

Population boom to boost vehicle sales

Economist predicts net migration, high ownership rates and improving economy will push up demand over next half-decade

One of New Zealand's leading independent economics consultancies has increased its five-year forecast for car sales.

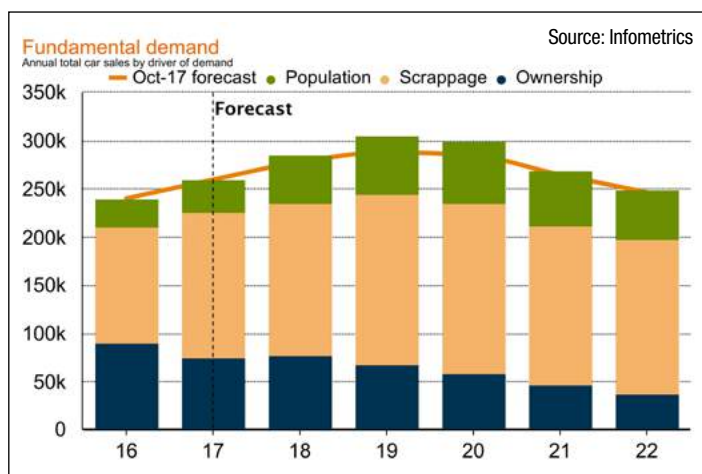
Infometrics says a big part of the long-term lift – compared to its outlook early last year – is a change in predicted levels of net migration.

The company adds other factors, such as high ownership rates and an improving economy, will also push up demand for vehicles over the next half-decade.

Mieke Welvaert, an economist at Infometrics, says net migration heavily influences underlying, or “fundamental”, demand for cars.

“The number of people in the country has a big effect on the number of things purchased, including cars,” she says.

“Strong net migration and record high levels of arrivals show there are more people coming into the country who are probably going to buy a car. Even if they are here on work visas, they are



likely to get vehicles for their trips around the orchards over summer.

“As a result, migration and its effect of increasing the number of households is one of the factors we include in our fundamental demand estimates.”

In September, Infometrics estimated that population growth would account for 45,000 to 65,000 car sales during each of the next five years.

It revised its outlook for net

migration compared with February 2017 because – outside of a policy change – there was little reason to suggest arrival numbers would decrease over the coming year.

However, since its July forecast, Infometrics has had another round of forecasts and now thinks that migration has reached its peak.

“Without knowing which team Winston Peters would choose, we forecasted that arrival numbers would hover at their current high of 132,000

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GUEST EDITORIAL

Positive start to year for Autofile

Darren Wiltshire explains improvements at the magazine and how technology has been embraced for a new fully responsive website

There has been a lot of work behind the scenes over the past 10 months since I joined the Autofile team.

Part of the reason I jumped at the chance to take an ownership stake in 4 Media Ltd was the opportunity I could see to work with Brian McCutcheon and the rest of the team to help take what was already a successful and respected business forward – and use my skillset to focus on the online side.

In the past 10 months, we have implemented a new accounting system, and added Google Analytics and heatmaps to our website.

The addition of a new online document system helps the team to contribute and amend documents in the publishing process collectively, and live from anywhere in the world as we pull together each magazine.

This has been particularly important recently as Ris (Darren Risby) has been editing the magazine from the UK.

We have also implemented a customer relationship management system and – more recently – we've started using an internal communications tool, all of which has streamlined the production process for Autofile, both online and the magazine.

Autofile launched its first website back in May 2009. This was upgraded in November 2013 – under 4 Media ownership – to provide a cleaner, more user-friendly space online for the industry to keep up to date with



DARREN WILTSHIRE
Autofile director

the latest auto news, locally and internationally.

Now five years on – and with technology and the news we report on ever-changing – we are undertaking another upgrade.

We have been monitoring the site

in-house to see what readers respond to, and taken advice from people within the industry with expertise in this area to develop a new online offering that delivers an even better, fully responsive user experience.

Our new Autofile site is now in final testing, currently as a beta version and you will soon be able to preview the new site at beta.autofile.co.nz.

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The beta launch of our updated site allows readers to test drive it before we officially launch it and an opportunity to provide feedback about the experience.

There may be a few things that don't work exactly the way they should or may be missing, so if you notice anything that's not expected we would love you to report it by contacting us at editor@autofile.co.nz.

Our new design has been based around the increased use of mobile devices, such as smartphones and tablets, and we're aiming to provide a clean, intuitive, user-friendly and responsive site suitable for use on any device. ☺

autofile

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Autofile magazine is also available online as a readable file or downloadable as a PDF. Subscriptions are available at Autofile Online – www.autofile.co.nz. Back copies are also available on the website.

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ISSN 0112-3475 (print) ISSN 2350-3181 (online)

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people per year over the next 12 months," Welvaert told Autofile."

"But with the Labour-Green-NZ First government, I expect there will be more policy changes aimed at reducing migrant arrival numbers.

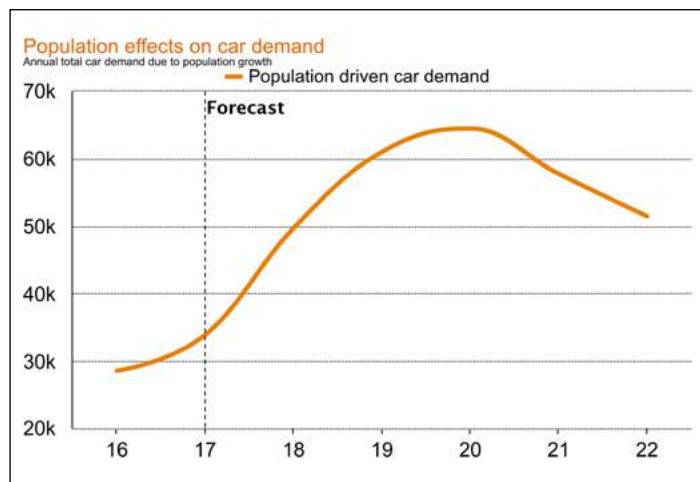
"At the same time, I'm hesitant to suggest that migrant arrival numbers will come off the boil quickly or that the coalition government should be targeting a swift reduction in arrival numbers."

Welvaert says, at the end of the day, it's a long way to cut net migration from above 70,000 to 10,000, which is NZ First's target, or even by 30,000 – Labour's plan.

"The process of doing so will take time and New Zealand's population will still be growing at a fast pace in between."

Also, annual net migration of 40,000 per year means more people, which means still more cars. This is because it appears migration policy is leaning towards Labour's plans.

"More new arrivals have a



bigger effect on car demand than fewer departures due to the simple fact people rarely bring their vehicles with them from overseas," says Welvaert.

"Had arrival levels remained unchanged, but departure levels dropped, we wouldn't expect to see as much of a lift in car demand because staying in New Zealand doesn't immediately necessitate a new car.

"Conversely, those arriving from

another country – and planning to stay – tend to make a lot of setting-up purchases, such as buying a car or house. The compositional effect of migration will also drive up fundamental vehicle demand."

Welvaert notes the rest of fundamental demand is estimated using a range of scrappage rates and various ownership rates or cars per household.

As of June 2017, New Zealand's car ownership rate stood at 1.6



Mieke Welvaert, Infometrics economist

units per household – the highest it has been since at least June 1992, according to Infometrics.

Given the strength of the Kiwi economy and further improvements anticipated for the labour market, it thinks that ownership rates will track up further from their current high.

"Scrappage rates have maintained their positive relationship with economic growth over the past few years, leading us to ►

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◀ anticipate slightly lower scrappage rates in the near term and another spike in 2019," adds Welvaert.

"Normally there's a sharp increase in these rates when economic conditions turn for the better.

"However, the slowdown in economic growth this year isn't expected to last, meaning scrappage rates are likely to remain on the higher side during this period.

"Toward the end of our forecasts, we're expecting to see more turnover in vehicles as people switch to electric vehicles [EVs] and cars with greater autonomous capabilities.

"By this point, the total costs for owning and running EVs is expected to be lower than that for vehicles with petrol and diesel engines, prompting more people to make the shift to electric."

Even though demand for new cars hasn't grown as quickly as Infometrics' February 2017's forecasts anticipated, sales increased by 8.8 per cent over the year to September.

However, Infometrics' view of expecting new car sales to rise throughout the bulk of its five-year forecast period has changed.

Welvaert says: "The wealth-effect machine, otherwise known as the property market, is taking a tumble and we think consumers are going to be more price-sensitive over the next few years.

"This change in our outlook suggests that more of the growth in fundamental demand will be shared with demand for used vehicles.

"There will also be an increase in the number of ex-rentals on the market, which will drive down prices for used vehicles and make them a more attractive option to buyers, while demand for used cars is expected to spike before deteriorating as underlying population growth eases.

"This divergence is caused by the expectation that new cars will continue to become cheaper relative to used vehicles, further encouraging buyers to purchase new."

According to Statistics NZ, new car prices fell by 0.2 per cent over the year to September, while prices for used vehicles rose 2.8 per cent over the same period.

Prices for used vehicles have increased by 5.5 per cent over the past two years, while "technological advancements have seen the relative price for new vehicles fall almost consistently since 2011".

"I still expect this to hold, people are consistently getting more car for their cash," explains Welvaert.

"As pricing pressure is more acute for used vehicles, and with GDP growth looking more promising from 2018, Infometrics anticipates further strong growth in new car sales over the next five years."

FUELLING MARKET

The Motor Trade Association (MTA) believes it's unlikely the combined new vehicle and used import markets will continue to grow substantially.

After eight years of year-on-year growth to all-time record levels, it says it is hard to predict even further growth.

"Strong immigration factored in the 2016 and 2017 vehicle markets, however new policies are likely to reduce immigration," says Tony Everett, the MTA's dealer services manager.

"Strong tourism, construction and farming activity have also fuelled the market, and any decline in these sectors would have an impact.

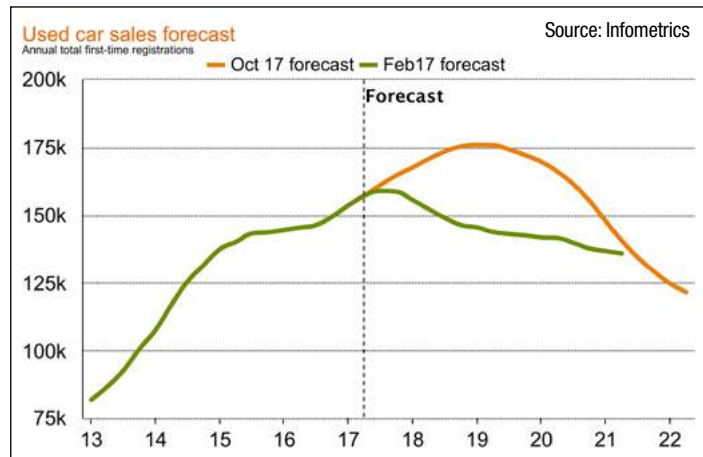
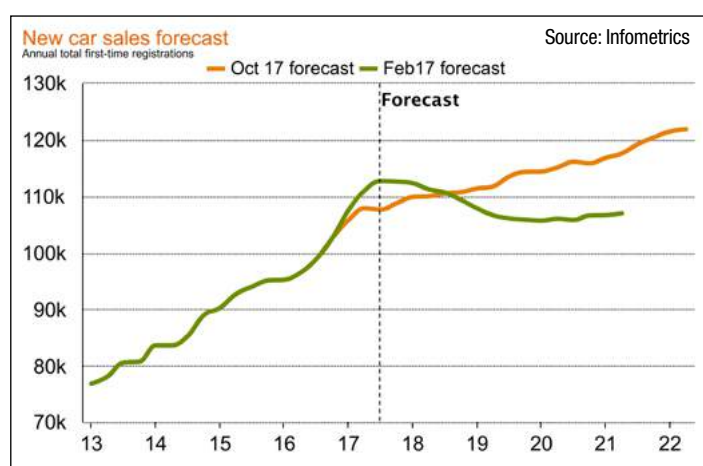
"Also, there is some uncertainty about the global economy. Our interest rates cannot stay low for much longer and the outcome of the New Zealand election may have some impact on our national economy."

Everett says it's hard to believe the national fleet will continue to grow. The country has very high levels of car ownership – and amongst the highest in the world.

"We do have an old fleet and hopefully replacement with new vehicles, at all levels, will be a driver for newer vehicle sales," he told Autofile.

"A reduction in fleet numbers is possible although scrap rates have been largely static over the past five years. This is surprising in light of the substantial volumes of vehicles entering the fleet – as new or fresh used imports – leaving us with a growing 'swage' of older vehicles in our fleet.

"The average vehicle is just



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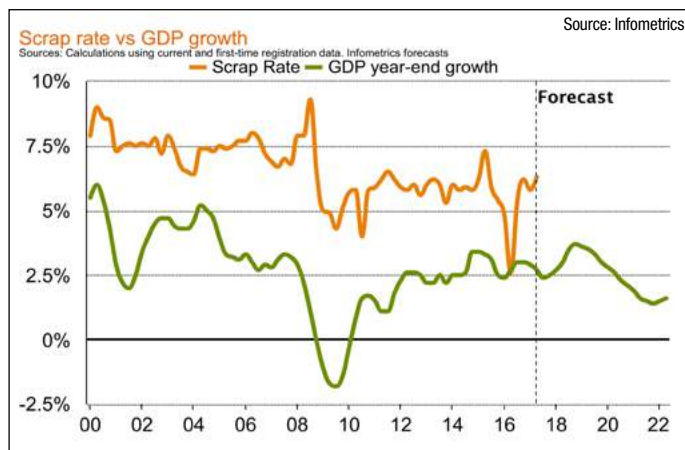


over 14 years old, so half the fleet is 2003 or older. Sooner or later, they will become uneconomical to keep on the road and there will be a surge in scrap rates. When that happens, fleet numbers will stabilise or probably decline."

