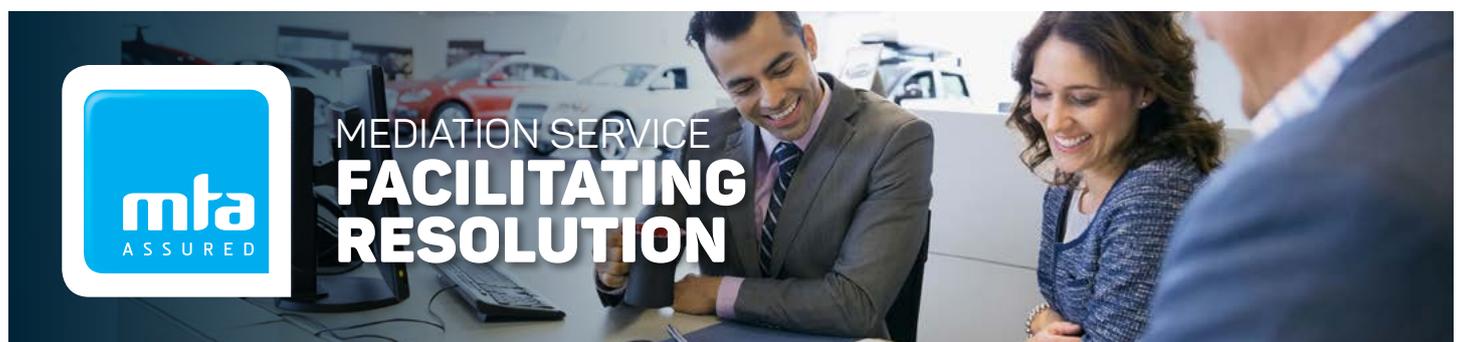
In this case, although such an inspection was performed by My Auto Tech, Cooper didn't perform more extensive pre-purchase inspections because ANZ Autoparts failed to disclose the vehicle's history.

Orders

The tribunal ordered ANZ Autoparts to refund Cooper the car's purchase price of \$14,500, less \$1,000 for depreciation over eight months of ownership.

The dealer also had to pay for loss and damage suffered by the buyer. This included \$700 for finance interest, \$208.73 for the mechanical inspection, \$63.75 for photos of the damage to the vehicle and \$149 for the pre-purchase inspection.

The tribunal also awarded \$50 costs against the trader for failing to attend the hearing without reasonable cause and hearing costs of \$650. ☺



Problems with vehicle deemed 'minor' as issues raised of time for parts' supply

Background

Ashleigh Lowe bought a new Haval H6 Lux from Euromarque Holdings Ltd on May 7, 2019 for \$38,270.

About two months post-purchase, it developed three faults – most significantly a noisy steering wheel, which needed repairing.

Lowe and her partner Luke Dennison said buying the car wasn't the safe, reliable, trouble-free experience they had expected. Instead, they were inconvenienced because they took time off work to return it to the trader for repairs.

She also claimed she was misled by Euromarque because the salesperson told her the H6 Lux had no known faults. However, the couple said they were subsequently told by the dealer that it had experienced a similar steering fault on other vehicles.

They lodged an application to see if there were any remedies available to them in regard to the faults under the Consumer Guarantees Act (CGA) and the Fair Trading Act (FTA).

The trader said it hadn't misled the buyer, fixed the problems and a three-week wait time for parts was comparable to other marques.

The case

The trader's saleswoman told Lowe pre-purchase that she was unaware of the Haval having known faults. But about two months later, the couple noticed a knocking noise coming from its steering wheel.

Lowe was worried the steering

would fail and she would crash the car with her children onboard. Other than the noise, the couple said it wasn't affected in any way.

She returned the vehicle to Euromarque last July. A technician traced the noise to the steering column adjustment area and repositioned tension springs to eliminate it.

The technician recommended the column be replaced to ensure the fault didn't return. The trader said it would take three weeks for a replacement to come from China, but the couple could safely use the car during that time.

On January 16 at a meeting with the trader, Lowe recalled her earlier conversation with the salesperson when she understood Matthew Pullan, after-sales manager, had admitted the column knocking noise was a known issue.

He said he told Lowe that Euromarque had replaced a same part in another Haval because it had been in an accident, not because of a noise issue.

Pullan and Todd Groves, country manager of Haval Motors NZ, confirmed that, to their knowledge, the issue wasn't a known issue with the model, and the new steering column was fitted in November.

That same month, the air-conditioning unit malfunctioned. Euromarque said it would take about five weeks to get a replacement part from China.

As a temporary fix, a part was taken from a demonstration car,

but that also failed. The trader repaired the unit by replacing a plug behind the dashboard with a locally sourced part.

Some of the vehicle's LED bulbs in the high-stop brake light also failed. Again, Lowe was told it would take about three weeks for parts to arrive from China. Euromarque said 75 per cent of the light worked, so it met warrant of fitness requirements and she could still use the car until the part arrived.

Because of Lowe's concern over the time it took to get parts from China, the tribunal asked Haval Motors New Zealand's manager, Todd Groves, to attend the hearing.

Section 12 of the CGA provides that in respect of goods that are "first supplied to a consumer in New Zealand, there is a guarantee the manufacturer will take reasonable action to ensure supply of parts for the goods are reasonably available for a reasonable period after the goods are supplied".

The tribunal asked Groves if there were problems in relation to the supply of Haval parts in this country or just delays in supplying parts for the H6 Lux.

Groves denied there were any issues regarding supply and delivery times were comparable to other manufacturers.

The finding

The tribunal found that although the Haval's faults amounted to a failure to comply with the CGA's

The case: Owning a new vehicle hadn't been the trouble-free experience the buyer had expected after her Haval H6 Lux developed faults following purchase. The buyer claimed she was misled by the trader's salesperson who said it had no known faults, so she sought remedies under two acts. The trader repaired the faults, although there were delays awaiting parts from China.

The decision: The tribunal ruled the car's faults were minor and dismissed the application.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

guarantee of acceptable quality, they were only "minor defects" and Lowe hadn't established that the safety of the car's steering was compromised by the knocking noise.

Although the repairs to the vehicle were an inconvenience to the couple, the problems were quickly fixed by the trader.

The tribunal wasn't persuaded there were any issues in respect to the time it took for the trader to supply parts for Havals and the manufacturer had arrangements for fast-tracking local parts when necessary.

As for the buyer's claim that the trader breached the FTA, the tribunal was satisfied that a reasonable person in Lowe's situation would not have been misled or deceived by the saleswoman's statements because there was no proof issues with the car could be described as "known faults".

Order

The tribunal ruled there were no remedies available to the buyer under the CGA and the FTA, so the application was dismissed. ⊕

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	Osaka	1 Jul	18 Jul	1 Aug	15 Aug
	Nagoya	2 Jul	19 Jul	2 Aug	16 Aug
	Yokohama	3 Jul	20 Jul	3 Aug	17 Aug
NEW ZEALAND	Auckland	21 Jul	7 Aug	20 Aug	5 Sep
	Wellington	3 Aug	11 Aug	31 Aug	9 Sep
	Lyttelton	1 Aug	10 Aug	29 Aug	8 Sep
	Nelson	4 Aug	15 Aug	3 Sep	13 Sep