Everett says the effect of policies aimed at improving and increasing public transport participation, and the rise of mobility as a service – such as ride-sharing, short-term vehicle hiring and so on – need to be considered and may affect overall demand over the next five to 10 years.

He adds used import volumes are likely to reduce in 2018 when the next phase of the mandatory electronic stability control (ESC) requirements come into effect.

"From March 1, used import passenger vehicles with more than two-litre engines must have ESC so these imports will be later models and a bit more expensive, so fewer are likely to be brought in," says Everett.



alternatives, such as connected journeys, car sharing and Uber-type options."

Vinsen notes even a 10 per cent drop in migration will take the top off the demand for cars, while the uptake of EVs is growing at an "exponential" rate and "nothing like a straight line", while "all car manufacturers are moving into EVs".

He notes people across the world are beginning to move away from the traditional car ownership model and this shift in behaviour needs to be taken into account.

"In the US, 10 per cent of people who have sold their cars in the past year haven't replaced those vehicles. In San Francisco, 20 per cent of all vehicle miles travelled were by Uber and Lyft."

Vinsen points out that Ford Motor Company recently changing its name to Ford Mobility Company is a sign of the times, while Yogi Berra, the famous American baseball coach, once said, "predictions are always difficult, particularly about the future."

"The best way will be to review the statistics and changes to the industry at the end of 2018 to see how accurate the predictions were," he adds.

"This is an exciting time to be in the transport sector, but it's scary. Over the next five to eight years, there will be dramatic changes to the industry.

"Families may pool together to use Uber for the school run. It's cheaper and then they may no longer need a second car. Teenagers may not buy a car, they may just use Uber, public transport, cycle and ride-share. There may be lower demand for rental cars.

"We don't know when these changes will happen or their magnitude. We previously thought these changes would be taken up by people on higher incomes, but we now think that may not be the case.

"It's the people living in the poorer suburbs who will probably not own a car, but will use connected journeys services. We may be wrong about the timing, but these changes are coming." ☺

"In the new car market, any significant technological breakthroughs will help stimulate change and perhaps growth.

"On that note, EVs are expected to break through the existing restriction points of range and price at some stage in the near future, but when that happens supply might then become a restraint. Will overseas manufacturers be able to meet the change in worldwide demand?

"Some commentators are suggesting the technology and price barriers might be broken by 2020 or later. We still have to get through 2018 and 2019."

USE OF VEHICLES

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), believes Infometrics has taken "a business-as-usual approach and tweaked it a bit".

He says: "They have failed to take into account that ownership and use of vehicles is expected to change in the next five years. Auckland's congestion will make people look at transport

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Online attacks 'unfounded'

The chief executive officer of the Low-Volume Vehicle Technical Association (LVVTA) has been awarded \$100,000 in damages after unfounded attacks were made on him and the organisation over a five-year period.

Tony Johnson and the LVVTA were criticised by John Brett on his personal website and social media, the high court has heard.

Brett certified low-volume vehicles (LVVs) from April 1999 to December 2012 when his authority was revoked by the NZTA after it deemed he was "not a fit and proper person to be a certifier".

The court heard Brett made 32 times more safety-related technical errors than the average of all other LVV certifiers, and was twice ranked as the country's worst LVV certifier for technical, administrative and procedural errors.

Johnson said Brett was "unwilling to apply the specified requirements", the relationship with the LVVTA was "long and challenging", and he gave evidence about efforts made by his organisation and the NZTA to support Brett.

Brett argued that, in some cases, a new code was dangerous and leading to potentially unsafe

outcomes. He claimed a group of Auckland certifiers wrote a formal proposal to the LVVTA and NZTA about issues that needed discussing.

However, Judge Palmer said the evidence showed numerous examples of Brett trying to find any excuse possible for not complying with regulatory documents and the LVVTA's written instructions.

"Not only was that conduct a breach of Brett's conditions of appointment and the regulatory regime, but a desk-top review process detected errors on his part."

Brett then maintained a website containing "a steady stream of criticism of the competence and integrity" of the LVVTA and Johnson, the court heard.

Johnson's evidence was Brett increased and heightened attacks on him and the LVVTA from September 2012.

Lawyers' letters ensued. Brett agreed to retract objectionable statements, and did so in December 2012.

However, from January 2014, he published more alleging incompetence on the LVVTA's part "leading to deaths and injuries".

The LVVTA and Brett entered into a settlement agreement in



Tony Johnson, of the LVVTA

June 2014, with the association agreeing not to sue Brett for defamation in return for him removing material from his site and not posting any more.

Johnson's evidence was Brett didn't remove all offending posts and published more from July 2014 without giving the LVVTA an opportunity to review them.

He was upset about the statements made about him and the association, some of which alleged he had lied and committed perjury.

Dan Myers, the LVVTA's technical officer of engineering, also gave evidence about the stressful impact of Brett's statements on him and other staff, and on the association's reputation.

Judge Palmer commented: "Brett presents as an opinionated individual who has difficulty accepting he's wrong. He continued to maintain a website containing a steady stream of criticism of the competence and integrity of the LVVTA and Johnson."

"In 2014, the parties entered an agreement over alleged defamation by Brett. In 2015, the LVVTA and Johnson issued these proceedings for defamation in 35 statements and for breach of the agreement."

Of these 35 statements, the judge found 10 were defamatory of the LVVTA and Johnson, 11 defamed the LVVTA but not Johnson, five were defamatory of Johnson but not the LVVTA, and nine were not defamatory because they didn't bear the pleaded meanings or were "mere insults".

Brett failed to succeed in any of his defences of truth and in only one defence of honest opinion at the high court hearing in Auckland.

Mr MacKenzie, for the LVVTA, submitted Brett had engaged in a sustained attack on the LVVTA and Johnson since late 2012 and the statements were "blatantly defamatory".

He said they tended to impute ►

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◀ a lack of skill or judgement by the plaintiffs in their professional capacities and were injurious to their reputations.

Others claimed they were incompetent, put their own interests ahead of public safety, and deliberately put safety and lives at risk.

Brett claimed they carried on business illegally, and conspired to bring about the NZTA's revocation of his certification authority for improper or retaliatory purposes.

He also alleged they made erroneous certification decisions and were unqualified to take any part in the regime to certify LVVs, were dishonest and Johnson perjured himself when giving evidence.

MacKenzie submitted Brett had no defences available as "there's not a shred of truth or honest opinion about his statements" and nor did he seek to justify them.

Judge Palmer noted: "All but one of Brett's defences of honest opinion fail. Most statements are expressed as fact, not opinion. It wouldn't appear to a reasonable person that Brett is presenting his comment or opinion, and he hasn't proved his statements were based on facts."

Brett breached the settlement agreement by making 12 defamatory statements about Johnson. When given notice of this on July 14, 2015, he was required to remove material from his website.

"Instead, he maintained the agreement was null and void due to the LVVTA's alleged breach of it, which he had not raised previously," added Palmer. "Brett breached it by failing to take down defamatory statements and by posting further defamatory statements."

The plaintiffs sought remedies for breach of the agreement, a permanent injunction restraining Brett from making identified statements, and \$89,590 in legal costs incurred by the LVVTA.

They also sought remedies for defamation damages of \$500,000 – \$250,000 to each of the LVVTA and Johnson.

Palmer said: "I do not award

the LVVTA's litigation costs as damages for breach of contract. The general policy rule is costs may not be claimed as damages so as not to undermine the costs regime. That's also consistent with litigation costs not counting for the purposes of pecuniary loss.

"The remedy most desired by the plaintiffs is for Brett to stop defaming them. His behaviour to date, and attitude at trial, indicates that may be difficult for him.

"I hope this judgement will help him avoid future defamation. To reinforce that, I issue a declaration Brett is liable to Johnson in respect of statements I have found defamatory.

"Given Brett's proclivity to repeatedly defame the plaintiffs in the face of threats of legal action and after signing an undertaking not to do so, I consider a permanent injunction against Brett making statements I have found to be defamatory is required.

"A damages award of \$100,000 is required to compensate Johnson for the damage of Brett's attacks on his reputation."

He ruled Johnson was defamed 12 times by Brett saying he was incompetent, and that he put public safety and lives at risk, and Johnson conspired to bring about the NZTA's revocation of Brett's certification authority for improper or retaliatory purposes.

The other defamatory comments included Johnson being unqualified to take part in the regulatory regime for certifying LVVs because he had no understanding of issues involved and made erroneous decisions, that Johnson was dishonest and told untruths, and he risked the personal safety of wheelchair users in the interests of hot-rod owners.

"These are a series of direct unfounded attacks from November 2012 to June 2015," said the judge. "They were made by someone with apparent credibility in relation to LVV matters. The statements damaged Johnson's personal and professional reputation, and have caused him significant stress." ☺



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Deadline on merger delayed

The Commerce Commission has again put off making a decision on whether Trade Me can acquire Motorcentral.

The deadline has been extended by the regulator to February 28 after the outcome into its investigation was expected to be issued last month.

A decision on the merger had been originally slated for October when the commission said it was investigating matters "set out in the letter of issues published in relation to this merger clearance application".

The summary of the unresolved issues on the proposed takeover was issued on December 21, and responses to these matters will assist the commission's investigation and help it to reach a final decision on the way forward.

Richard Davidson, mergers manager in the competition and consumer branch, says: "We continue to have concerns the merger would

likely give rise to competition issues in the provision of dealer management system [DMS] products to independent dealers, and would likely give rise to competition issues in the supply of online motor-vehicle classified advertising to dealers.

"The commission has not yet made final decisions. The views expressed in this letter are preliminary, and could change as the investigation proceeds and more information is provided.

"We welcome submissions and any further evidence Trade Me may provide."

Alan Clark, head of motors at Trade Me, told Autofile: "We would love to get on with our investment in a great Kiwi software company.

"But we appreciate the need for the commission to work through the issues fully, and understand the facts and merits of claims made by competitors and other parties.



"We remain confident the proposed acquisition will have a positive outcome for car dealers and consumers"

– Alan Clark, Trade Me

"We look forward to working these through with the commission, and remain confident the proposed acquisition will have a positive outcome for car dealers and consumers."

Mena Eskander, director of Motorcentral, adds: "The commission wants to be comfortable with the decision it makes. There's a process it has to go through and it can take a while to reach a decision."

Trade Me has already submitted the relevant DMS market is the national market for the supply of DMS products, and there's no justification for defining separate customer markets for such products provided to franchise and independent dealers.

Its key argument, relating to supply-side substitutability, is DMS providers that currently focus on franchise dealers could easily change their offerings to serve independent dealers. ☺



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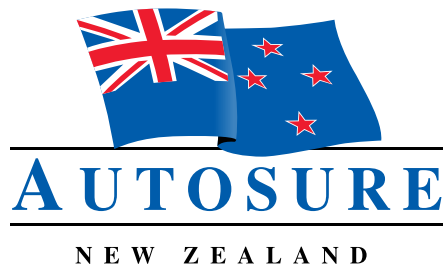


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A night of celebration

The Škoda Kodiaq has become the first seven-seat SUV to take out the coveted title of New Zealand Car of the Year.

It was selected from a shortlist of 10 models released between October 1, 2016, and September 30, 2017, in the competition run by the AA and NZ Motoring Writers' Guild.

"Škoda has presented the world with a great all-round vehicle," says Stella Stocks, the AA's general manager of motoring services.

"While it has been built with the family in mind, the Kodiaq's configuration, spaciousness and technology ensures the market has an affordable and versatile choice.

"SUVs remain the most popular segment in the Kiwi market and Škoda's entry into the seven-seater space means we are well-served by the brand."

"The Kodiaq is more refined than many luxury SUVs with great design ideas and competitive price-points," adds guild past-president Robert Barry. "It has made this brand come of age in New Zealand and reach critical mass."

Greg Leet, general manager of Škoda NZ, says the all-new Kodiaq

has shone a spotlight on the marque in this country unlike ever before.

"Demand has been phenomenal and sustained," he enthuses.

"Families, in particular, love how it excels in everyday life with its combination of quality, efficiency and European design.

"What has started with the Kodiaq will continue with more fresh SUVs and electric vehicles coming very soon."

Best-in-class winners at the ceremony at Auckland's Viaduct Centre last month included the Suzuki Swift – micro/light car, Holden Astra – small compact, Volkswagen Arteon – medium-large car, BMW 5 Series – luxury car, and the Mazda MX-5 – sports car.

In the SUV categories, Toyota's CH-R, the Kodiaq, Mazda's CX-9 and Land Rover's Discovery took out the small, medium, large and luxury classes respectively.

Ford's Ranger was judged to be the best utility and the electric vehicle and plug-in hybrid award went to Hyundai's Ioniq. The safest car was the Mercedes-Benz C-Class Cabriolet and the Suzuki Swift was the people's choice. ☺



Andrew McPherson, of Experieco, with Fiona Bridgfort, of Suzuki



Russell Miller, of Castrol, and Maria Tsao, of Mazda



Stephen Glading, of Protecta Insurance, and Tom Ruddenklau, of Volkswagen



Craig Polley, of ICG, with Florian Renndorfer, of BMW



Grant Maxwell, of BNT, with Marnie Samphier, of Holden



Craig Pomare, of the MTA, with Terry Lydon, of Toyota



Maria Tsao, of Mazda, with Euan Philpot, of JEVIC



Peter Ward, of Blue Star, and Ben Montgomery, of Jaguar Land Rover



Craig Burrows, of Super City Towing, with Simon Rutherford, of Ford



Donna Gaskin, of ANZ, and Chris Blair, of Hyundai



David O'Kane, of MITO, with Ben Giffin, of Mercedes-Benz



Jason Robb, of Autotrader, and Fiona Bridgfort, of Suzuki

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Tribunal targets write-offs

The adjudicators sitting on the Motor Vehicle Disputes Tribunal (MVDt) are calling for changes to be made to consumer information notices (CINs) when vehicles are sold in New Zealand after being written off overseas.