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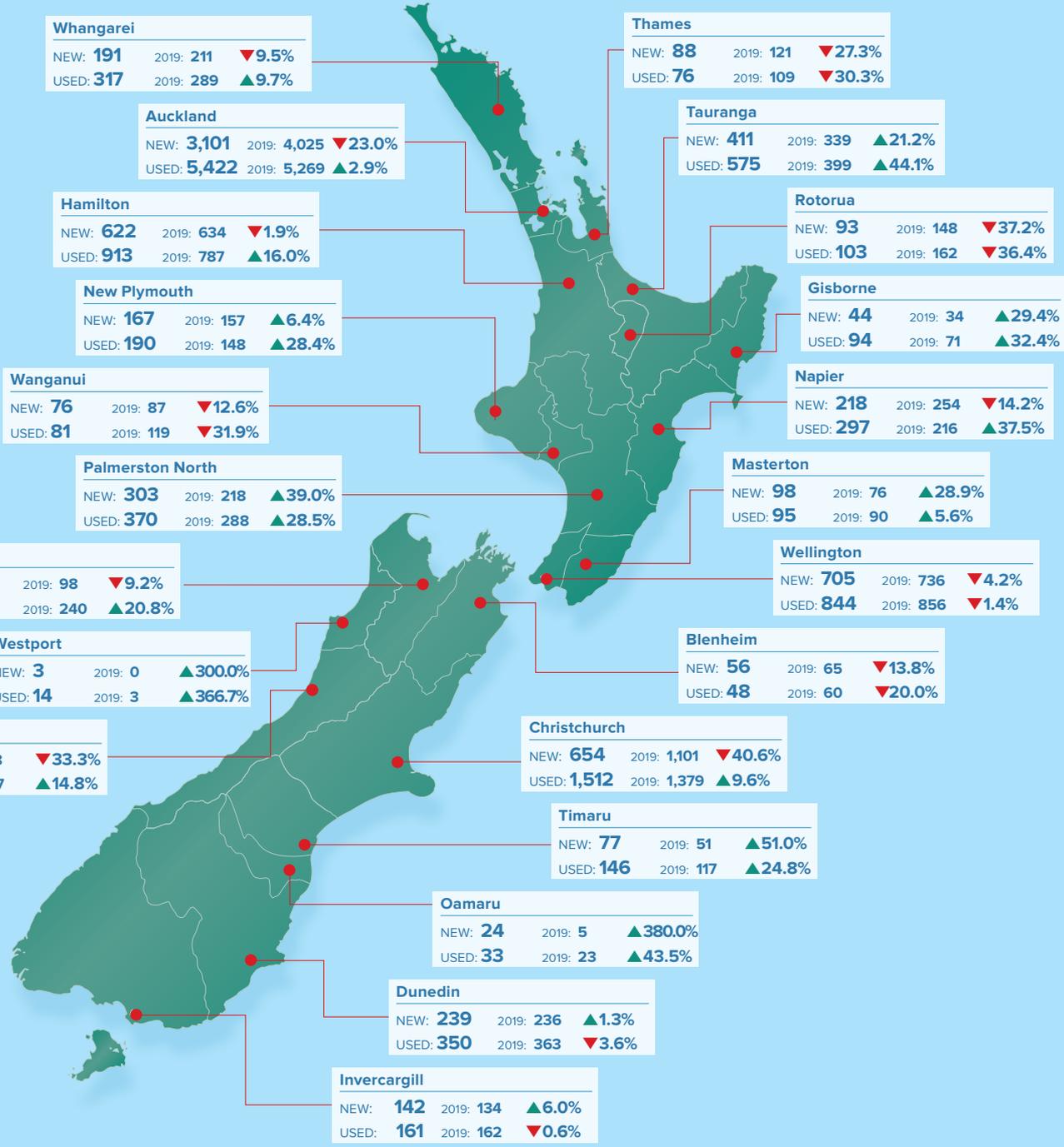
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Total new cars
7,413
 2019: 8,748 ▼ 15.3%

Total imported used cars
11,962
 2019: 11,177 ▲ 7.0%



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Imported Passenger Vehicle Sales by Make - Jun 2020

MAKE	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	2,789	2,474	12.7	23.3%	12,831	24.1%
Nissan	2,084	2,323	-10.3	17.4%	9,769	18.4%
Mazda	1,924	1,755	9.6	16.1%	8,482	16.0%
Honda	1,127	1,251	-9.9	9.4%	5,219	9.8%
Subaru	866	648	33.6	7.2%	3,675	6.9%
BMW	538	377	42.7	4.5%	2,043	3.8%
Mitsubishi	487	538	-9.5	4.1%	2,161	4.1%
Suzuki	475	597	-20.4	4.0%	2,325	4.4%
Volkswagen	433	368	17.7	3.6%	1,735	3.3%
Audi	296	184	60.9	2.5%	1,083	2.0%
Mercedes-Benz	184	121	52.1	1.5%	662	1.2%
Lexus	183	110	66.4	1.5%	669	1.3%
Ford	86	53	62.3	0.7%	394	0.7%
Volvo	83	56	48.2	0.7%	313	0.6%
Land Rover	48	26	84.6	0.4%	187	0.4%
Mini	44	20	120.0	0.4%	149	0.3%
Jaguar	42	26	61.5	0.4%	157	0.3%
Holden	40	32	25.0	0.3%	164	0.3%
Jeep	39	20	95.0	0.3%	121	0.2%
Chevrolet	35	39	-10.3	0.3%	176	0.3%
Dodge	29	25	16.0	0.2%	111	0.2%
Hyundai	19	19	0.0	0.2%	126	0.2%
Kia	16	9	77.8	0.1%	59	0.1%
Porsche	14	12	16.7	0.1%	77	0.1%
Chrysler	12	15	-20.0	0.1%	76	0.1%
Renault	8	8	0.0	0.1%	37	0.1%
Daihatsu	6	3	100.0	0.1%	17	0.0%
Alfa Romeo	5	2	150.0	0.0%	13	0.0%
Citroen	5	4	25.0	0.0%	27	0.1%
Peugeot	5	16	-68.8	0.0%	45	0.1%
Chrysler Jeep	4	3	33.3	0.0%	13	0.0%
Cadillac	3	4	-25.0	0.0%	31	0.1%
Range Rover	3	3	0.0	0.0%	6	0.0%
Skoda	3	1	200.0	0.0%	8	0.0%
Aston Martin	2	0	200.0	0.0%	10	0.0%
Others	25	35	-28.6	0.2%	183	0.3%
Total	11,962	11,177	7.0	100.0%	53,154	100.0%

Imported Passenger Vehicle Sales by Model - Jun 2020

MAKE	MODEL	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Mazda	Axela	648	574	12.9	5.4%	2,893	5.4%
Honda	Fit	470	525	-10.5	3.9%	2,253	4.2%
Toyota	Aqua	416	270	54.1	3.5%	2,019	3.8%
Suzuki	Swift	387	492	-21.3	3.2%	1,953	3.7%
Mazda	Demio	377	392	-3.8	3.2%	1,860	3.5%
Toyota	Prius	348	336	3.6	2.9%	1,720	3.2%
Subaru	Impreza	315	224	40.6	2.6%	1,398	2.6%
Nissan	Tiida	308	456	-32.5	2.6%	1,664	3.1%
Subaru	Legacy	287	251	14.3	2.4%	1,236	2.3%
Mitsubishi	Outlander	272	303	-10.2	2.3%	1,163	2.2%
Volkswagen	Golf	269	252	6.7	2.2%	1,097	2.1%
Mazda	Atenza	255	254	0.4	2.1%	1,087	2.0%
Nissan	X-Trail	226	184	22.8	1.9%	876	1.6%
Toyota	Corolla	214	139	54.0	1.8%	975	1.8%
Nissan	Leaf	212	290	-26.9	1.8%	1,057	2.0%
Nissan	Note	203	197	3.0	1.7%	928	1.7%
Mazda	Premacy	197	153	28.8	1.6%	853	1.6%
Nissan	Dualis	185	252	-26.6	1.5%	857	1.6%
Toyota	Wish	184	257	-28.4	1.5%	918	1.7%
Toyota	Vitz	183	236	-22.5	1.5%	925	1.7%
Toyota	Blade	178	97	83.5	1.5%	594	1.1%
Nissan	Skyline	153	131	16.8	1.3%	617	1.2%
Toyota	Vanguard	152	85	78.8	1.3%	623	1.2%
Mazda	CX-5	148	106	39.6	1.2%	566	1.1%
Nissan	Serena	139	124	12.1	1.2%	608	1.1%
Nissan	Juke	126	102	23.5	1.1%	572	1.1%
Toyota	Auris	120	168	-28.6	1.0%	682	1.3%
BMW	320i	115	74	55.4	1.0%	378	0.7%
Toyota	MarkX	107	101	5.9	0.9%	445	0.8%
Honda	CRV	106	97	9.3	0.9%	474	0.9%
Subaru	Forester	105	86	22.1	0.9%	428	0.8%
Mazda	Verisa	99	107	-7.5	0.8%	437	0.8%
Honda	Stream	91	156	-41.7	0.8%	526	1.0%
Nissan	March	86	101	-14.9	0.7%	463	0.9%
Toyota	Ractis	84	122	-31.1	0.7%	468	0.9%
Others		4,197	3,483	20.5	35.1%	17,541	33.0%
Total		11,962	11,177	7.0	100.0%	53,154	100.0%



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Some struggle but signs positive

A direct-to-consumer business selling used imports to Kiwis has folded less than six years after its first premises opened in this country, with some of the blame for the decision put on the impact of the coronavirus pandemic.