They want the government to consider amending the legal declaration to include this so “consumers’ ability to make fully informed decisions on purchases from traders” is improved.

The move follows the tribunal finding some dealers failing to disclose cars’ status or not adequately disclosing “the true damage that caused the vehicle to be written off”.

The MVDt’s annual report gives two examples involving the same trader and Australian statutory write-offs, while it heard at least 11 applications dealing with them compared to four in the previous year.

In the first case, the buyers of a late-model Volkswagen from McBride Street Cars found out three months later that it had been assessed in Queensland as a statutory write-off due to flood damage.

The dealer disclosed on the CIN it was imported as damaged. However, the buyer denied seeing the notice pre-purchase.

“In any event, the trader didn’t specifically disclose it was a statutory write-off in Australia due to storm, flood or other damage,” states the report.

“The tribunal concluded a reasonable person would have been misled or deceived by omitting to provide this information.”

The tribunal ruled the trader breached section nine of the Fair Trading Act (FTA). There was evidence the car was unsaleable except for parts and the buyers established they wouldn’t have purchased it had they known it was a write-off.

The vehicle offer and sales agreement (VOSA) was declared void and a full refund of the \$40,000 purchase price was ordered. The



Applications dealing with statutory write-offs from Australia have gone up

Consumer Information Notice
(The supplier must complete all relevant sections of this notice)

Name, address, and contact information of the supplier must be shown here.

Motor vehicle trader registration number: _____

SALE INFORMATION

Cash price (including GST, registration, and licensing) _____

Make and model _____ Vehicle year _____ Engine capacity _____

Actual distance vehicle has travelled? _____

Radio receiver capability? ☐ Yes ☐ No

Can vehicle be used as a taxi? ☐ Yes ☐ No

Warrant or Certificate of Fitness ☐ Yes ☐ No

Vehicle licence ☐ Yes ☐ No

Registered vehicle? ☐ Yes ☐ No

Registration plate number _____

Year first registered in NZ _____

Re-registered vehicle? ☐ Yes ☐ No

Operating fuel type _____

Roll-over protection device? ☐ Yes ☐ No

Outstanding road user charges? ☐ Yes ☐ No

INFORMATION ABOUT USED/IMPORTED VEHICLES

Year first registered overseas _____ Country where first registered _____

☐ If you buy this motor vehicle, the trader MUST give you a copy of this notice to keep.

Trader confirmation (name of trader) _____

Buyer confirmation (name of buyer) _____

Signatures of trader and buyer _____

Date _____

SEE OVER FOR FURTHER INFORMATION

Consumer Information Notice approved by the Ministry of Consumer Affairs. April 2010

The MVDt says car dealers must specifically disclose the written-off status or risk breaching the FTA

decision was later upheld by the district court on appeal.

The facts in the second case involving the same dealer were similar in that the write-off status wasn’t disclosed, although the CIN highlighted the vehicle was a damaged import.

The trader was ordered to pay the buyer \$4,000 based on its resale price with disclosure of it being a write-off. The amount awarded reflected the car had been driven for 19,000km and there was nothing outwardly wrong with it.

“The decisions establish that, in respect of statutory write-offs, traders must go further than ticking the box on the CIN that the vehicle has been imported damaged,” states the report. “They must specifically disclose the written-off status or risk breaching the FTA.”

The MVDt says it regularly sees instances when traders have purported to contract out of their Consumer Guarantees Act (CGA) obligations, but have failed to do so according to the “narrow criteria” set out in section 43.

In one case, Adams Motors advertised a car as having “no warranty”, while the VOSA stated it was being sold “as is”.

The tribunal ruled the dealer hadn’t validly contracted out of the CGA with the decision being referred to the Commerce Commission to consider prosecution under the FTA.

“A subtler approach frequently taken is to sell purchasers warranties as an optional extra,” states the report. “If problems arise, they are told they must seek assistance from the warranty company rather than from the trader under its CGA obligations.”

The MVDt continues to liaise with the government and its agencies on issues relevant to the automotive industry.

It has shared information about potential odometer tampering with the NZTA, and concerns about non-compliance with tribunal orders with the Registrar of Motor Vehicle Traders (RMVT).

“A dealer who more than once within a period of 10 consecutive years fails to comply with an order can be banned from participating

in motor-vehicle trading,” states the report.

“The tribunal has received information to suggest one trader has failed on at least four occasions to provide the ordered remedy to affected consumers.

“They have then had to take enforcement action to recover amounts awarded to them. The tribunal has begun referring instances of non-compliance to the RMVT for consideration of deregistration.”

The MVDt received 399 applications in the 12 months to June 30, 2017, which was 57 more than in the previous year and 141 more than 2014/15. This equated to a 55 per cent jump in the past two years. It also handled 60 disputes carried over.

By location of trader, Auckland notched up the most applications with 229. Christchurch was second on 55 and Hamilton third on 31.

Hearings are held in the district court closest to the dealer’s business, although video-conferencing is increasingly being used to cut costs and save time.

Of the 459 matters before the tribunal in 2016/17, 123 – or 27 per cent – were settled before a hearing, with both sides encouraged to resolve their dispute before a hearing. Part of this process involves the dealer discussing the application with the buyer and submitting a written report on the outcome of settlement talks.

Hearings were held for 237 applications with the aim of having a decision issued within three months of filing. In 2016/17, 84 per cent complied with this timeframe while 99.4 per cent were resolved within six months.

The three-month resolution rate was down compared to 2015/16’s 92 per cent due to an increase in work and staffing changes.

There were 237 disputes heard last year, including those carried over from the previous year. This compared to 209 during 2015/16 and 154 in 2014/15. ☺

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Looking back on bumper year

A number of records were notched up by the automotive industry last year as business boomed.

There were 108,608 new cars sold, which was up by 5.8 per cent from the previous record of 102,647 set in 2016.

At 165,654 units, used cars also achieved a record, passing the previous one of 156,972 set in 2003 by 5.5 per cent and beating 2016's total of 149,526 by 10.8 per cent.

Overall, 274,262 vehicles were sold across the market, which again set a new record – 8.8 per cent higher than 252,173 set in 2016.

But what were some the issues and talking points behind these headline figures of 2017?

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), says: "The association rebranded and has been given a fresh outlook.

"That has attracted lots of interest from people who aren't traditional members. They are interested in using our statistics and analysis.

"It was also a very good year for volume due to a continued strong economy."

Vinsen is unsurprised by the uptake of electric vehicles (EVs) during 2017.

"Demand is a problem for dealers," he told Autofile. "Some are looking at importing older EVs that have a lower range and may need new batteries.

"We've looked at importing used batteries, and are working with the Taiwanese government and its after-market suppliers in regards to that.

David Crawford, chief executive officer of the Motor Industry

Association (MIA) says: "A continued robust tourism sector, which in turn drove healthy sales of rental vehicles, helped to make December the strongest on record with 11,570 new-vehicle registrations.

"This took the 2017 calendar year to an all-time record for the fourth year in a row."

Looking ahead, Crawford says distributor expectations for 2018 indicate maintenance of current levels of activity. "But further steady growth in the new-vehicle sector above 2017's out-turn isn't expected."

The Motor Trade Association (MTA) describes the success of vehicles sales last year as a reason to celebrate, with a record result defying the usual market slowdown that can occur around a general election.

"It's interesting to note the continued trend for utes and SUVs as a preference for consumers," says Greig Epps, industry relationship manager.

"EVs were also well-represented in statistics by reaching more than 6,000 compared to the government's target of 4,000 for the year.

"The question is, can this record-setting market maintain its momentum in 2018? The MTA offices buzzed for much of the last half of 2017 with debates about whether we have reached 'peak car'."

Mark Gilbert, chairman of Drive Electric, describes the amount of EVs on Kiwi roads as "quite incredible – hockey-stick growth, in fact."

He adds: "The National government's target was 21,000 units by 2021, so there's still a big

**RECORD
YEAR
FOR SALES**

**274,262
total vehicles sold**



**108,608
new cars sold**



**165,654
used cars sold**



challenge facing those who set the target.

"But with four years to go, and most car makers signaling a strong shift to electric propulsion of some sort, it's doable. We would expect the new coalition government to be

bolder with its expectations.

"Many companies that have put their corporate toe into the electric current will hopefully also be looking at total cost-of-ownership models, which should favour EVs over its fossil-fuelled equivalents."

Frank Willett, acting chief executive of Autohub, says: "Last year was another that seemed to defy the predictions of the sceptics."

"Arrival volumes remained healthy and continued to buck the long-standing 'peaks and troughs' many long-time industry players are used to.

"The change in government – I think Labour was the most surprised out of all of us – hasn't appeared to impact the inertia of industry activity as of yet. It remains to be seen what its 'spend-it-up' policies will deliver in the way of ongoing high-volume sales of imports.

"Many dealers are reporting little or no margins are obtainable from 'bread and butter' used imports, but still keep on importing the same cars to sell."

Willett says a watershed moment was the recently signed memorandum of understanding between the MIA and VIA.

"This was a sign of industry maturity and mutual respect by both sides for recognising that joining forces on pan-industry issues is best for the business.

"It should result in better and more logical legislation and resolution for new and used vehicle suppliers." ☺

Autofile's in-depth coverage of 2017's industry statistics starts on page 33

Company's shares climb after issue

The Optimus Group's Boxing Day debut on Tokyo's stock exchange marked last year's final initial public offering (IPO).

The used-car exporter opened at 2,001 yen, 11 per cent above its offering price, and ended the

day at 2,325 yen. At about 3pm on January 9, the price had risen to 2,214 yen.

"We're committed to meeting the market's expectations and growing our profits," says president Nobuya Yamanaka.

Optimus comprises of more than 20 companies in 30 countries in vehicle export, transport, inspections, servicing, sales and finance. Although the holding company has existed since January 2015, it announced its

ownership of these assets in July last year.

In New Zealand, it owns businesses including VINZ, JEVIC, NCC Car Carriers, FastTrack Automotive Compliance, Auto Finance Direct and Nichibo. ☺

Laying future foundations

The new year is upon us and if you didn't kick some level of proactivity into gear late last year in preparation for 2018, then there's no time like the present to take some action.



MARK GREENFIELD
Motorcentral

- ▶ Staff presentation.
- ▶ Conversion process online to dealership, and test drive to sale.
- ▶ Lost opportunities.
- ▶ Finance and insurance performance.
- ▶ Customer relationship and retention management.

Some people may be surprised to learn that what lies ahead for them in 2018 can be influenced by the actions they take in their dealership.

While it's never too late to start, the foundations of what could have been laid over the past few years actually also impact your results in the present and the future.

Those that have ignored delivering an exceptional customer experience, and fail to utilise customer relationship management tools to keep in touch with their clients, will reduce their success significantly in this area over the year ahead.

You cannot dwell on the past or change what has been, but you can ensure you are proactive for the future and take steps today to improve your sales not only over 2018, but to also start laying sound foundations for 2019, 2020 and beyond.

If you don't plan to be in business in a few years' time, then don't worry about it. But if you are committed to future success, then take some positive proactive action now to influence as much of your success as you can.

Some areas worth seriously looking at and reviewing are:

- ▶ Dealership presentation.
- ▶ Vehicle presentation.

These areas can – and will – have a significant impact on your dealership's performance and, if you want to do better than what you did in 2017, then these are the best places to start.

In many cases you need to remove yourself from the business and look at it from your customer's perspective.

All too often, the environment that surrounds you day in, day out can become ingrained in your subconscious and it can often become hard to pick up the most obvious things.

There are plenty of aspects you won't realise are sub-standard and are influencing your customers' experience in a negative way.

Ask family and friends to get involved and take a look at your business, mystery shop, inquire online, call on the phone, come and test drive a car – all in aid of providing you with a better understanding and maybe the possibility of providing some constructive feedback.

Utilise customer surveys and review tools such as BuyerScore. This provides you with significant insight into not only customers' purchasing experience, but also why people didn't buy from your dealership.



“You need to remove yourself from the business and look at it from your customer's perspective”

You'll probably be surprised to learn that it wasn't the vehicle's price that was the main reason a prospective customer didn't buy from you.

Another area you can ask for feedback is from your suppliers in the industry, those who visit your dealership, among many others.

Ask them for honest feedback on what they see when they come onto your yard, and the way your staff interact with them and each other.

Embrace this positively and respect their opinions because, at the end of the day, they want you to be more successful also.

That being said, above all, please do something with the information you receive. Make a plan to implement changes based on this feedback.

You will be surprised how easy it could be to pick up and an extra few sales a month by making some basic changes that are staring you right in the face.

The team at Motorcentral all too often receives feedback from dealers wishing that they had made changes years ago because they realise the opportunities they have missed.

Remember it's never too late to start making positive change within your business. Take 2018 by the horns. Make it the year your dealership surpasses previous sales records and lays effective foundations for future success.

The team at Motorcentral is super-excited about 2018 and driving more innovative ways that enable the success of motor-vehicle dealerships in New Zealand. 🍀



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Makeover across hybrid range

Facelift and specification upgrades for the CT 200h have "enhanced its desirability for young drivers who enjoy sporty driving while maintaining sustainable lifestyles", says Lexus.

The electric hybrid boasts a new mesh pattern updating the marque's signature spindle grille. At the rear, new L-shaped LED tail-lights are wider and sportier.

The CT 200h also boasts a wider range of exterior colour choices, including three two-tone colours, and larger 17-inch alloys.

For the F Sport, six exterior colours can be ordered with an onyx roof to offset the main body finish for a sports-enhanced look.

The CT 200h is powered by a 1.8-litre petrol engine combined with two electric motors and an electronically-controlled continuously variable transmission.



Lexus' CT 200h F Sport

Standardised tests for fuel consumption comparison purposes have resulted in a combined usage of 4.1l/100km while emitting 94g/km of CO₂.

Both models now have a card key, alarm siren with intrusion sensor, rear-privacy glass and aluminium scuff plates. The F Sport also gets a jet-black grille surround, bi-beam LED headlights with automatic levelling and LED fog lights.

A pre-crash safety system with autonomous emergency braking for vehicles and pedestrians, high-speed dynamic radar cruise control, automatic high beam, lane-departure alert with steering assist, and a vehicle-sway warning are now standard.


Inside the cabin, the display screen is bigger at 10.3 inches. There are six interior colours for the CT 200h in fabric or leather-accented



seat trims, while three more seat colours are exclusive to the F Sport.

Standard features include rain-sensing wipers, heated exterior mirrors, dual-zone climate control air-conditioning, eight airbags, a 10-speaker audio system, satellite navigation and a reversing camera.

The F Sport includes aluminium sports pedals, trimmed steering wheel and shift lever, a rear spoiler and a unique alloy-wheel finish.

The CT 200h 1.8-litre hybrid hatchback starts at \$51,690 with the F Sport priced from \$62,690. 

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Looking to stand out

The wraps come off the X2 in March this year with BMW pitching the model at younger drivers.

It's also making the M Sport and M Sport X available for the first time, with more details to be unveiled close to launch when three engine variants will be available.

The xDrive20i petrol model has 141kW of power, combined fuel consumption of 5.5-5.9l/100km and combined CO₂ emissions of 126-134g/km.

The xDrive20d diesel variant boasts 140kW, fuel consumption of 4.6-4.8l/100km and emissions of 121-126g/km. The 25d diesel's statistics are 170kW, 5.1-5.3l/100km and 133-139g/km.


Both diesel cars have intelligent

all-wheel drive as standard and an eight-speed steptronic transmission, while the petrol model is fitted with a seven-speed dual-clutch system.

The M Sport and M Sport X come with sport suspension providing firmer spring and damper settings, and a lowered ride height. This is optional with the basic X2.

Driver systems include traffic-jam assistant, which eases the motorist's workload in stop-start situations.

This feature is part of optional driving-assistant plus, which comprises camera-based systems.

Parking assistant, which is also optional, identifies suitable parking spaces and, if desired, automatically moves the vehicle into parallel bays. 





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Fiction versus the facts

By now, we have all heard that the future of connected and automated vehicles is inevitable.

This message is usually accompanied by all the exciting ways that this technology will save us from our first-world woes. Transport, for instance, will become cheap, universal and on-demand – as convenient as owning your own car and at a fraction of the cost.

Just so I don't come across as a Luddite, I'm very interested in intelligent transport. If done correctly, I believe it has the potential to provide many of the benefits promised. It is just as likely, however, if not done correctly to exacerbate the problems that we hope to relieve.

The truth is most of the promised benefits have been made without evidence. And it is likely that most benefits, if ever realised, will not be seen until human drivers can be fully removed from the equation.

Ride-sharing is probably the single best way to increase the efficiency of our road network.

While automated vehicles might make ride-sharing a bit more convenient, there's no reason it can't be done today – and the statistics indicate overwhelmingly that it isn't. Our average occupancy of cars currently sits at around 1.5 with 60 per cent of all trips in New Zealand made in cars with only a single occupant.

People's aversion to ride-sharing will still exist whether they are in an automated vehicle or not.

Better mobility is promised for those who currently have difficulty

driving, either due to age or disability. How does giving more people access to road travel decrease congestion? What effect can we expect from this increase in road users, who will likely have no more interest in sharing a car than anyone else?

Nothing about automated vehicles will change the fact that people do not like to share rides. At least, until now, we could assume that congestion would be limited to the maximum of one car per person or 1.0 people in each car.



automated vehicles do not necessarily need parking spaces.

But that means the car still has to be on the road somehow, whether productively – by driving other passengers or other freight – or not. Even if we had large centralised parking structures, that still requires vehicles

to be on the road for longer and overall trips to be further.

As for safety, there's not much I can argue with here. Vehicles with automated safety systems designed to improve the driving

automated vehicles.

One of the greatest benefits of full automation would be to increase the productivity or even quality of the travel time – a chance to work, watch a film or even catch up on sleep. Right now, we are still far from building artificial intelligence that can interpret incoming information fast enough to share the road with relatively erratic and irrational human drivers.

So, what would a "correct" implementation look like? I'm not sure. None of these vehicles yet exist, except in strictly sterile and controlled environments far from the real world.

To understand whether there will be real benefits to this technology, we need a detailed cost-benefit analysis exploring a wide range of potential uses alongside transport, and providing realistic indications of the economic benefits – and threats – of this technology. With roads, I fear we are focussing too much on the obvious uses when other, perhaps greater, potential exists.

Research of this depth, if conducted independently, will most likely require a public investment. Should the public be funding this?

We also need to realise that sometimes innovation requires a revolution. It is possible that this technology – while providing greater economic prosperity and or industrial productivity – will lead to a loss of many jobs.

To take full advantage, we might need to set aside the thinking that got us into our first-world woes to begin with. ☺



Driverless cars will probably only be safer in a system composed entirely of automated vehicles. The future may have cars resembling the Mitsubishi Emirai, an autonomous concept unveiled at last year's Tokyo Motor Show

Automated vehicles will enable us to drop the average occupant per vehicle below 1.0. Most of our fleet is not on the road simultaneously, so we could very well have a smaller fleet and still increase congestion.

Likewise, we have been promised more green spaces as

of humans already have that effect. Many of the newest safety technologies, such as automated emergency braking, will be connectivity-based or at least have online, connected components.

But will fully automated vehicles be safer? Probably only in a system composed entirely of



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Hot hatch takes out title

A family hatchback was the supreme winner at this year's AMI Insurance NZ Autocar Car of the Year Awards.

The Honda Civic Type R, pictured, thrilled judges to take the top honour and performance category at the ceremony in Auckland on November 23.

It was chosen from more than 40 entries across six classes and outscored higher priced vehicles – even those in the \$100,000-plus luxury category.

The XC60 mid-size SUV won the safety award. It was the second time in three years that a Volvo has scooped this title, while the same model secured honours in the \$60,000 to \$100,000 class.

For the first time in the awards' history, electric vehicles were

recognised with the Hyundai Ioniq taking out that category while the motorbike of the year was Triumph's Street Triple.

Land Rover's Discovery topped the luxury and over-\$100,000 category, while the award in the \$45,000 to \$60,000 class went to Mazda's CX-5 – the third consecutive year the marque has won this section.

Subaru, a finalist for three of the past four years in the \$30,000 to \$45,000 category, again won this honour for its XV. Suzuki's Swift triumphed in under-\$30,000 section.

Award entries are critiqued on features such as design, performance including economy, driving dynamics, practicality and value. ☺



NEWS in brief

Vehicle status lists by model now available online

VIA, (the Imported Motor Vehicle Industry Association), has produced lists to help its members find makes and models overseas that comply with the next phase of the electronic stability control (ESC) regulations, which are coming into force.

All used class MA vehicles – passenger cars – with an engine capacity of more than two litres and that are border-checked on or after March 1 will be required to have ESC as supplied by the original equipment manufacturer.

There are three lists – red for those that definitely do not comply, green for those that do and amber for vehicles requiring further research.

Models on the amber list may be fitted with a range of ESC systems, but only some of these meet legal requirements as listed online at www.nzta.govt.nz.

If a vehicle is identified as requiring further investigation, the importer should ensure it is physically inspected prior to purchase. Email Malcolm Yorston at technical@via.org.nz for more information.

Energy company hits electric-vehicle deadline in advance

Mercury has transitioned all possible vehicles in its fleet to electric – one year ahead of target. Its corporate fleet now has more than 70 per cent fully electric or plug-in hybrid vehicles, or 80 out of 114 units.

Chief executive Fraser Whineray, pictured, says: "Our fleet is powered at a fraction of the cost of fossil fuels and it's better for the environment."

He adds that in the three years since Mercury announced its target, electric vehicles have entered the mainstream. "There's support across all major parties for transport electrification and the coalition government is targeting its fleet to become emissions-free by 2025/26."

Meanwhile, Europcar NZ now has EVs for rent in Auckland and Christchurch. Last year, it was granted about \$200,000 under EECA's low-emission vehicles contestable fund – part of the government's bid to double EVs every year to hit 64,000 by 2021.



Terms of reference into ports probe yet to be finalised

Senior ministers are considering details of the government's inquiry into how ports in the upper North Island should operate, including NZ First's election pledge to look at moving Ports of Auckland to Northport, Whangarei.

The inquiry's terms of reference are likely to include negotiating better terms and conditions with shipping companies, a greater role for rail and encouraging a more co-operative model for port operations. A public statement will be made after the full cabinet has endorsed the terms.

Dealerships launched as brand aims to expand presence

2 Cheap Cars is launching three new dealerships under the name Best Auto Buy. They are located in Wellington and Christchurch, with one in the pipeline for Auckland.

Eugene Williams, chief executive officer, says: "We feel the market still has room for another major brand. 2 Cheap Cars will be stocking [vehicles with] slightly higher price-points."

He is aiming for "15 to 20 branches within two years" for the new venture. Visit www.autofile.co.nz for more on this story. ☺

Debut SUV clocks record

Alfa Romeo believes its Stelvio Quadrifoglio, the nameplate's first SUV, will become the benchmark in the premium compact segment.

The marque is dubbing it "the fastest SUV around the circuit" having clocked a record for its class on the Nurburgring – seven minutes and 51.7 seconds.

It's equipped with an aluminium 2.9-litre V6 bi-turbo petrol engine and delivers maximum power of 380kW at 6,500rpm.

The Stelvio generates maximum torque of 600Nm from 2,500-5,000rpm and is teamed with an eight-speed automatic transmission that shifts gear in just 150 milliseconds in race mode.

The SUV can accelerate from 0-100kph in 3.8 seconds and boasts a best-in-class top speed of 283kph.

To maximise the driving experience, the Stelvio is also



equipped as standard with one-piece aluminium paddle shifters, which are integrated into the steering column, while the Q4 all-wheel-drive system is combined with active torque vectoring to transfer 100 per cent of

the torque to the rear axle.

As the wheels approach their grip limit, the system transmits up to 50 per cent of the torque to the front axle in real time by means of a transfer case.

Having made its debut on the Giulia, the marque's integrated brake system is now in use on the Stelvio.

This electro-mechanical system combines stability control with a traditional servo brake to deliver instantaneous response and shorter stopping distances, while also contributing to weight optimisation.

The interior boasts premium materials, including carbon fibre, leather and alcantara. The centre of the dashboard is dominated by an 8.8-inch infotainment system with three-dimensional navigation.

It incorporates Apple CarPlay and Android Auto to replicate the smartphone environment on the on-board display for constantly connected and safe use.

Prices and specifications for the Stelvio Quadrifoglio will be announced when it arrives in New Zealand later this year. ☎

Boost in efficiency

Toyota New Zealand is introducing the eighth generation Camry, the country's top-selling medium-sized sedan, later this year.

It is built on a new platform that underpins more styling, powertrains with higher power and better fuel economy, a revamped chassis that sharpens driving dynamics and advanced safety technologies.

"The 2018 Camry is a new car from bumper to bumper," says Spencer Morris, of Toyota NZ.

"There's a lot of new technology starting with the adoption of Toyota's new global architecture, which has transformed the way our

vehicles are designed, engineered and packaged."

The sedan, which is made in Japan, replaces the Australian-built car following the end of the vehicle manufacturing across the Tasman.

New Zealand had taken Camrys produced at the Altona factory on the south-western outskirts of Melbourne for three decades, but the plant closed in October 2017.

The cornerstones of the 2018 model are the redesigned hybrid system with a new direct-injection four-cylinder engine, which delivers more power, flexibility and efficiency, and a new V6 engine with direct-injection technology matched to an eight-speed transmission.

Other firsts include a fully independent rear suspension, 19-inch alloys, drive mode select, LED headlamps, electric parking brake, 10-inch heads-up display and a segment-first opening panoramic roof.

Range details and pricing will be announced at launch. ☎



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Decade-long love affair with industry

After more than 10 years working in the motor-vehicle industry, Greg Hedgepeth admits he'll always have cars in his blood.

"I've always loved them," says the chief executive officer of Turners Group NZ. "I enjoy looking at what's for sale, buying cars and doing them up."

Hedgepeth's career in the industry took off after a call from a recruiter representing BMW NZ's Mini brand in 2007.

This was four years after he joined Saatchi & Saatchi where he was an account director for NZ

Dairy Foods, now Fonterra, and then for Emirates, Westpac and Toyota Lexus.

"The offer from Mini came out of the blue," he recalls. "I was happy at Saatchi & Saatchi. It was the pinnacle of the advertising world at the time."

"BMW NZ launched Mini in

2001 with great success, but it had tapered off and they wanted to get the brand back on track. I loved cars and Mini was funky. I thought I would give it a go as manager and on the client side.

"Mark Gilbert, BMW NZ's managing director at the time, hired me. He said, 'once you've got

cars in your blood, you'll never get them out'.

"At the time I thought it was a strange comment. I had done a lot of different roles and thought it was a foreign concept to work in one industry. But it's true. I've never got cars out of my blood 10 years

down the track."

Hedgepeth spent a year with Mini before taking over as head of sales and marketing for BMW NZ.

"The German carmakers – Audi, BMW and Mercedes-Benz – are viciously competitive. Eight years prior, BMW had been the number-

"The German carmakers – Audi, BMW and Mercedes-Benz – are viciously competitive"



Greg Hedgepeth couldn't resist the opportunity to work for Turners Group NZ

one German brand in New Zealand. But when I took over Mini, we were number two and Audi was number one. BMW in Munich wanted us to be number one again.

"We had to understand where the brand sat, how we were perceived. We did research, talked to dealers and looked at the culture of the internal team to lift engagement. It was a challenging time to get things how we wanted them, but it paid off. From 2011, we got back to number one until I finished with BMW in 2014."

Hedgepeth says achieving the objective of being the top luxury automotive brand in this country was great for company culture.