The company, which employed 38 staff nationwide, shut its last branch on Auckland's North Shore on June 22. It follows the closure of its outlets in East Tamaki and Christchurch.

In a statement on its website, Gulliver says: "Due to various reasons and with the impact of Covid-19, unfortunately we have no choice but to close all our branches. Knowing we have been supported by you all, it has been a difficult decision to make, but we would like to ask for your understanding."

The maintenance and servicing of its vehicles is being transferred to another Japanese-owned dealership, Ichinen Autos, which has premises in Penrose and Greenlane, Auckland. The statement adds July will be a handover period and Ichinen will respond to any Gulliver customer enquiries from August 1.

Kazuko Mori, manager of Ichinen Autos, told Autofile on June 23 that the companies were due to meet before the end of the month to arrange handover details.

"We're sorry to hear Gulliver is closing," she says. "We have been dealing with Gulliver before and doing some service work for them, so will be happy to take over the servicing work for their customers."

"Nothing has been confirmed yet, we're waiting on some



information from them and we will be having a meeting to sort out the paperwork. We will probably start doing their work from August."

It was in October 2014 that Gulliver International, which described itself as Japan's largest marketer of used cars at the time, announced its aim of opening up to 30 stores in this country within three years with an annual sales target of 10,000 units.

The first of its used-import outlets opened in Newmarket, Auckland, the following month. Customers were able to buy cars on display or use an online interface to search Gulliver's

Sales climb

There was a seven per cent increase in the number of used imported passenger vehicles registered in New Zealand last month. The total in June came in at 11,962, which surpassed 11,177 first-time registrations in the same month of last year. The top-selling model was Mazda's Axela on 648, up by 12.9 per cent. It was followed by the Honda Fit with 470 sales, which were down by 10.5 per cent, while Toyota's Aqua came third on 416 on the back of a 54.1 per cent jump.

inventory of more than 4,000 vehicles listed for sale in Japan.

The idea was for Kiwis to pay the same prices as in Japan – plus taxes, shipping fees and other expenses – for stock that was

mainly three to five years old.

It's not all doom and gloom in the market, with many dealers around the country reporting brisk trade. One of them is Dave Boot, of EV City in Christchurch.

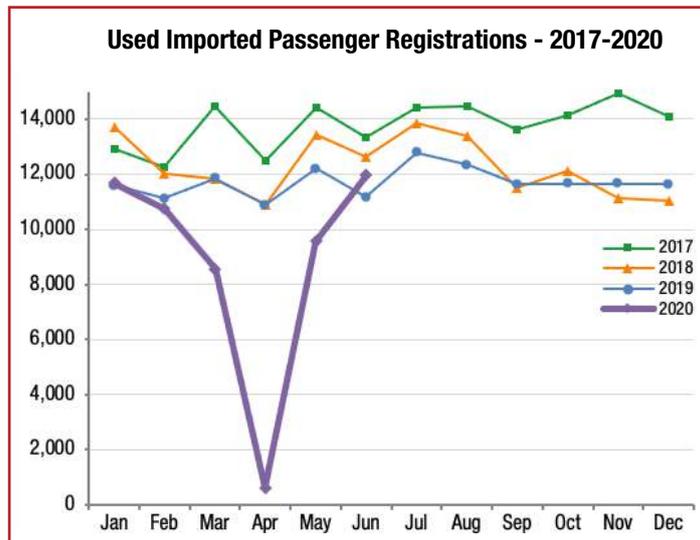
While conceding it may be a bit early to make bold statements, he reports the week starting June 8 as the business' "best ever".

"That could be truncated business from people who were wanting to buy an electric vehicle previously, who have suddenly come out and decided to make the move now we're at level one," he says.

"The early signs are very good and the level of enquiry is up there with where it was prior to lockdown. There has been a lot more consumer confidence than we expected because the shift to level one made people think now was an appropriate time to spend money on something like an EV."

Boot puts that down to the demographic of his clients and early adopters of electric cars not being immediately affected by the economic slump.

"Most of our clients are retired and there's usually less worry for them about what the recession is going to do. Most of our customers have paid off their mortgages, are relatively unexposed financially and are non-finance buyers." ☺



Alert issued for stolen vehicles

A used-car dealer in Japan is calling for his Kiwi counterparts to be on their guard after thieves nabbed some of his stock.

Masaki Arai, managing director of Unity Corporation, says the five Mazdas with a total value of about \$18,500 were taken from a truck driver's yard near Tokyo.

He had purchased the four Axelas and one Atenza from dealer auctions. They were in the process of being delivered to premises in Saitama, which is also close to Japan's capital.

"They were ready to be loaded onto a truck, so all the keys were

in them," he told Autofile. "There was a gate, but someone broke the chain and drove them away without any plates because they had been deregistered.

"The cars weren't expensive so I'm not sure why they stole them and they have no value as parts because there are thousands of the same vehicles in Japan, but it's hard for me because we're a small company. Maybe whoever took them was trying to make money because they have lost their job due to coronavirus."

Arai, whose company ships up to 400 used vehicles to New Zealand annually, has given details

of the cars, which were taken overnight on May 30, to the police, customs agents and shipping lines.

"I've also sent the details to my customers. Maybe after one or two months, they could be in New Zealand. I don't think they'll have the same chassis number because I have all the paperwork. But in case they do, or anyone finds these cars, please contact me or the police."

Visit www.autofile.co.nz for full details about the vehicles and their chassis numbers.

IMPORT LEVELS DOWN

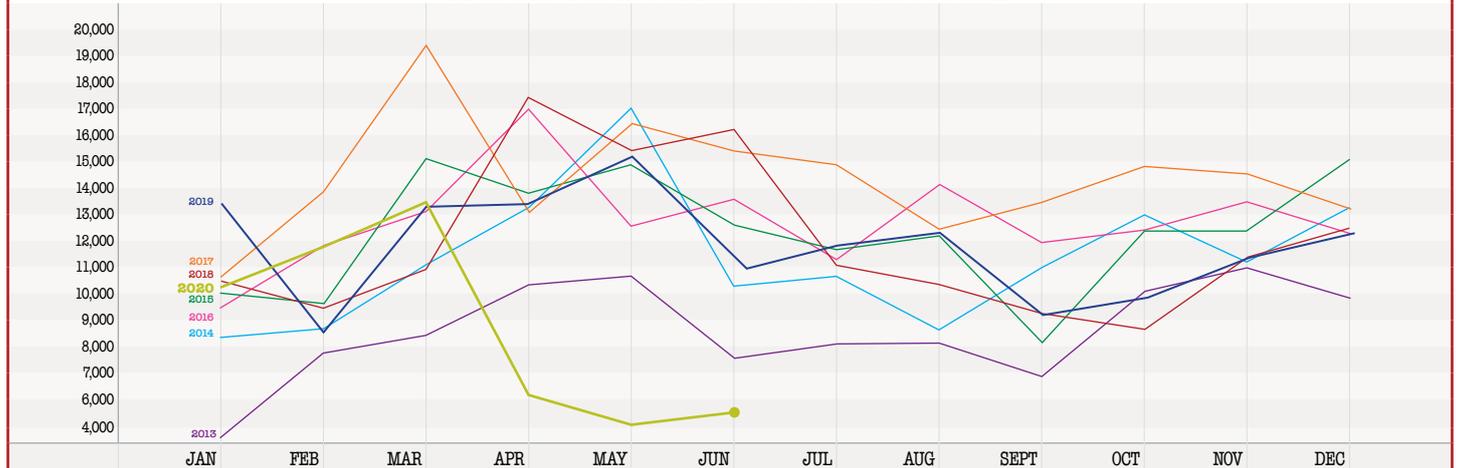
There were 5,058 used passenger vehicles imported in June, which

was a drop of 53.7 per cent compared to the same month a year ago. However, the total was up by 24.1 per cent from the 4,076 that came in during May 2020.

Of June's total, 4,413 used cars were from Japan. This represented 87.3 per cent of last month's total – lower than its market share of 93.2 per cent for the year to date.