"Sales were booming and it

was good times. BMW like staff to move throughout the company and I had reached as high as I could go there. They wanted me to go overseas, but my wife and I had pre-schoolers and were unsure if we wanted to, especially as we had previously lived overseas.

"I ended up taking over after-sales with BMW, which was one thing I hadn't done. It broadened my scope to get the full spectrum of automotive knowledge. It was great to learn and understand that critical side of the business."

Change was on the horizon. Midway through 2016, Hedgepeth received an offer from the Armstrong Motor Group to be group general manager. ▶

Days of fast vehicles over

As a teenager, Greg Hedgepeth's first car was a white 1986 Honda Civic he bought through Turners.

"I tinted the windows, put in a loud exhaust and a big stereo. That started my love affair with cars. I also had a couple of Subaru Legacies over a five-year period. I loved those four-wheel-drive wagons with roof racks."

"My job at BMW saw the end of me owning a car, but I drove some nice vehicles. It's hard to beat BMWs – they make well-engineered products."

"At Armstrong's, I drove some premium brand SUVs, but my favourite was a Volvo XC90. It had class-leading technology, was easy to use and looked great – in black with 22-inch rims."

"I now drive a Hyundai Santa Fe. It looks great, has extremely functional design and seven seats. Not quite as quick as a Euro, but my days of hooning around in fast cars is over."

Hedgepeth's dream car is a Tesla Roadster. "The numbers they are quoting on that vehicle are impressive and it looks pretty good too. It could signal the future of high-performance cars."

Greg Hedgepeth's first wheels



Tesla's Roadster

◀ “I took that role in the August as I liked the idea of being with a New Zealand-based company. I was leaving BMW after eight years in wholesale and nine with dealers, so I had experience with retail.

“Armstrong’s was another step closer to retail. It was fast-paced. In an independent company, you can make decisions on the day, whereas with a multi-national there’s a long approval process and some decisions can sometimes take too long causing you to miss opportunities.

“There were 15 dealerships and 18 brands at Armstrong’s, so it was a challenge to learn how all the different brands dealt with their retailers.”

A year later, Hedgepeth was approached for his current role at Turners.

“I had been watching developments at Turners. I brought my first car with my dad there – a 1986 Honda Civic, so I had fond memories. When the call came from the recruiter, my ears perked up about having a conversation and learning about the business. It had rapidly evolved in the past five years in a positive way and that interested me.

“I generally like to stay with a company for five to 10 years and work my way up, but the offer at Turners was too good an opportunity to turn down. It was a no-brainer, unique with a broad scope, and I had to be part of it.

“The team and culture at Turners is fantastic. Staff are so engaged in the business, and willing to go above and beyond to get

the job done. I’m loving it. It has a family feel and it’s an organisation that covers all of New Zealand with 22 branches and 450 people – and it’s growing by the day.

“It’s diverse. We have retail on one side and the auction business on the other, which is mainly about wholesaling cars to dealers. They have access to huge volumes of vehicles coming through our business in a one-



Greg Hedgepeth, chief executive officer of Turners Group NZ, at the 50th anniversary of Turners Car Auctions' first official board meeting in September 2017

stop-shop environment.

“We provide an effective sourcing channel for dealers. There is untapped potential for both parties and I want to ensure we develop that.”

As for his more formative years, Hedgepeth grew up on Auckland’s North Shore and attended the University of Auckland with plans to become an accountant.

“I thought that was logical, but when I went to university I found accounting quite boring,” he told Autofile. “I couldn’t see myself poring over numbers for the rest of my life, so I changed focus to marketing. I like creativity and influencing people to generate sales and seeing the results.”

After graduating, various short-term marketing roles followed. “I then took two years off to go snowboarding. I lived in Queenstown during the winter

and would ski for three months. Then I would work painting houses for three months.

“I travelled to the US in New Zealand’s off-season to ski at Squaw Valley Ski Resort in

California and Breckenridge Ski Resort in Colorado.”

Hedgepeth then wanted to get back to the “real world”. He returned to Auckland and secured a marketing role with PSP Ltd, which specialised in kitchen and building supplies.

“I worked there for a couple of years and it was an opportunity to test my marketing skills. Then I took off overseas for the standard

OE. I went to the UK and did a few contract roles. My girlfriend, who is now my wife, and I used it to fund travel around Europe. I worked for the Woolworths Group in marketing and finance.

“The Brits have a different work ethic, but they appreciate Kiwis as we’re prepared to do what’s required. I spent 10 months as a market business analyst number-crunching. It was great experience with a big international corporate.”

The young couple then visited friends in Florida, where they lived

for two years. Hedgepeth worked for a subsidiary of the New York Times selling advertising, which gave him a taste of the “front line” with sales targets and strategies required to complement marketing.

“We were there when September 11 happened. President Bush was in Florida on the day and jet fighters escorted him out on Air Force One. It was frightening having jets flying overhead. It was shocking and an eye-opener. We decided to get back to New Zealand.” ☺



Greg Hedgepeth on the slopes of Coronet Peak, Queenstown



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The month that was.... January

With more than 30 years of history, Autofile looks back on what made the headlines

January 17, 2000

Teaming up in services market

The Motor Vehicle Dealers' Institute (MVDI) and Lumley Services (NZ) Ltd were set to take on the finance and insurance (F&I) market.

Both parties confirmed they were at the point of agreeing to form a partnership that would see the MVDI enter the automotive industry's financial services sector. It was expected to have repercussions.

"I foresee a major impact on the industry and, although I cannot give too much information, we're looking at a full range of services," said Don Sale, Lumley's general manager.

He added the objective of the partnership was to offer people the chance to "buy safe and sure", and steer business back to traders. "Up to 72 per cent of car sales are public to public, and that's not good for the car dealer. We want to change that."

Sale said they were examining the option of tailor-made F&I services that would give the public a range they could trust with traders having a stake in the products.

"Our membership services are being extended to provide value-added services to members in anticipation of a deregulated environment," said Stephen Wilson, of the MVDI.



January 14, 2005

Year of records being broken

Although total new vehicle sales fell short of 100,000, distributors had plenty to smile about with 2004's registrations exceeding 2003's record year.

Registrations of new cars reached 74,758 – 6.1 per cent ahead of 70,453 in the previous year. Combined with new commercial vehicles – up by 11.7 per cent to 24,037 – new vehicle sales reached 98,795 in 2004.

This was up by 7.4 per cent on 2003's 91,967.

It was the highest number of registrations since 1989, when importing used vehicles began.

"In a continuation of the cycle of recovery for the industry since the elimination of tariffs, we've seen sales of new vehicles increase by 50 per cent since 1998," said Perry Kerr, chief executive officer of the Motor Industry Association.

Used imported vehicles were short of 2003's total by 477 registrations. There were 154,042 used import cars sold in 2004 – two per cent less than 156,969 in 2003.

The used commercial import market was ahead by 19.1 per cent on 2003 – 15,249 compared to 12,799 – and pushed total sales up to 169,291, or 0.3 per cent less than 2003's 169,768.

The top-selling new car in 2004 was the Holden Commodore with 7,014 registrations. It was followed by Ford's Falcon on 5,611 and Toyota's Corolla with 4,901.



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January 19, 1998

Rationalisation of industry heats up

The Christmas break saw another major move in the car-dealer rationalisation process that was likely to accelerate in the coming year.

During 1997, new passenger vehicles sales dropped by nine per cent while used imported car registrations fell by 13 per cent compared to 1996.

John Nicholls, chairman of the Imported Motor Vehicle Dealers' Association, said the 20 dealerships that the NZ Herald reported had folded voluntarily in November and December seemed "about right".

Nicholls, who kept a sharp eye on receivership notices that appeared in The Gazette, hadn't seen large numbers of dealers going into receivership or even voluntary liquidation.

However, he said there were a lot of empty yards, which he attributed to some dealers moving premises, some closing for the holidays and others pulling out but still keeping their licences.

Giltrap City Toyota in Auckland had taken over Greenlane Toyota. The dealership, formally owned by Amatel Holdings, closed on Christmas Eve and reopened in January under the Giltrap banner.

The takeover was a significant move for the industry. It followed John Andrew Ford buying out two North Shore Ford dealerships, which resulted in one closing.





63 Million

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*Based on the number of views for the month of December 2017.

Industry movers

NZ labour market report

DASS PILLAY has joined Protecta Insurance in the newly created role of key account manager to assist with the business' rapid growth.

He has extensive knowledge in selling finance and insurance through previous roles at Andrew Simms, Davie Holden and John Andrew Ford & Mazda.

Dass has strengths in customer service and analytics, which will benefit his clients. He understands how a dealership works, and can suggest and provide new ideas and solutions to increase performance.

His responsibility is to grow the profitability of some of Protecta's new national and key accounts.



MAX KUMM has joined AutoPlay's New Zealand-based sales team bringing with him seven years of dealership sales experience.

General manager David Boshier says having Kumm in this new role focussing on AutoPlay's smart digital tools with his industry background will directly help customers derive the most value out of their sales leads.

Kumm will also be promoting AutoPlay's wider digital agency "one-stop shop" offering in partnership with Adtorque Edge.



MURRAY STEVENS and **TUKS NELIO** have been promoted at Finance Now.

The appointments follow the company reviewing its motor-vehicle finance structures after continued growth over the past 12 months to provide extra assistance to its dealer network.

Nelio is now North Island manager for motor-vehicle finance, while Stevens holds the same position for the South Island.

They have both contributed strongly to growth to date, and their new roles include heading up account management teams.



Murray Stevens



Tuks Nelio

STEVE PRANGNELL and **SPENCER MORRIS** are taking on new roles with Toyota NZ as Neeraj Lala returns to the company.

Prangnell, general manager of new-vehicle sales, will head up used car sales and look after the dealer network, while Morris is moving away from general manager of product to focus on after-sales and parts.

Lala, former head of product planning, is returning from a three-year secondment with Toyota in the US. He will take on product planning and responsibility for new-vehicle sales.

The distributor has added Debbie Pattullo to its executive team in the role of assistant general manager of people development.



Steve Prangnell



Spencer Morris



Neeraj Lala



Debbie Pattullo

RUUD KLEINPASTE is now an official ambassador for the Tremendous School initiative, a Project Crimson and Mazda Foundation initiative that transforms unused areas at schools into outdoor learning areas.

AUTOMOTIVE FINANCE

companies have helped to boost strong growth in New Zealand's non-bank lenders sector during the 2017 financial year.

KPMG's annual Financial Institutions Performance Survey (FIPS), which was released on December 15, shows Kiwi finance companies and other non-bank lenders have seen a rise in net profit after tax of 10.2 per cent or \$216.67 million.

The sector also gained a 12.19 per cent boost in total assets over the year to take the total to \$10.96 billion.

Of the 25 companies surveyed, Branded Financial Services, Nissan Financial Services and Geneva Finance Ltd, which are members of the Financial Services Federation (FSF), came out as top performers during the year.

Lyn McMorran, executive director of the FSF, says the survey's results reflect continued reports from members of excellent levels of lending growth and low arrears.

"Our monthly MotorFax publication for members – which tracks all new and used imported motor-vehicle registrations including commercial, changes of ownership, securities registered and so on right back to 2007 – would also reflect this," she says.

McMorran says the sector's robust performance is also reflected in the continued growth of FSF membership.

"As an industry body, the FSF has grown with the right kind of responsible lenders and affiliated organisations still showing interest in being members, so we're now at nearly 60 members."

Meanwhile, Stats NZ has released a plethora of facts and figures of interest to car dealers and the industry in general.

The country saw a net gain of 70,400 migrants in the year ending November 2017 with 131,500 arrivals and 61,200 departures.

Annual net migration for November was at the same level

as the same month in 2016, and continued the recent trend of reducing levels since the peak of 72,400 in the July 2017 year.

Non-New Zealand citizen arrivals contributed to most of the net migration, while migration recorded a net loss of 1,300 Kiwis in the November 2017 year.

Also, the country is projected to have more than 2.2 million households in 2038 – 500,000 more than now.

Updated estimates indicate changes in the number and composition of families and households with consequences on purchasing decisions in many industries including automotive.

"Growth in households reflects population growth from net migration and natural increase, but also an ageing population," says Peter Dolan, of Stats NZ. "The projections suggest we'll need more, but different, houses from what we've typically built given the likely growth in one or two-person households."

Nearly half the extra households in 2038 will be in the Auckland region, 31 per cent in the rest of the North Island and almost 20 per cent in the South Island.

Imports in November were valued at \$5.8b, which exceeded October's record of \$5.4b and rose by 27 per cent from November 2016. This was the largest rise in imports since a 62 per cent jump in December 1999 with the increase being across a range of commodities and the largest increases including vehicles.

The value of car imports reached a new high of \$513m. There were 26,700 passenger vehicles imported in November at a higher average value than earlier last year. Of those, 140 were new electric vehicles (EVs) and about 170 were used EVs.

The \$1.2b rise in total November 2017 imports was equivalent to 83,000 used electric cars, according to Stats NZ. ☺

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

Working on your database

What an industry this is to be involved in. In 2017, there was continued population growth, heavy investment in roading and the authorities struggled to provide effective public transport. All of this resulted in more cars being sold than ever before.

Change, however, is happening. Property values are stabilising, fuel prices are increasing – especially with Auckland's impending regional fuel tax, and there's increased technology, and availability of electric vehicles and hybrids.

We're now seeing a change in buyer behaviour. Information is "king" and customers are able to make a lot of their decisions via the internet and without needing to talk to sales teams.

We have to be careful not to rely on past experience or rely too

heavily on trends as change gathers pace. This can be seen as a positive because it keeps us on our toes and means what we did last year won't necessarily work this year.

We have to try different things, but there's one thing we can do to ensure we're getting people onto yards and it isn't anything new.

That's working your database. The more you regularly contact customers, the more opportunities you have to sell cars.

Ensure your communication is relevant and sells your dealership's benefits. Do you send birthday wishes or service reminders? Do you follow up on customers whose finance is about to expire, or when you are notified by the finance



TONY HEADLAND
General manager
Protecta Insurance

company about early settlement? This is a great opportunity to make contact.