There were 352 used cars imported from Australia last month, down by 47.1 per cent on June 2019. This was seven per cent of last month's overall total, or more than double its market share of 3.4 per cent for the first six months of 2020. ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2020								2019		2018	
	JAN '20	FEB '20	MAR '20	APR '20	MAY '20	JUN '20	JUN SHARE%	2020 TOTAL	2019 TOTAL	MRKT SHARE	2018 TOTAL	MRKT SHARE
Australia	278	449	326	255	289	352	7.0%	1,949	5,148	3.6%	4,183	2.9%
Great Britain	76	52	56	45	52	25	0.5%	306	894	0.6%	1,026	0.7%
Japan	9,541	11,096	12,554	5,690	3,614	4,413	87.2%	46,908	132,494	93.8%	134,510	94.2%
Singapore	105	132	147	101	81	155	3.1%	721	1,678	1.2%	1,531	1.1%
USA	72	50	47	37	26	18	0.4%	250	664	0.5%	1,108	0.8%
Other countries	29	10	15	21	14	95	1.9%	184	340	0.2%	415	0.3%
Total	10,101	11,789	13,145	6,149	4,076	5,058	100.0%	50,318	141,218	100.0%	142,773	100.0%



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Dealers warned about trade plates

The Imported Motor Vehicle Industry Association (VIA) is reminding dealers that clients should not be making personal side trips when test driving cars.

The advice comes after reports a customer was caught by police running a personal errand while using a vehicle carrying trade plates.

VIA has reiterated the rules, saying the purpose of test drives is purely for potential buyers to assess the model they are interested in.

"A dealer recently loaned a van to a customer for evaluation and to confirm it was fit for purpose for their business," says Malcolm

Yorston, VIA's technical manager.

The would-be buyer was stopped by a police officer who asked why trade plates were being used on the vehicle and the customer responded to go to a pharmacy to pick up some medication.

"The officer then, correctly, told them they would get a ticket for \$150, plus 20 demerit points, for operating an unregistered vehicle," adds Yorston.

"VIA reminds all members who allow customers to have vehicles for test drives and evaluation to stress they are not to use the vehicle for personal errands because this isn't permitted under

the rules for the use of trade plates."

Had the prospective purchaser been checking whether the space in the back of the van was suitable for loading goods carried in the course of the business and had told the police officer this, that would have been seen as a legitimate use.

VIA says key points dealers should follow around trade plates include making sure customers understand test drives are to evaluate vehicles and that they are not permitted to use them for personal reasons.

Dealership staff should also be aware of the regulations around such plates so they understand

personal trips for themselves are also not permitted.

TRADER SALES UP

There was a 36.7 per cent increase in sales of second-hand cars by dealers to members of the public last month.

They climbed to 22,051 from 16,129 in June 2019. Auckland rose 28 per cent from 5,591 to 7,155, but the biggest increase was Palmerston North – up by 63.7 per cent from 662 to 1084.

Trade-ins climbed by 20.3 per cent to 15,355 from 12,761 over the same timescale. Hamilton led the charge – up 44.3 per cent from 943 units in June 2019 to 1,361 last month. ☺

SECONDHAND CAR SALES - Jun 2020

	DEALER TO PUBLIC				PUBLIC TO PUBLIC				PUBLIC TO DEALER			
	JUN '20	JUN '19	+/- %	MARKET SHARE	JUN '20	JUN '19	+/- %		JUN '20	JUN '19	+/- %	
Whangarei	705	535	31.8	3.20	2,315	1,926	20.2		267	234	14.1	
Auckland	7,155	5,591	28.0	32.45	15,076	12,828	17.5		6,154	4,883	26.0	
Hamilton	1,995	1,302	53.2	9.05	4,375	3,085	41.8		1,361	943	44.3	
Thames	271	247	9.7	1.23	549	617	-11.0		95	183	-48.1	
Tauranga	1,251	777	61.0	5.67	3,244	2,022	60.4		705	540	30.6	
Rotorua	332	387	-14.2	1.51	951	895	6.3		101	117	-13.7	
Gisborne	204	142	43.7	0.93	478	347	37.8		41	51	-19.6	
Napier	784	568	38.0	3.56	1,742	1,335	30.5		522	436	19.7	
New Plymouth	505	384	31.5	2.29	1,127	1,010	11.6		262	218	20.2	
Wanganui	250	212	17.9	1.13	533	565	-5.7		131	120	9.2	
Palmerston North	1,084	662	63.7	4.92	2,202	1,606	37.1		1,076	1,194	-9.9	
Masterton	256	196	30.6	1.16	558	464	20.3		123	86	43.0	
Wellington	2,036	1,410	44.4	9.23	3,648	3,003	21.5		1,262	976	29.3	
Nelson	334	253	32.0	1.51	1,222	992	23.2		185	188	-1.6	
Blenheim	228	153	49.0	1.03	513	393	30.5		111	87	27.6	
Greymouth	90	60	50.0	0.41	208	179	16.2		63	31	103.2	
Westport	28	6	366.7	0.13	98	25	292.0		0	0	0.0	
Christchurch	2,742	1,972	39.0	12.43	5,770	4,601	25.4		2,024	1,754	15.4	
Timaru	289	168	72.0	1.31	750	479	56.6		102	99	3.0	
Oamaru	87	29	200.0	0.39	284	130	118.5		10	1	900.0	
Dunedin	938	689	36.1	4.25	2,212	1,929	14.7		480	398	20.6	
Invercargill	487	386	26.2	2.21	1,286	1,060	21.3		280	222	26.1	
NZ total	22,051	16,129	36.7	100.00	49,141	39,491	24.4		15,355	12,761	20.3	

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New Passenger Vehicle Sales by Make - Jun 2020

MAKE	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	955	1,561	-38.8	12.9%	5,234	14.6%
Kia	708	562	26.0	9.6%	3,467	9.6%
Hyundai	576	926	-37.8	7.8%	2,403	6.7%
Mazda	561	790	-29.0	7.6%	2,637	7.3%
Suzuki	514	569	-9.7	6.9%	2,613	7.3%
Holden	510	540	-5.6	6.9%	2,262	6.3%
Mitsubishi	478	616	-22.4	6.4%	2,518	7.0%
Nissan	408	393	3.8	5.5%	1,818	5.1%
Volkswagen	334	304	9.9	4.5%	1,345	3.7%
Honda	293	333	-12.0	4.0%	1,657	4.6%
Subaru	240	282	-14.9	3.2%	1,199	3.3%
Mercedes-Benz	209	193	8.3	2.8%	898	2.5%
Audi	168	161	4.3	2.3%	645	1.8%
BMW	159	159	0.0	2.1%	714	2.0%
Ford	154	326	-52.8	2.1%	1,368	3.8%
Skoda	123	122	0.8	1.7%	561	1.6%
Land Rover	97	96	1.0	1.3%	452	1.3%
SsangYong	97	96	1.0	1.3%	354	1.0%
Lexus	93	72	29.2	1.3%	370	1.0%
Haval	92	81	13.6	1.2%	332	0.9%
MG	81	41	97.6	1.1%	383	1.1%
Jeep	70	66	6.1	0.9%	361	1.0%
Peugeot	70	66	6.1	0.9%	373	1.0%
Tesla	68	16	325.0	0.9%	273	0.8%
Mini	65	77	-15.6	0.9%	329	0.9%
Volvo	47	57	-17.5	0.6%	222	0.6%
Porsche	39	36	8.3	0.5%	217	0.6%
Jaguar	38	79	-51.9	0.5%	189	0.5%
Isuzu	30	15	100.0	0.4%	102	0.3%
Citroen	21	9	133.3	0.3%	106	0.3%
Mahindra	16	13	23.1	0.2%	67	0.2%
Alfa Romeo	14	5	180.0	0.2%	71	0.2%
Renault	14	14	0.0	0.2%	78	0.2%
Seat	12	23	-47.8	0.2%	60	0.2%
Can-Am	10	7	42.9	0.1%	39	0.1%
Others	49	42	16.7	0.7%	228	0.6%
Total	7,413	8,748	-15.3	100.0%	35,945	100.0%