Don't be afraid to contact buyers to check everything is going okay post-purchase. If it isn't you want to know, don't you? You can easily

turn potential problems into reasons for clients to recommend you to friends and family.

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

Protecta Insurance offers a two-day business managers' course to upskill or refresh. Improving their

performance adds direct profit to your dealership.

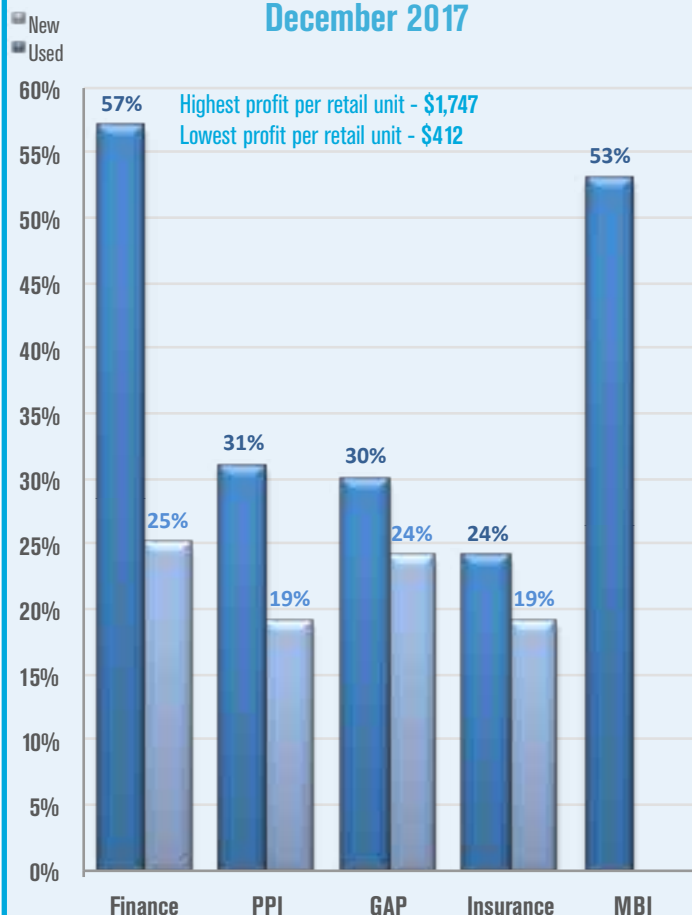
Now is the time to have a look at your business with fresh eyes. Get a friend to do a mystery shop.

If you have a business manager is your sales team turning the customer over to him or her correctly? Have you ever watched the programme Undercover Boss? It's amazing what they find out about their company. Sure, it's hyped up for television, but there are some bosses genuinely surprised by what they find out.

A mystery shopper may be able to highlight things you think are happening but aren't or vice-versa. I have a friend who is a manager of a major retailer and they mystery shop all the time to ensure staff follow correct procedures.

Thank you for your support in 2017. We look forward to 2018 with excited anticipation. ☺

PROTECTA nationwide F&I results December 2017



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Kiwis taking on world's best

As motor racing's household names of tomorrow gather in Christchurch for the first round of 2018's Castrol Toyota Racing Series (TRS), three New Zealanders are ready to meet the onslaught.

Ferrari protege Marcus Armstrong, racing for Hamilton-based M2 Competition, has returned from a busy year in Europe for his second shot at the TRS title.

He won the Italian Formula 4 Championship title in his first full season of car racing and was second in the German F4 title fight.

In December, Armstrong was confirmed for Prema Powerteam's Formula 3 men European Championship line-up. He leaves for Italy soon after the TRS concludes.

Brendon Leitch is the most TRS-experienced of the three and has a



Brendon Leitch

best finish of third overall.

He contested the FIA Formula 4 USA Championship in 2017, finishing fourth and scoring points toward a Superlicence – the key to racing in the elite categories globally. Leitch is racing for Nelson-



Reid Harker

based Victory Motor Racing.

The third Kiwi to watch is Albany's Reid Harker, who is the first driver to step directly up from Toyota's one-make 86 Championship.

Harker is something of a one-



Marcus Armstrong

make specialist having come to the 86 series from the successful BMW E30 one-make race series.

It is his first shot at TRS and his first "wings and slicks" open-wheeler foray. He will drive with the Giles Motorsport team. ☺

Circuit secures endurance showdown

New Zealand's most successful endurance series will stage its final round at Pukekohe in March. It will be the first time the series has visited the South Auckland circuit.

The event will run to the same format as the southern and northern regional rounds with a one-hour event and three-hour race.

The top cars from the North and South Island Endurance Series are eligible for the final. The timing means the circuit's full resurfacing programme will be complete. There are five FIA-homologated GT3 cars eligible to compete in the three-hour race, while the sizeable Porsche contingent will make up much of the one-hour grid.

Most of the world's famous endurance racing nameplates are represented, such as Porsche, Mercedes, BMW, Ferrari and Chevrolet. ☺



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Herbert makes V8 history



It's a hard road making a name for yourself in motor racing. And even though society gives lip service to breaking the "glass ceiling" in commerce and career, it's still even harder to get taken seriously as a woman on the track.

So, when a tiny blonde racer becomes the first female to win an NZV8 race, it's cause to celebrate. When that racer is Chelsea Herbert, it's a fair bet this will not be the last such victory.

At last month's round of the BNT New Zealand Touring Car championships, the 19-year-old drove her way to NZV8 TL-class history – and did it at the technical and physically demanding Bruce McLaren Motorsport Park near Taupo.

To do it, she had to battle not only a strong field of TL racers, but also a slipping clutch in her Ford Falcon.

"It was amazing," enthuses Herbert. "I was pretty happy with my results from the first round [in Pukekohe] and I was keen to do well at Taupo as we were under-prepared at Pukekohe. Getting my first race win at Taupo was special and rewarding."

The young driver's form was obvious the previous year when she qualified on pole. Hopes of starting off at the front were dashed this year by



Chelsea Herbert in the pit lane and her Ford Falcon

that problematic clutch, which also made a gripping duel with championship front-runner Liam McDonald frustrating.

Clearly quicker down Taupo's big straight, Herbert found the Falcon's drive out of corners lacking. As the torque kicked in mid-corner, it would load up the clutch and cause slippage allowing McDonald to grab a gap. Again and again Herbert harried him, and finally slipped past in a classic cross-over going into a corner.

"It was just at the point when you needed all the torque to drive the car out of the corner and once I got on the straight, it would grab again and away we'd go. It was an epic battle, but would have been over quicker without the clutch issue."

The team wasn't able to get the clutch sorted all weekend, but Herbert adapted her style to minimise the disadvantage.

Everything about the first round at Pukekohe pointed towards success at Taupo, Herbert overcame all manner of difficulties at that opening round and had a

string of podium finishes.

There was no chance to test the Falcon, not even during official practice, so it was straight into qualifying.

"For the first race, it was pouring with rain so I focussed on keeping the car on track and came home third," recalls Herbert. "Then I was second in race two – the car wasn't quite set up right. I led the third race from the start. But I got pinged for a jump start, had a time penalty and came fourth."

Passionate about her racing, Herbert knows "seat time" is critical. The chance to pick up an endurance drive before the V8 series started meant she had a decent dose of race time before the start of the championship.

She was paired with Christina Orr-West in an Aston Martin GT4 run by the Michael Chua-owned Mike Racing operation. Orr-West is an experienced racer having risen through single-seater categories and, more recently, in competitive "tin-top" drives.

Like most aspiring drivers, Herbert started her career in

karting and says the experience was priceless. Considerations of gender are minimal in cadet-kart categories as a third place in the Top Half in 2008 showed. She was just 10. The following year, she won its cadet series outright.

Herbert stayed with karting until 2013, advancing into the Rotax Max class. Then came two years' racing the crash-and-bash SsangYong ute one-make series before getting her chance to step up into a V8. She was fourth overall with three podium finishes and one pole as she learned to handle the bigger, heavier and much faster V8.

With more experience in the car, she's happy with her form. "The more I get used to the Falcon, the faster I want to go. I'm confident in the car. The team's learning stuff all the time and becoming more confident. What we've got is going really well and proof of that was at Taupo with that win."

As for the future? Like all racers, Herbert knows she needs to go offshore to advance her career. Asia is a possibility. The focus there is likely to be an endurance or single-make championship. The relationship with Mike Racing could pave the way, or this confident young woman might do the deal on her own.

In the meantime, the NZV8s may be looking at its first female champion. ☺

Trader refuses to return deposit to buyer after cancellation of sales agreement

Background

Johanes Nel van Niekerk agreed to buy a 2006 Toyota Sienta from Wood de RTIB Ltd, trading as AMC Motors in May 2017, and paid a \$1,000 deposit.

The purchase was subject to an AA inspection, which revealed the car had several large scratches on its paintwork.

On receipt of the report, the buyer told the trader he didn't want to proceed with the transaction and requested a refund of his deposit.

AMC Motors refused, saying Van Niekerk was only entitled to cancel the agreement if the inspection report revealed a major mechanical problem.

The case

The Christchurch-based buyer inquired about the Sienta, which was advertised on Trade Me by Auckland-based AMC Motors on May 2.

The dealer emailed Van Niekerk saying that if he put a \$1,000 deposit on the vehicle "subject to inspection", it would hold it until June 1.

The buyer replied that he would take the car on that basis, asked AMC Motors to arrange for the AA to inspect it and deposited \$1,000 into the dealer's account plus \$150 for the inspection.

AMC Motors emailed the buyer a vehicle offer and sale agreement (VOSA) and added handwritten words as a special condition. These were: "\$1,000 deposit only. Can refund when the car done AA or

VTNZ inspection for big mechanical issues." The buyer signed the VOSA on May 9.

At the hearing, Van Niekerk emphasised that AMC Motors hadn't discussed the extra words with him and they were added after he had paid the deposit, which was confirmed on the VOSA.

AMC Motors sent Van Niekerk the AA report on May 22. It recorded the vehicle had several large scratches – on the bonnet, the right-front wing and both left doors.

That day, he emailed AMC Motors asking it to contact him regarding the scratches which, he said, hadn't been disclosed.

The next day, Van Niekerk's partner phoned AMC Motors because it hadn't replied. She explained Van Niekerk was unaware of the scratches and wanted his deposit back.

AMC Motors refused to refund the deposit. It said it was only required to return the deposit if there was a mechanical problem with the vehicle. The trader told Van Niekerk's partner not to phone again and hung up.

The buyer noticed AMC Motors was advertising the vehicle on Trade Me on May 25.

This was inconsistent with its agreement to hold the car for him until June 1, which, he understood, was the justification for requiring the deposit.

The buyer travelled to Auckland to inspect the car on June 1 and saw large scratches on the Sienta.

The finding

The tribunal can inquire into and determine any application or claim under the Contractual Remedies Act (CRA) in respect of the sale of a motor vehicle.

It can make any order that a court or a disputes tribunal constitutes may make a claim under section nine of the CRA.

This contract was an agreement between Van Niekerk and AMC Motors for the sale of the Sienta for \$6,195 – including the deposit and AA fee due after contract.

Up to the time when Van Niekerk paid the \$1,000 deposit, the words "subject to inspection", as used by the trader in its email of May 3, were left unqualified.

By implication, those words entitled him to decide that he wouldn't buy the car if the AA inspection revealed any information that disinclined him to proceed with the purchase.

There was nothing in the words "subject to inspection" that limited Van Niekerk's entitlement to cancel the contract due to "big mechanical issues". Those words were added without further negotiation with him.

The fact Van Niekerk signed the VOSA containing the new, unilaterally imposed condition didn't affect the tribunal's conclusion.

The purpose of the deposit was to provide comfort to AMC Motors that Van Niekerk was entering into the transaction in good faith.

The inspection condition allowed the buyer to reject the car

The case: The buyer paid a \$1,000 deposit on a Toyota Sienta subject to an inspection. The subsequent report revealed large scratches on the vehicle's paintwork and the purchaser rejected the contract. The trader refused to refund the deposit saying the buyer was only able to cancel due to mechanical issues.

The decision: The dealer was ordered to refund the purchaser's \$1,000 deposit.

At: The Motor Vehicle Disputes Tribunal, Auckland.

if he was unhappy with the report. It wasn't limited to "mechanical issues". That was a limitation imposed by the trader after the purchaser had paid the deposit.

AMC Motors repudiated the agreement by making it clear it didn't intend to perform its obligations to refund the buyer's deposit if he was unsatisfied with the AA's report.

The tribunal found it was implicit in Van Niekerk's request for a refund of his deposit that he wasn't intending to proceed with the transaction and had cancelled the contract.

AMC Motors would never have been under any doubt that it was Van Niekerk's intention to cancel the contract.

The tribunal concluded that a term of the contract was that the buyer was entitled to cancel the agreement if he was unhappy with the findings of the AA inspection.

Under those circumstances, Van Niekerk would be entitled to a full refund of his deposit under section nine of the CRA.

Order

The trader was ordered to refund Van Niekerk his deposit of \$1,000.Ⓜ



Purchaser secures compensation after discovering mileage discrepancy with car

Background

Clayton Knowles purchased a 2012 BMW 520d from Auckland-based Pay Less Motors in April 2017 for \$28,300.

The vehicle was advertised on Trade Me as having travelled 74,482km. That same mileage figure was recorded on the vehicle offer and sale agreement (VOSA) and consumer information notice.

But when the car was delivered to Knowles in Nelson its odometer reading was 92,624km.

He wanted compensation in respect of that and reimbursement for other repairs he had carried out.

The case

Knowles emailed Pay Less Motors about the mileage discrepancy on April 11, 2017. He stated: "I believe this is a significant difference and affects the value of the car considerably."

The dealer didn't dispute the matter. It emphasised in its response to Knowles and at the hearing that it was an "honest mistake".