New Passenger Vehicle Sales by Model - Jun 2020

MAKE	MODEL	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	RAV4	404	405	-0.2	5.4%	2,263	6.3%
Kia	Sportage	287	263	9.1	3.9%	1,129	3.1%
Toyota	Corolla	271	464	-41.6	3.7%	1,151	3.2%
Suzuki	Swift	227	229	-0.9	3.1%	1,151	3.2%
Mazda	CX-5	216	287	-24.7	2.9%	1,019	2.8%
Kia	Seltos	202	0	20,200.0	2.7%	1,253	3.5%
Hyundai	Tucson	191	338	-43.5	2.6%	657	1.8%
Nissan	X-Trail	179	163	9.8	2.4%	609	1.7%
Mitsubishi	ASX	163	226	-27.9	2.2%	852	2.4%
Hyundai	Kona	159	179	-11.2	2.1%	670	1.9%
Mitsubishi	Outlander	158	253	-37.5	2.1%	975	2.7%
Nissan	Qashqai	149	189	-21.2	2.0%	962	2.7%
Honda	HR-V	121	96	26.0	1.6%	547	1.5%
Suzuki	Vitara	107	136	-21.3	1.4%	545	1.5%
Holden	Acadia	105	77	36.4	1.4%	450	1.3%
Mazda	CX-30	103	0	10,300.0	1.4%	236	0.7%
Holden	Commodore	99	144	-31.3	1.3%	380	1.1%
Volkswagen	Tiguan	99	83	19.3	1.3%	547	1.5%
Hyundai	Santa Fe	96	189	-49.2	1.3%	456	1.3%
Kia	Rio	94	107	-12.1	1.3%	466	1.3%
Holden	Equinox	93	107	-13.1	1.3%	340	0.9%
Volkswagen	T-Cross	92	0	9,200.0	1.2%	139	0.4%
Toyota	C-HR	85	54	57.4	1.1%	469	1.3%
Subaru	Forester	77	78	-1.3	1.0%	352	1.0%
Honda	Jazz	74	96	-22.9	1.0%	440	1.2%
Subaru	XV	74	114	-35.1	1.0%	394	1.1%
Mitsubishi	Mirage	70	9	677.8	0.9%	157	0.4%
Subaru	Outback	69	63	9.5	0.9%	366	1.0%
Mazda	CX-9	68	82	-17.1	0.9%	287	0.8%
Haval	H2	66	34	94.1	0.9%	230	0.6%
Holden	Spark	66	51	29.4	0.9%	252	0.7%
Holden	Trax	65	97	-33.0	0.9%	477	1.3%
Toyota	Highlander	61	68	-10.3	0.8%	263	0.7%
Volkswagen	Golf	56	99	-43.4	0.8%	267	0.7%
Honda	CR-V	55	96	-42.7	0.7%	411	1.1%
Others		2,912	3,872	-24.8	39.3%	14,783	41.1%
Total		7,413	8,748	-15.3	100.0%	35,945	100.0%

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Consumer confidence real issue

The picture painted by Colonial Motor Company's chairman of getting through different Covid-19 lockdown levels is one that will resonate with many operations across the country.

Jim Gibbons says the business has the financial resources, organisation and people to adapt to future market activity, and "from this point on" the real issue will be consumer confidence.

Colonial was among many companies to sign up to the government's wage-subsidy scheme, which made up about one-third of its normal payroll. Most employees received 80 per cent of their average pay including commission earnings, with the option to increase that to 100 per cent by drawing down on annual leave. Directors' fees were also paid at 80 per cent.

"Inventory control was assisted by proactive supporting policies from our major franchisors, notably Paccar and Ford," says Gibbons, while the main emphasis has been on preserving cash during the crisis.

"The company went into level-four lockdown with a buffer of credit available. Cash burn during lockdown required strong control of expenses and inventory. Both were well-managed."

New Zealand went into alert level four on March 25, with revenue for the month dropping by 37 per cent compared to March 2019. This matched the percentage decline for the new-vehicle industry.

April resulted in the company effectively "going into hibernation with very little revenue". Overall

new-vehicle sales nosedived by 90 per cent and Colonial's revenue tumbled by 82 per cent when compared to the same month of last year.

"There were variations," says Gibbons. "Car dealerships were fully closed with only a small amount of essential service work carried out. Heavy trucks and tractors, on the other hand, had more customers who were essential services with some replacement sales as well as service business, managed with stringent procedures to maintain customer and employee safety."

All dealerships were permitted to open for servicing, but with restrictions, when the country went into level three on April 28. This was "high-cost, low-volume activity".

A return to "almost normal" trading came about on May 14 when the Covid-19 alert level was lowered to two and business has since "quickly gathered momentum", but with variations between dealerships and provincial locations generally being stronger than cities. Gibbons

notes May's total of new vehicles registered was down by 32 per cent on 2020. "However, the immediate current activity is not necessarily a guide to the mid-term future, nor is it possible to predict the results for the year ending June 30.

"There are expected to be some asset revaluations to property, inventory and receivables. A dividend decision

will be considered as part of the preliminary results announcement in late August."

Craig McDermid, chief executive officer of South Canterbury Toyota, describes the crisis created by Covid-19 as "totally different" to the fallout of the global financial crisis (GFC).

"That hit financial institutions that were poorly structured, whereas this is a totally different situation and the ramifications are more far-reaching globally," he says.

"At the moment, there's so much we don't know. How will it impact global sourcing of parts, air versus sea freight and the possible disruption to assembly plants through to certain supply lines?"

For example, a part for a vehicle may only come out of one country. If the plant that makes it is shut, that could halt production. "I don't think anyone has got their head around those sorts of ramifications."

While New Zealand can close its borders and keep them shut, McDermid says: "If you are in Europe or the Americas, it's difficult to protect those borders. I don't think anyone is able to predict what the market will look like three, six to 12 months from now. Will it be vastly different?"

David Crawford, chief executive of the Motor Industry Association, says the decline in overall new-vehicle sales shows the market is tightening its belt in a recession.

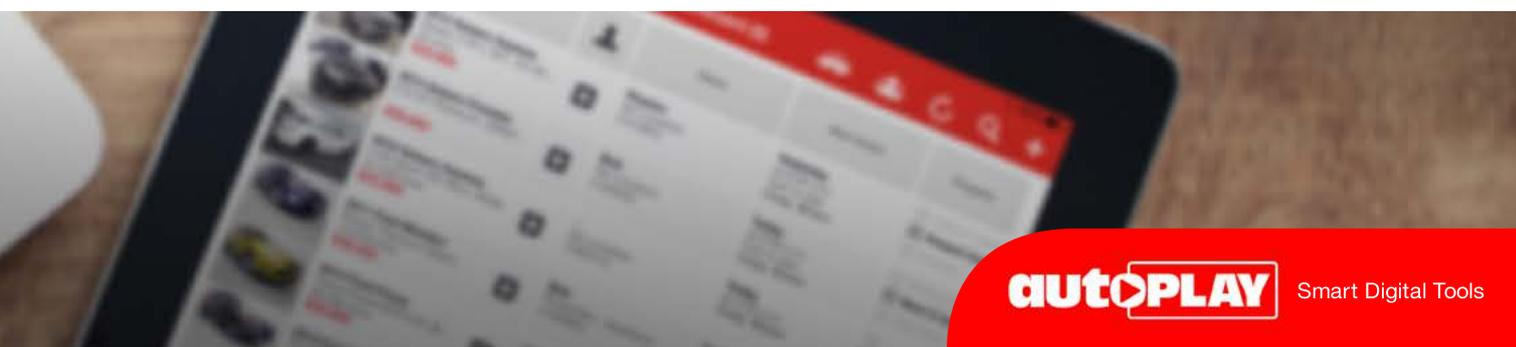
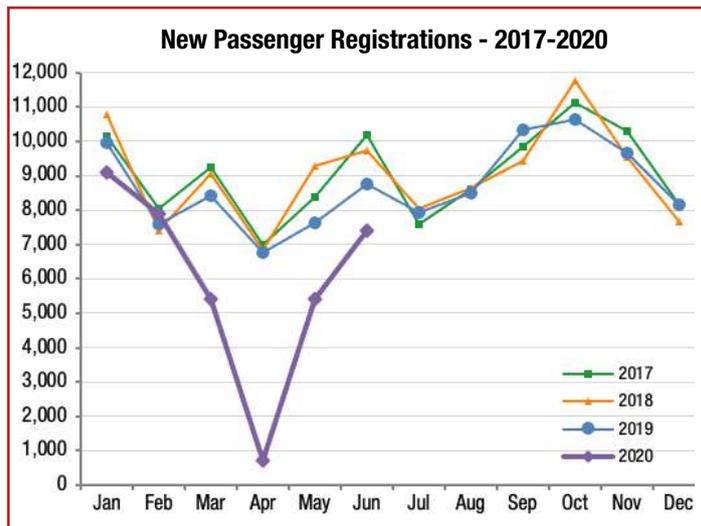
With 11,514 new vehicles sold in June being down by 2,438 units and 17.5 per cent year on year, this reflects "a steady but weaker market compared to 2019".