Nevertheless, the tribunal accepted Knowles' claim that the discrepancy was likely to affect the BMW's value and it failed to comply with the Consumer Guarantees Act (CGA) in that goods must correspond with their descriptions.

About six weeks post-purchase, Knowles observed a warning light on the dashboard indicating the vehicle's cornering ability was restricted.

The warning was diagnosed by Haven BMW as signifying a failure

in the left-rear suspension airbag or air spring. The tribunal's assessor advised that suspension airbag failures weren't uncommon in that BMW model.

The fact the airbag failed a few weeks after it was supplied indicated the car lacked durability because a reasonable consumer who had spent \$28,300 on a five-year-old BMW wouldn't expect to replace a vital component so soon after purchase.

Therefore, the car failed to comply with the CGA's guarantee of acceptable quality, and it was a critical failure because it couldn't be driven until the airbag was fixed.

However, the tribunal ruled no other issues with the vehicle failed to comply with that guarantee.

Both parties tried to negotiate a resolution. Knowles emailed the trader that he would accept \$3,000 in full and final payment.

Pay Less Motors offered \$500 or a refund of the \$28,000 purchase price, but Knowles would have to pay to transport the BMW to Auckland.

Knowles responded that on payment by the trader of the \$500 plus supply of an additional tyre that "we're all square", until he observed the cornering-ability restricted warning light signalling the airbag issue. He wanted to preserve his ability to seek recourse for any further defects.

The dealer said it would reimburse Knowles \$500 and provide a tyre. However, an email dated May 11 from the trader led to him terminating settlement

negotiations without agreement.

The email stated: "Hi Clayton. We are happy to reimburse \$500 and send you the tyre as we discussed and for this issue, which you had as you said you never wanted any warranty. We gave a deal and you were happy so from here if anything happens to your car... it's your responsibility. Kind regards, director Ronald Shyam."

Shyam said the email, together with Knowles' indication he would accept \$500 plus a tyre, constituted a binding settlement.

Under section 43 of the CGA, parties are entitled to settle or compromise claims, an acceptable form of contracting out of the act.

Knowles said he didn't want the \$500 from the trader after it became clear that by doing so he wouldn't be able to seek its assistance in respect of other problems arising with the vehicle.

The tribunal accepted he didn't settle his dispute with Pay Less Motors, which was confirmed in his email to it on May 18.

This stated: "I believe you should cover the cost of the suspension repair, but you have already stated you will not. If this is still your opinion, then I will be taking legal action. Let me know either way."

The finding

Knowles sought compensation under section 18 of the CGA for the odometer mileage discrepancy. He obtained two valuations that suggested a reduction in value of between \$2,500 and \$5,000.

The case: The buyer sought compensation after his BMW was delivered with a higher odometer reading than was advertised, while an airbag in the car failed soon after purchase. The dealer didn't dispute the mileage discrepancy. But negotiations between the parties about the issues involved broke down and the trader refused to fix the airbag.

The decision: The trader was ordered to pay the buyer \$4,118 in compensation for the higher odometer reading and some repair costs.

At: The Motor Vehicle Disputes Tribunal, Auckland.

The tribunal accepted its assessor's finding that the valuation of 18,000km discrepancy was about \$3,000, which the trader didn't dispute.

However, the dealer's position in its May 11 email was it wasn't prepared to accept responsibility for any further problems with the BMW.

Knowles sought to confirm that on May 18 by informing the dealer he believed it should pay for the airbag repairs.

The trader said the matter had been settled and Knowles wasn't entitled to make any further claims, but the tribunal found the dealer refused to remedy the airbag failure.

The CGA states if a trader refuses to remedy a failure, the buyer may "have the failure remedied elsewhere and obtain from the supplier reasonable costs incurred in having the failure remedied".

Knowles had the airbag defect fixed by Haven BMW for \$1,118 which the tribunal accepted as "reasonable costs".

Order

The dealer was ordered to pay the purchaser \$4,118. ☺

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|------------|------------|---------------------|----------------------|--------------------|------------------|---------------------|
| JAPAN | Moji | - | - | 14 Jan | - | 13 Feb |
| | Osaka | 2 Jan | 7 Jan | 15 Jan | 1 Feb | 14 Feb |
| | Nagoya | 3 Jan | - | 16 Jan | 2 Feb | 15 Feb |
| | Toyohashi | - | - | 18 Jan | 3 Feb | 16 Feb |
| | Yokohama | 4 Jan | 8 Jan | 19 Jan | 4 Feb | 17 Feb |
| NZ | Auckland | 20 Jan | 21 Jan | 5 Feb | 19 Feb | 7 Mar |
| | Wellington | 27 Jan | 28 Jan | 9 Feb | 12 Mar | 12 Mar |
| | Lyttelton | 3 Feb | 3 Feb | 8 Feb | 11 Mar | 11 Mar |
| | Nelson | 6 Feb | 6 Feb | 10 Feb | 16 Mar | 16 Mar |

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| |
|-----------------------|
| Total new cars |
| 8,151 |
| 2016: 8,069 ▲ 1.0% |



| |
|---------------------------------|
| Total imported used cars |
| 14,102 |
| 2016: 13,181 ▲ 7.0% |

| |
|-----------------------------|
| Whangarei |
| NEW: 171 2016: 128 ▲ 33.6% |
| USED: 335 2016: 292 ▲ 14.7% |

| |
|--------------------------------|
| Auckland |
| NEW: 3,711 2016: 3,834 ▼ 3.2% |
| USED: 7,037 2016: 6,558 ▲ 7.3% |

| |
|-----------------------------|
| Hamilton |
| NEW: 359 2016: 420 ▼ 14.5% |
| USED: 846 2016: 745 ▲ 13.6% |

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|-----------------------------|
| New Plymouth |
| NEW: 113 2016: 89 ▲ 27.0% |
| USED: 170 2016: 205 ▼ 17.1% |

| |
|---------------------------|
| Wanganui |
| NEW: 62 2016: 35 ▲ 77.1% |
| USED: 88 2016: 62 ▲ 41.9% |

| |
|----------------------------|
| Palmerston North |
| NEW: 197 2016: 197 ■ 0.0% |
| USED: 327 2016: 336 ▼ 2.7% |

| |
|-----------------------------|
| Nelson |
| NEW: 85 2016: 81 ▲ 4.9% |
| USED: 336 2016: 245 ▲ 37.1% |

| |
|--------------------------|
| Westport |
| NEW: 1 2016: 1 ■ 0.0% |
| USED: 3 2016: 11 ▼ 72.7% |

| |
|--------------------------|
| Greymouth |
| NEW: 10 2016: 12 ▼ 16.7% |
| USED: 34 2016: 34 ■ 0.0% |

| |
|----------------------------|
| Thames |
| NEW: 86 2016: 68 ▲ 26.5% |
| USED: 146 2016: 78 ▲ 87.2% |

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|----------------------------|
| Tauranga |
| NEW: 245 2016: 247 ▼ 0.8% |
| USED: 557 2016: 534 ▲ 4.3% |

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|-----------------------------|
| Rotorua |
| NEW: 103 2016: 55 ▲ 87.3% |
| USED: 243 2016: 148 ▲ 64.2% |

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|--------------------------|
| Gisborne |
| NEW: 26 2016: 28 ▼ 7.1% |
| USED: 61 2016: 59 ▲ 3.4% |

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|-----------------------------|
| Napier |
| NEW: 157 2016: 156 ▲ 0.6% |
| USED: 293 2016: 258 ▲ 13.6% |

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|---------------------------|
| Masterton |
| NEW: 71 2016: 41 ▲ 73.2% |
| USED: 73 2016: 83 ▼ 12.0% |

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|--------------------------------|
| Wellington |
| NEW: 561 2016: 444 ▲ 26.4% |
| USED: 1,007 2016: 1,014 ▼ 0.7% |

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|---------------------------|
| Blenheim |
| NEW: 68 2016: 46 ▲ 47.8% |
| USED: 70 2016: 53 ▲ 32.1% |

| |
|--------------------------------|
| Christchurch |
| NEW: 1,752 2016: 1,893 ▼ 7.4% |
| USED: 1,702 2016: 1,777 ▼ 4.2% |

| |
|----------------------------|
| Timaru |
| NEW: 38 2016: 45 ▼ 15.6% |
| USED: 115 2016: 95 ▲ 21.1% |

| |
|---------------------------|
| Oamaru |
| NEW: 4 2016: 13 ▼ 69.2% |
| USED: 20 2016: 25 ▼ 20.0% |

| |
|----------------------------|
| Dunedin |
| NEW: 224 2016: 155 ▲ 44.5% |
| USED: 442 2016: 422 ▲ 4.7% |

| |
|-----------------------------|
| Invercargill |
| NEW: 107 2016: 81 ▲ 32.1% |
| USED: 197 2016: 147 ▲ 34.0% |

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Imported Passenger Vehicle Sales by Make - December 2017

| MAKE | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|---------------|---------------|---------------|------------|---------------------|----------------------|-------------------|
| Toyota | 3,617 | 3,520 | 2.8 | 25.6% | 41,692 | 25.2% |
| Nissan | 2,775 | 2,564 | 8.2 | 19.7% | 31,190 | 18.8% |
| Mazda | 2,289 | 1,975 | 15.9 | 16.2% | 25,594 | 15.5% |
| Honda | 1,410 | 1,296 | 8.8 | 10.0% | 16,338 | 9.9% |
| Subaru | 729 | 572 | 27.4 | 5.2% | 8,064 | 4.9% |
| Suzuki | 651 | 576 | 13.0 | 4.6% | 8,133 | 4.9% |
| BMW | 566 | 519 | 9.1 | 4.0% | 7,121 | 4.3% |
| Mitsubishi | 477 | 449 | 6.2 | 3.4% | 5,864 | 3.5% |
| Volkswagen | 361 | 395 | -8.6 | 2.6% | 5,420 | 3.3% |
| Audi | 244 | 214 | 14.0 | 1.7% | 3,221 | 1.9% |
| Mercedes-Benz | 232 | 275 | -15.6 | 1.6% | 3,381 | 2.0% |
| Ford | 109 | 131 | -16.8 | 0.8% | 1,331 | 0.8% |
| Lexus | 69 | 72 | -4.2 | 0.5% | 1,017 | 0.6% |
| Volvo | 69 | 96 | -28.1 | 0.5% | 946 | 0.6% |
| Jaguar | 47 | 46 | 2.2 | 0.3% | 565 | 0.3% |
| Hyundai | 43 | 34 | 26.5 | 0.3% | 395 | 0.2% |
| Land Rover | 43 | 54 | -20.4 | 0.3% | 603 | 0.4% |
| Chevrolet | 40 | 49 | -18.4 | 0.3% | 637 | 0.4% |
| Holden | 36 | 57 | -36.8 | 0.3% | 680 | 0.4% |
| Mini | 36 | 41 | -12.2 | 0.3% | 500 | 0.3% |
| Renault | 35 | 9 | 288.9 | 0.2% | 185 | 0.1% |
| Porsche | 29 | 35 | -17.1 | 0.2% | 402 | 0.2% |
| Jeep | 20 | 36 | -44.4 | 0.1% | 309 | 0.2% |
| Dodge | 18 | 16 | 12.5 | 0.1% | 310 | 0.2% |
| Chrysler | 17 | 19 | -10.5 | 0.1% | 239 | 0.1% |
| Peugeot | 17 | 16 | 6.3 | 0.1% | 184 | 0.1% |
| Daihatsu | 11 | 11 | 0.0 | 0.1% | 144 | 0.1% |
| Alfa Romeo | 10 | 3 | 233.3 | 0.1% | 48 | 0.0% |
| Kia | 9 | 9 | 0.0 | 0.1% | 119 | 0.1% |
| Citroen | 7 | 6 | 16.7 | 0.0% | 46 | 0.0% |
| Chrysler Jeep | 6 | 0 | 0.0 | 0.0% | 14 | 0.0% |
| Lincoln | 6 | 2 | 200.0 | 0.0% | 27 | 0.0% |
| Plymouth | 6 | 2 | 200.0 | 0.0% | 39 | 0.0% |
| Buick | 5 | 4 | 25.0 | 0.0% | 35 | 0.0% |
| Cadillac | 5 | 8 | -37.5 | 0.0% | 63 | 0.0% |
| Others | 58 | 70 | -17.1 | 0.4% | 798 | 0.5% |
| Total | 14,102 | 13,181 | 7.0 | 100.0% | 165,654 | 100.0% |