Trade tight

Sales of new cars dropped by 15.3 per cent from 8,748 in June 2019 to 7,413 last month.

Toyota's RAV4 topped the models' ladder with 404 registrations. Second spot was taken out by Kia's Sportage with 278 sales, while Toyota's Corolla came third on 271.

June's best-selling marque was Toyota with 955, down by 38.8 per cent on June last year. Kia was second with 708 on the back of a 26 per cent jump, while Hyundai was third on 576 – down by 37.8 per cent.



Muscle marque enters fray

There will be more competition in the niche market for big American-based utes with Shelby NZ confirming it will be building and selling a range of trucks.

Ross Prevette, operations and sales manager, says the right-hand-drive (RHD) models being created by the Matamata company are based on Ford USA's F-150 platform.

The line-up includes the supercharged four-by-four Super Snake Sport single cab. Other F-150 models being introduced are the double-cab 4x4 Off Road, Super Snake Street Truck and Raptor.

Shelby NZ says its first batch of RHD utes has been pre-sold but has declined to say how many, although

it is taking orders for future builds.

The company has come about following Ford's global initiative to offer Mustangs worldwide in 2015. Since then, Carroll Shelby Licensing and Shelby American have

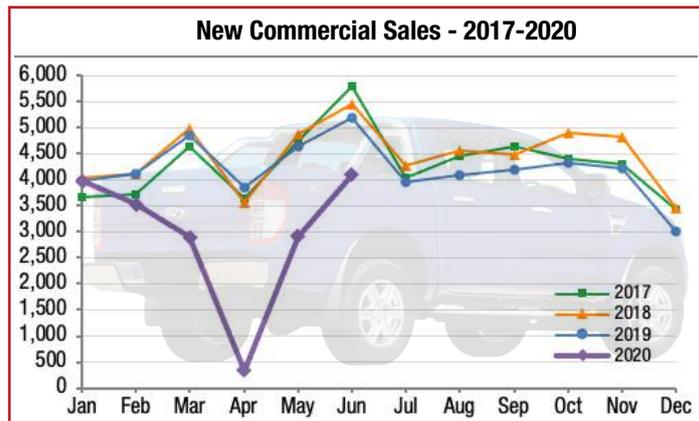
partnered with businesses outside the US to fulfil demand worldwide.

All vehicles offered by Shelby NZ, which operates as a division of Matamata Panelworks, are certified by the Low-Volume Vehicle

Technical Association.

Mazda, meanwhile, will be hoping to climb the ladder when its all-new BT-50 goes on sale in the latter half of 2020. It has been supplied by Isuzu Motor Ltd on an original equipment manufacturer basis. David Hodge, managing director of Mazda NZ, says: "It is fantastic to have a completely all-new ute in the market for the first time in nine years."

There were 4,103 new commercials sold during June. This was down by 21.1 per cent on the same month of last year when registrations came in at 5,203. Ford's Ranger topped the ladder with 641 sales, followed by Toyota's Hilux on 595. 📍



New Commercial Sales by Make - Jun 2020

MAKE	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	920	973	-5.4	22.4%	3,694	20.8%
Ford	714	1,148	-37.8	17.4%	3,668	20.7%
Holden	484	682	-29.0	11.8%	1,784	10.0%
Mitsubishi	390	530	-26.4	9.5%	1,778	10.0%
Isuzu	270	286	-5.6	6.6%	1,019	5.7%
Nissan	251	364	-31.0	6.1%	1,077	6.1%
Mazda	170	199	-14.6	4.1%	823	4.6%
Mercedes-Benz	148	86	72.1	3.6%	494	2.8%
LDV	122	154	-20.8	3.0%	357	2.0%
Volkswagen	101	164	-38.4	2.5%	450	2.5%
Fuso	61	69	-11.6	1.5%	296	1.7%
Fiat	57	30	90.0	1.4%	273	1.5%
Hyundai	56	119	-52.9	1.4%	251	1.4%
Great Wall	54	43	25.6	1.3%	215	1.2%
Hino	40	59	-32.2	1.0%	236	1.3%
SsangYong	31	70	-55.7	0.8%	178	1.0%
Iveco	28	22	27.3	0.7%	147	0.8%
Renault	27	31	-12.9	0.7%	111	0.6%
Scania	26	27	-3.7	0.6%	153	0.9%
Ram	21	9	133.3	0.5%	96	0.5%
Others	132	138	-4.3	3.2%	654	3.7%
Total	4,103	5,203	-21.1	100.0%	17,754	100.0%

New Commercial Sales by Model - Jun 2020

MAKE	MODEL	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	Ranger	641	1,057	-39.4	15.6%	3,225	18.2%
Toyota	Hilux	595	719	-17.2	14.5%	2,582	14.5%
Holden	Colorado	482	677	-28.8	11.7%	1,763	9.9%
Mitsubishi	Triton	390	530	-26.4	9.5%	1,776	10.0%
Toyota	Hiace	273	235	16.2	6.7%	958	5.4%
Nissan	Navara	251	364	-31.0	6.1%	1,077	6.1%
Mazda	BT-50	170	199	-14.6	4.1%	823	4.6%
Isuzu	D-Max	163	195	-16.4	4.0%	566	3.2%
Mercedes-Benz	X-Class	87	30	190.0	2.1%	223	1.3%
Ford	Transit	73	91	-19.8	1.8%	443	2.5%
Fiat	Ducato	57	30	90.0	1.4%	273	1.5%
Hyundai	iLoad	54	113	-52.2	1.3%	245	1.4%
Great Wall	Steed	54	43	25.6	1.3%	215	1.2%
Toyota	Landcruiser	52	19	173.7	1.3%	154	0.9%
Isuzu	F Series	48	29	65.5	1.2%	193	1.1%
LDV	T60	48	55	-12.7	1.2%	117	0.7%
Isuzu	N Series	41	39	5.1	1.0%	187	1.1%
Volkswagen	Amarok	40	90	-55.6	1.0%	221	1.2%
LDV	G10	38	43	-11.6	0.9%	101	0.6%
Mercedes-Benz	Sprinter	38	35	8.6	0.9%	177	1.0%
Others		508	610	-16.7	12.4%	2,435	13.7%
Total		4,103	5,203	-21.1	100.0%	17,754	100.0%

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Repeat customers help boost trade

Sales of used commercials have enjoyed a bounce-back after all but vanishing during the nationwide lockdown to limit the spread of Covid-19.

Hayden Johnston, general manager of Genuine Vehicle Imports in Auckland, describes the level of demand for a range of vehicles in recent weeks as pleasantly surprising.

"Used commercials have been strong for us," he told Autofile. "Business slowed during level four and we did little trading at that time. Once we moved to level three, things came back. People were interested in commercials and they have traded reasonably strongly."

Johnston says the recovery may

possibly have been boosted by repeat customers being unable to do business while strict coronavirus restrictions were in force.

"We have a lot of repeat and referral custom, and people always

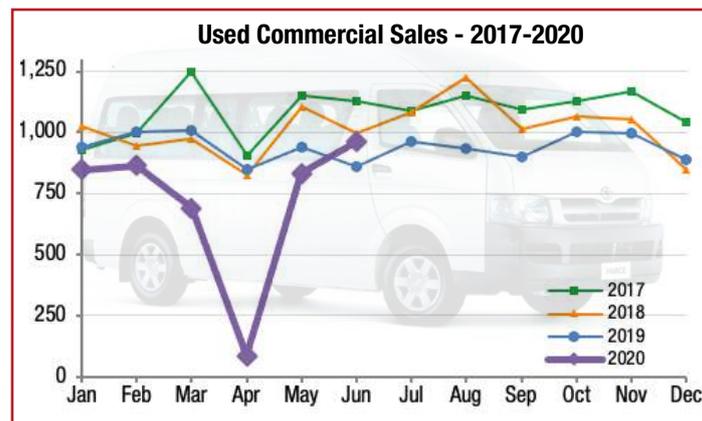
come back and renew each year," he adds. "We missed out on some of that business in March and April, but a lot of that custom is now returning to us with more confidence in certain industries

and vehicle requirements changing with the new world we live in.

"There are no particular patterns, such as everyone buying cheap vehicles or everyone buying expensive cars or commercials. However, trade has picked up across the board.

"We're taking things day by day and week by week at the moment, and we are working really hard to take advantage of every opportunity that crosses our desk."

As for last month's statistics, there were 960 used imported commercials registered for the first time in New Zealand. This represented an increase of 11.9 per cent when compared to June 2019's total of 858. ☺



Used Commercial Sales by Make - Jun 2020

MAKE	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	447	392	14.0	46.6%	1,925	45.0%
Nissan	230	213	8.0	24.0%	1,065	24.9%
Mazda	54	36	50.0	5.6%	198	4.6%
Isuzu	41	42	-2.4	4.3%	190	4.4%
Hino	39	31	25.8	4.1%	136	3.2%
Ford	30	28	7.1	3.1%	151	3.5%
Mitsubishi	27	32	-15.6	2.8%	114	2.7%
Chevrolet	12	11	9.1	1.3%	56	1.3%
Holden	12	10	20.0	1.3%	68	1.6%
Fiat	11	13	-15.4	1.1%	102	2.4%
Suzuki	10	3	233.3	1.0%	34	0.8%
Daihatsu	7	0	700.0	0.7%	17	0.4%
Dodge	4	5	-20.0	0.4%	21	0.5%
Renault	4	6	-33.3	0.4%	13	0.3%
Kenworth	3	3	0.0	0.3%	8	0.2%
Land Rover	3	4	-25.0	0.3%	10	0.2%
Mitsubishi Fuso	3	2	50.0	0.3%	14	0.3%
Volkswagen	3	6	-50.0	0.3%	37	0.9%
Hyundai	2	0	200.0	0.2%	9	0.2%
Mercedes-Benz	2	4	-50.0	0.2%	16	0.4%
Others	16	17	-5.9	1.7%	98	2.3%
Total	960	858	11.9	100.0%	4,282	100.0%

Used Commercial Sales by Model - Jun 2020

MAKE	MODEL	JUN'20	JUN'19	+/- %	JUN'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Hiace	331	293	13.0	34.5%	1,418	33.1%
Nissan	NV200	63	50	26.0	6.6%	268	6.3%
Nissan	Caravan	59	62	-4.8	6.1%	272	6.4%
Toyota	Regius	54	28	92.9	5.6%	161	3.8%
Nissan	NV350	46	50	-8.0	4.8%	239	5.6%
Mazda	Bongo	41	28	46.4	4.3%	140	3.3%
Nissan	Vanette	34	22	54.5	3.5%	131	3.1%
Hino	Dutro	31	18	72.2	3.2%	103	2.4%
Toyota	Dyna	26	32	-18.8	2.7%	173	4.0%
Isuzu	Elf	25	32	-21.9	2.6%	123	2.9%
Toyota	Toyocace	25	18	38.9	2.6%	95	2.2%
Ford	Ranger	14	15	-6.7	1.5%	57	1.3%
Mitsubishi	Canter	13	18	-27.8	1.4%	54	1.3%
Isuzu	Forward	12	7	71.4	1.3%	34	0.8%
Nissan	Atlas	11	18	-38.9	1.1%	58	1.4%
Fiat	Ducato	11	12	-8.3	1.1%	98	2.3%
Suzuki	Carry	10	3	233.3	1.0%	33	0.8%
Mazda	Titan	10	6	66.7	1.0%	37	0.9%
Toyota	Hilux	8	13	-38.5	0.8%	45	1.1%
Mitsubishi	Triton	8	6	33.3	0.8%	26	0.6%
Others		128	127	0.8	13.3%	717	16.7%
Total		960	858	11.9	100.0%	4,282	100.0%

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Final countdown for marque

Holden dealers in New Zealand are close to sealing compensation deals worth a reported \$2,500 per new vehicle sold over a set period.

The offer is considerably higher than the \$1,600 per unit offered to their counterparts in Australia following the decision – announced nearly five months by General Motors (GM) – to retire the brand by the end of this year.

A clearance sale of the marque's stock is also in its final throes at dealerships, with vehicles reportedly in limited supply as buyers snap up remaining models.

Kristian Aquilina, managing director of Holden, says the difference between the compensation in each country is because franchises on our side of the Tasman have proved more successful.

"When it comes to looking at the New Zealand business, it's just a fact they are a far more profitable network of dealers and, as such, their amount is different," he says.

Holden has declined to confirm the amount of cash on the table for the 31 dealerships in this country, with extra contributions to be made for showroom and facility upgrades, but a spokesman says negotiations with those franchisees are nearing a conclusion.

"Discussions between Holden NZ and our dealer partners are private and we are not prepared to comment or speculate," says Aquilina. "We are close to finalising this part of the wind-down of new-vehicle sales in New Zealand. Discussions remain ongoing and we hope they will be concluded shortly."

Talks over any settlement have been low key in comparison to the bitter public spat across the

ditch between GM Holden and the Australian Holden Dealer Council.

David Nicholson, secretary of the council, describes the disparity in compensation offers between the two countries as "unfair". His dealers claimed they were entitled to nearly four times what was being offered by GM. Following independent financial advice, the council demanded about A\$6,000 – or about NZ\$6,419 – for each new vehicle sold.

"NZ Holden dealers are being offered compensation almost double that offered to Australian dealers on the basis they were more profitable," says Nicholson.

"This is unfair and insulting from GM given Australia has subsidised New Zealand Holden dealers since the beginning. But for the Australian Holden dealer network and Australian taxpayer, Holden wouldn't exist across the Tasman."

However, more than 120 of the 185 dealers across the ditch agreed to accept the offer on June 30, just hours before a deadline set by GM. Those yet to sign a deal say they will continue fighting for more cash.

GM has maintained its compensation package is fair and reasonable since first making the offer in late February, just days after announcing it was axing Holden

from Australasia and Thailand.

The company claims dealers in Australia lost an average A\$605 per new car sold in 2019 and only made A\$351 on each new vehicle from 2017-19. It will still provide Holden servicing and spare parts for the next 10 years and wants to complete deals with its network of dealers to provide those services.

In other news, demand for new vehicles in Japan tumbled by 23 per cent to 347,371 units in June when compared to the same month of last year as Covid-19's impact continues to deter many consumers from making major purchases despite the nationwide state of emergency being lifted in May.

Toyota saw its sales of new vehicles sink 22.7 per cent last month from June 2019, while Honda's registrations fell by 30.4 per cent. Sales of Nissans and Mitsubishi's dropped 35.7 and 60.2 per cent respectively. The overall pace of decline for new-vehicle sales slowed from a 44.9 per cent drop in May.

The slump in the automotive market comes at the same time as Japanese manufacturers' sentiments have fallen to their lowest level in more than a decade, according to a quarterly survey by the Bank of Japan. ☺

Stock still falling

Imports of new cars in June came in at 4,619. This was down by 47.6 per cent on the same month of last year, but represented an increase of 61.6 per cent on May's 2,858 units.

Registrations of new passenger vehicles amounted to 7,413 last month for a decrease of 15.3 per cent on June 2019.

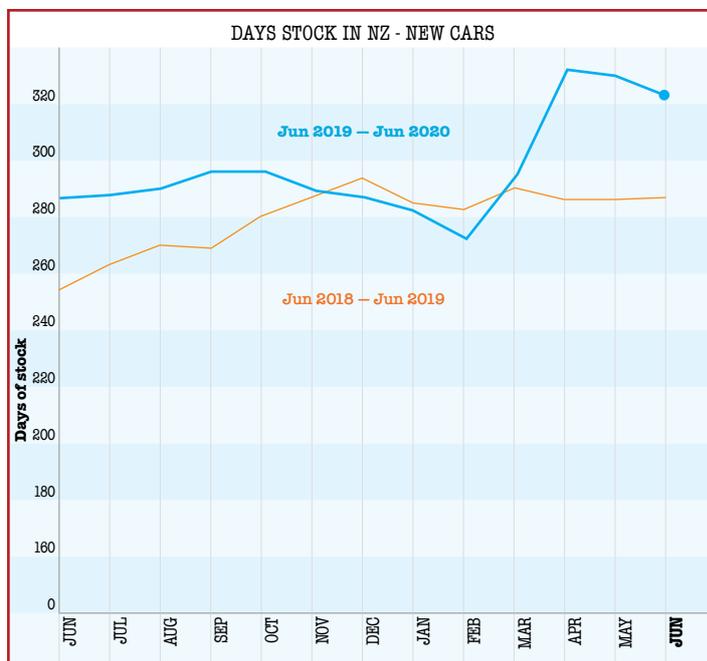
However, this was an increase of 37.3 per cent from May's 5,400 sales and continued the rise from just 707 registrations in April this year.

The numbers have resulted in the stock of new cars still to be registered dropping by 2,794 units to 80,261. Daily sales, as averaged over the previous 12 months, stand at 250 units per day.

June's results mean stock at-hand has decreased to 322 days, or 10.6 months, if sales continue at current rate.

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Jun '19	8,810	8,748	62	80,811	285	283
Jul '19	9,534	7,925	1,609	82,420	285	289
Aug '19	9,907	8,506	1,401	83,821	285	294
Sep '19	10,967	10,322	645	84,466	287	294
Oct '19	8,122	10,622	-2,500	81,966	284	289
Nov '19	9,408	9,641	-233	81,733	284	287
Dec '19	8,191	8,159	32	81,765	286	286
Jan '20	6,750	9,099	-2,349	79,416	283	280
Feb '20	6,058	7,911	-1,853	77,563	284	273
Mar '20	8,531	5,415	3,116	80,679	276	292
Apr '20	5,625	707	4,918	85,597	259	330
May '20	2,858	5,400	-2,542	83,055	253	328
Jun '20	4,619	7,413	-2,794	80,261	250	322
Year to date	34,441	35,945	(1,504)			
Change on last month	61.6%	37.3%		-3.4%		
Change on Jun 2019	-47.6%	-15.3%		-0.7%		
	LESS IMPORTED	LESS SOLD		LESS STOCK		



Dropping stock level 'good thing'

An increase in sales is "eating into stock levels" because New Zealand has experienced low levels of imports of new and used cars over the past few months.

That's the view of Hayden Johnston, general manager of Genuine Vehicle Imports in Penrose, Auckland, who says trading levels at his business have recovered to nearly 75 per cent of where they were sitting before Covid-19 rocked the market.

He says the Japanese vehicle market is also shifting in the wake of the global pandemic with the number of consumers there opting for used cars instead of new increasing as recession sets in.

"Sales of new vehicles are right down in Japan at the moment, so there's a bit more of a focus on used vehicles for the domestic market there," Johnston told Autofile.

"This is putting a bit of pressure on supply for export, but there are still good cars to be purchased although this may present a challenge going forward.

"Most people have a fairly decent amount of stock in the country already so there's no pressure to buy yet. But stock numbers are dropping, which is a good thing, and at some stage

everybody is going to have to start buying again."

He warns businesses need to get "back to basics" to make the most of the surge in trade in New Zealand following the exit from lockdown to alert level one, although he predicts some dealers are likely to quit the market if they lack solid car-selling experience.

Johnston says it is vital for traders to stay on top of their game with uncertainty as to whether the level of interest from consumers will continue to grow as the economy grapples with the impacts of coronavirus.

"The key thing is going back to the basics of car dealing. I would say that means offering a high level of customer service, taking advantage of enquiries, and making sure all enquiries are being followed up and dealt with as professionally as possible. It's all about doing business better.

"People who have traded mostly in the good times do not necessarily know how to be what I would call car dealers. They get a vehicle, take a photo, put it on Trade Me and sell it. They import a product, sell it cheaply and get another one in.

"They will be finding life difficult because they don't know how

to be dealers. A lot of those who entered the market during easier times will likely exit it because it's now too hard for them."

Johnston says despite the plunge in demand earlier this year because of Covid-19, sales and enquiries have picked up since level-four shutdown came to an end.

"We're finding things better than anticipated coming out of the lockdown – it was almost impossible to predict what it was going to be like coming out of that period.

"We had looked at trading during the last recession and tried to extrapolate what we might see at levels three, two and beyond. We predicted a 50 per cent downturn, but have been pleasantly surprised that trading levels are sitting at 70 to 75 per cent of normal."

Henry Schmidt, owner of Autolink Cars in Grey Lynn, Auckland, describes the time spent in alert level two and higher as "dead", but since going to level one "we've been getting a lot of enquiry and people are doing their research".

He adds: "While most of our buyers are from Auckland, we've sent cars to New Plymouth, Nelson and Christchurch, and are fielding

enquiries from around the country.

"There are still some people talking about whether the government is going to pay any incentives for electric cars and that's making some buyers hesitate."

As for the number of registered dealers in New Zealand, they increased to 3,096 by the end of June, reports the Motor Vehicle Traders Register. This was 35 more than for May and two below the total at the end of April. ☺

High sales hit stock

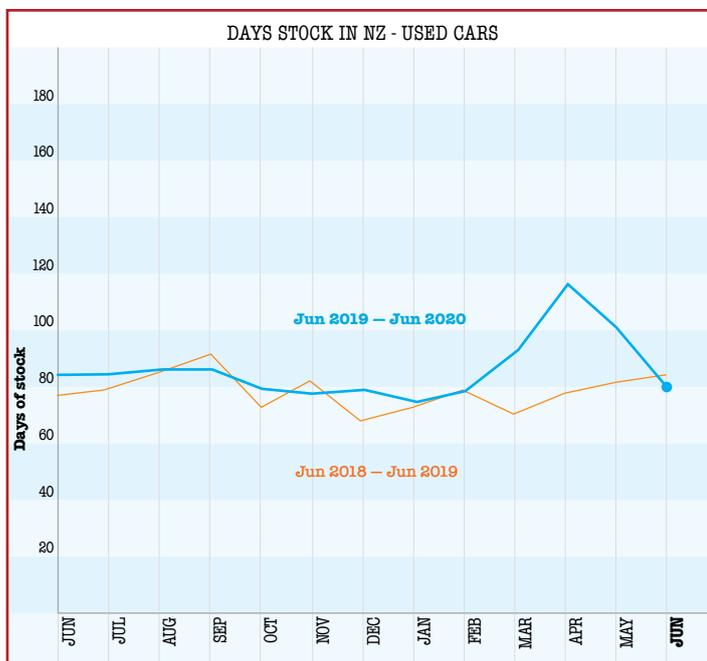
There were 5,058 used cars imported in June for a decrease of 5,855 units, or by 53.7 per cent, on the same month of last year.

The monthly total was an increase of 24.1 per cent from 4,076 in May.

A total of 11,962 units were sold during June. This was up from 11,177 on the same month of 2019, and is the highest monthly figure this year, beating January's total of 11,693.

With 6,904 fewer used cars imported than registered in June, this brought stock sitting on dealers' yards, or in compliance shops, to 27,462 units – nearly 8,000 fewer than the total in May 2019.

With current average daily sales now standing at 342 units per day, there would be 80 days' stock remaining if sales continue at this rate.



Dealer stock of used cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Jun '19	10,913	11,177	-264	35,415	389	91
Jul '19	11,789	12,791	-1,002	34,413	386	89
Aug '19	12,253	12,353	-100	34,313	383	90
Sep '19	9,183	11,630	-2,447	31,866	383	83
Oct '19	9,875	11,663	-1,788	30,078	382	79
Nov '19	11,401	11,674	-273	29,805	384	78
Dec '19	12,121	11,628	493	30,298	385	79
Jan '20	10,101	11,693	-1,592	28,706	385	74
Feb '20	11,789	10,747	1,042	29,748	384	77
Mar '20	13,145	8,565	4,580	34,328	375	91
Apr '20	6,149	622	5,527	39,855	347	115
May '20	4,076	9,565	-5,489	34,366	340	101
Jun '20	5,058	11,962	-6,904	27,462	342	80
Year to date	50,318	53,154	(2,836)			
Change on last month	24.1%	25.1%		-20.1%		
Change on Jun 2019	-53.7%	7.0%		-22.5%		
	LESS IMPORTED	MORE SOLD		LESS STOCK		

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