Imported Passenger Vehicle Sales by Model - December 2017

| MAKE | MODEL | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|--------------|-----------|---------------|---------------|------------|---------------------|----------------------|-------------------|
| Mazda | Demio | 637 | 487 | 30.8 | 4.5% | 6,075 | 3.7% |
| Nissan | Tiida | 615 | 775 | -20.6 | 4.4% | 7,358 | 4.4% |
| Mazda | Axela | 592 | 570 | 3.9 | 4.2% | 7,319 | 4.4% |
| Suzuki | Swift | 567 | 500 | 13.4 | 4.0% | 6,958 | 4.2% |
| Honda | Fit | 565 | 458 | 23.4 | 4.0% | 5,815 | 3.5% |
| Subaru | Legacy | 365 | 287 | 27.2 | 2.6% | 4,030 | 2.4% |
| Toyota | Wish | 321 | 350 | -8.3 | 2.3% | 4,043 | 2.4% |
| Toyota | Prius | 314 | 254 | 23.6 | 2.2% | 3,691 | 2.2% |
| Mazda | Atenza | 304 | 261 | 16.5 | 2.2% | 3,628 | 2.2% |
| Toyota | Estima | 293 | 255 | 14.9 | 2.1% | 2,778 | 1.7% |
| Mitsubishi | Outlander | 284 | 223 | 27.4 | 2.0% | 3,330 | 2.0% |
| Toyota | MarkX | 266 | 206 | 29.1 | 1.9% | 3,083 | 1.9% |
| Toyota | Vitz | 256 | 272 | -5.9 | 1.8% | 3,154 | 1.9% |
| Volkswagen | Golf | 228 | 227 | 0.4 | 1.6% | 3,335 | 2.0% |
| Nissan | Note | 221 | 159 | 39.0 | 1.6% | 2,187 | 1.3% |
| Mazda | MPV | 215 | 202 | 6.4 | 1.5% | 2,565 | 1.5% |
| Toyota | Corolla | 211 | 309 | -31.7 | 1.5% | 2,482 | 1.5% |
| Mazda | Premacy | 207 | 244 | -15.2 | 1.5% | 2,461 | 1.5% |
| Nissan | Leaf | 198 | 68 | 191.2 | 1.4% | 1,905 | 1.1% |
| Nissan | Dualis | 194 | 161 | 20.5 | 1.4% | 2,435 | 1.5% |
| Nissan | Murano | 191 | 155 | 23.2 | 1.4% | 1,932 | 1.2% |
| Toyota | Alphard | 173 | 110 | 57.3 | 1.2% | 1,408 | 0.8% |
| Nissan | X-Trail | 172 | 98 | 75.5 | 1.2% | 1,622 | 1.0% |
| Honda | Odyssey | 163 | 176 | -7.4 | 1.2% | 2,160 | 1.3% |
| Honda | Stream | 162 | 124 | 30.6 | 1.1% | 1,671 | 1.0% |
| Toyota | RAV4 | 158 | 127 | 24.4 | 1.1% | 1,786 | 1.1% |
| Toyota | Blade | 156 | 136 | 14.7 | 1.1% | 1,722 | 1.0% |
| Subaru | Impreza | 156 | 121 | 28.9 | 1.1% | 1,819 | 1.1% |
| Toyota | Auris | 155 | 151 | 2.6 | 1.1% | 2,041 | 1.2% |
| Honda | CRV | 136 | 106 | 28.3 | 1.0% | 1,459 | 0.9% |
| Nissan | Teana | 127 | 114 | 11.4 | 0.9% | 1,456 | 0.9% |
| Nissan | March | 126 | 105 | 20.0 | 0.9% | 1,319 | 0.8% |
| Nissan | Skyline | 126 | 83 | 51.8 | 0.9% | 1,621 | 1.0% |
| Toyota | Ractis | 123 | 96 | 28.1 | 0.9% | 1,314 | 0.8% |
| Nissan | Elgrand | 119 | 99 | 20.2 | 0.8% | 1,178 | 0.7% |
| Others | | 5,006 | 5,112 | -2.1 | 35.5% | 62,514 | 37.7% |
| Total | | 14,102 | 13,181 | 7.0 | 100.0% | 165,654 | 100.0% |

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Highest figures for 14 years

It was a bumper year for registrations of used-imported passenger vehicles with 2017 being the best 12-month sales period since 2003's previous record of 156,972 units.

Sales of used imports topped 165,654 last year, which was an increase of 10.8 per cent on 2016 when 149,526 units were sold.

Registrations of used cars were also up for December, with 14,102 units sold across New Zealand – an increase of seven per cent from the same month in 2016.

Once again, Toyota was the top-selling used import marque for the past 12 months with 41,692 units for a market share of 25.2 per cent during 2017. It sold 3,617 units in December – up by 2.8 per cent on the same month of 2016.

Nissan held onto second with 31,190 units and 18.8 per cent of the market. It sold 2,775 cars last month, which was an increase of 8.2 per cent on December 2016.

Mazda was third on 25,594 and a 15.5 per cent market share. It sold 2,289 cars last month, which was a healthy increase of 15.9 per cent on the same month of 2016.

The battle for 2017's top used model was close with the Nissan Tiida just beating Mazda's Axela with the Suzuki Swift coming third.

There were 7,358 Tiidas sold, 7,319 Axelas and 6,958 Swifts. The three models held 4.4 per cent, 4.4 per cent and 4.2 per cent of the year's market share respectively.

The Leaf was one of the most talked-about cars of last year as demand for used electric vehicles saw 198 units of the Nissan sold in December – up by 191.2 per

Nissan's Tiida was the most popular used car of 2017 with 7,358 sales

cent on the same month of the previous year. There were 1,905 Leafs sold during the past 12 months for a 1.1 per cent market share.

Another stand-out model for December was Nissan's X-Trail – up by 75.5 per cent with 172 sales.

Nick Owens, of Auto Inspection Services in Christchurch, says dealers are continuing to import a wide range of models, although small cars are still in the majority.

"There are some guys bringing in older Subarus, Mitsubishi Evolutions and Toyota Chasers," he told Autofile.

Owens says mid-sized car imports have increased. This could be due to dealers' concerns over March's law change to the electronic stability control (ESC) rule, which means used passenger



vehicles with engines of more than two litres will need to have the safety system installed and functioning.

"During January, February and March, you will see mid-sized pre-2007 to 2008 cars come in," says Owens. "A lot of cars will have ESC anyway and dealers will decide what is worth bringing in."

"I think 2018 will be another good year for import volumes, although I believe there will be a lot of low-margin sales."

"There will be a lot of cars coming in, but profit margins will be low. That's the feedback I'm getting, but you always hear that."

Jade Karaitiana, sales and finance manager at Pearce Brothers

in Auckland, agrees 2017 was a good year for most dealerships.

However, he says it's difficult to predict what 2018 will hold. "I have my fingers crossed for a good year."

He adds: "With this industry, you can't pick what will happen. You can only work on a day-to-day basis."

"I don't think what the government does affects the average buyer, who is more concerned about purchasing a car that's going to suit their needs. We get a lot of repeat customers and now I'm selling cars to their kids."

Lloyd Wilson, who owns Lloyd Wilson Motors in Dunedin, describes 2017 as a solid year.

"The market will depend on the economy. If the government feeds money into the economy, buyers will be able to put money into financing cars."

Back to the statistics and, when looking at the individual regions, sales for December increased in 14 of the country's 22 regions.

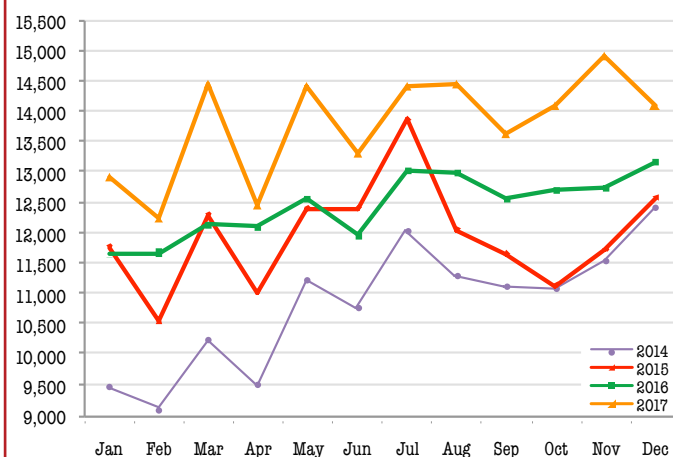
Registrations of used cars increased by a massive 87.2 per cent in Thames, with 146 units compared to 78 in December 2016.

Rotorua's dealerships also had a great month with sales up 64.2 per cent on 243 registrations compared to 148. Whanganui was third – up 41.9 per cent on 88 units in the same month of 2016.

Nelson experienced excellent used-car registrations in the South Island with sales up by 37.1 per cent on 336 units compared to 245.

Registrations in Auckland were up by a modest 7.3 per cent with 7,037 in December compared to 6,558 in the same month of 2016. ☺

Used Imported Passenger Registrations - 2014-2017



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Mammoth year for imports

The number of used passenger vehicles imported into New Zealand during 2017 jumped by 12.4 per cent compared to 2016.

A total of 171,543 units crossed the border last year. That was an increase of 18,867 on the previous year when 152,676 were imported – in line with consistent rises since 2010.

The total number of used cars brought in during December was 13,097, which was down from 14,642 in November.

The biggest month of 2017 was March with 19,546 units, while the smallest was January with 10,583.

Japan, predictably, topped the ladder of source markets for used cars last year with 160,822 units and a 93.75 per cent market share.

Second spot was taken out by Australia with 5,540 and a 3.2 per cent share of the market. The UK came third with 2,173 units and 1.3 per cent respectively.

The US contributed to 0.8 per cent of the market with 1,419 units, while Singapore's 1,202 vehicles was 0.7 per cent of the overall total.

As for used light commercial vehicles, 2017 was steady with 7,465 imports compared to 7,508 in the previous. That was a

decrease of some 0.6 per cent.

Car dealers are keeping a wary eye on any downward movement of the New Zealand dollar against the Japanese yen.

"Our dollar has been doing all sorts of things and it revolves around the dollar against the yen," says Peter Wilson, manager of Superior Cars in New Plymouth.

"The Australian dollar has been stagnant so we might try the Australian market this year. The economy over there has got worse. When people come back to New Zealand from there, they often bring their cars with them."

Wilson says the dealership's

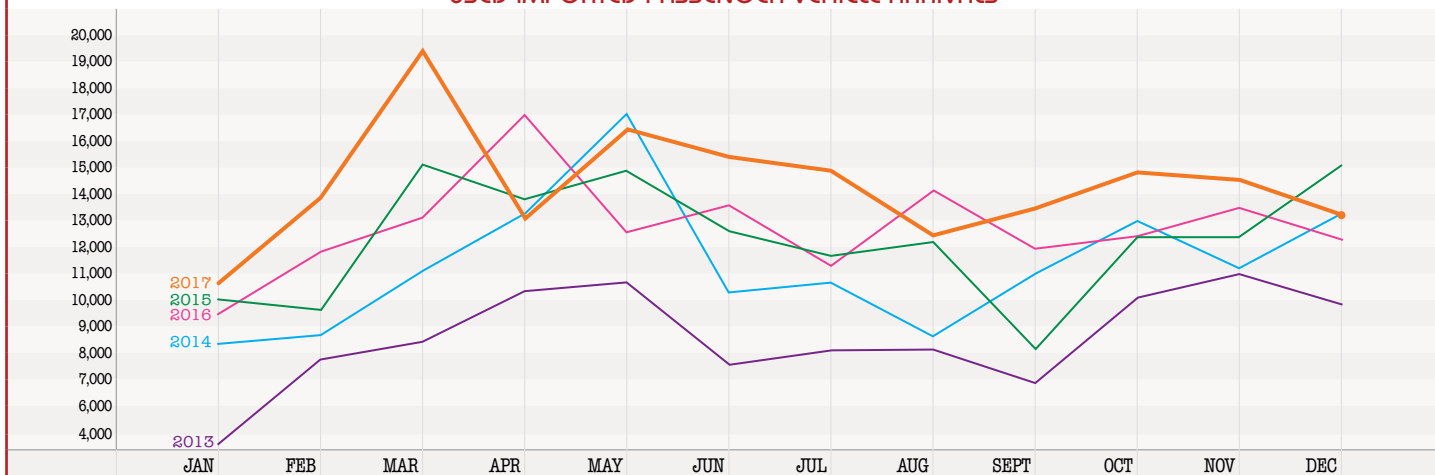
team worked hard over the past 12 months and "it has paid off".

Looking at the overall market, 2017 was the best-ever year for imports with 331,641 new and used passenger and commercial vehicles entering New Zealand – a 10.2 per cent jump on the 300,976 that arrived in 2016.

New light commercials had a stellar year with a 26 per cent increase on 2016, from 29,852 to 37,614 units.

New passenger vehicle imports were also up with 115,019 units imported – an increase of 3.7 per cent on 2016 when 110,940 crossed the border. ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

| COUNTRY OF EXPORT | 2017 | | | | | | | | | | | | | | 2016 | |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|------------|------------|------------|
| | JAN '17 | FEB '17 | MAR '17 | APR '17 | MAY '17 | JUN '17 | JUL '17 | AUG '17 | SEP '17 | OCT '17 | NOV '17 | DEC '17 | DEC SHARE % | 2017 TOTAL | 2016 TOTAL | MRKT SHARE |
| Australia | 382 | 530 | 617 | 431 | 508 | 475 | 450 | 531 | 358 | 434 | 389 | 435 | 3.3% | 5,540 | 5,151 | 3.4% |
| Great Britain | 273 | 173 | 241 | 152 | 190 | 143 | 133 | 190 | 155 | 176 | 197 | 150 | 1.1% | 2,173 | 1,537 | 1.0% |
| Japan | 9,697 | 12,924 | 18,426 | 12,274 | 15,649 | 14,566 | 13,209 | 11,419 | 12,683 | 13,983 | 13,709 | 12,283 | 93.8% | 160,822 | 143,080 | 93.7% |
| Singapore | 47 | 81 | 97 | 54 | 87 | 183 | 120 | 123 | 53 | 111 | 142 | 104 | 0.8% | 1,202 | 1,231 | 0.8% |
| USA | 156 | 100 | 135 | 82 | 119 | 108 | 107 | 119 | 111 | 124 | 164 | 94 | 0.7% | 1,419 | 1,275 | 0.8% |
| Other countries | 28 | 21 | 30 | 24 | 31 | 55 | 36 | 34 | 18 | 38 | 41 | 31 | 0.2% | 387 | 438 | 0.3% |
| Total | 10,583 | 13,829 | 19,546 | 13,017 | 16,584 | 15,530 | 14,055 | 12,416 | 13,378 | 14,866 | 14,642 | 13,097 | 100.0% | 171,543 | 152,712 | 100.0% |



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Optimistic about the year ahead

A car trader believes this year should see his business doing well, although he believes a price war exists in part of the used-car market.

"Business quietened down quite a bit during October and November, but picked up last month," says Rob Morris, sales and finance manager at United Autos in Warkworth.

The dealership mostly sells New Zealand-new cars mixed with a few Japanese imports. The vehicles range in price from less than \$6,000 and up to \$20,000.

"I've only bought three imports in the past four months," Morris told Autofile. "I know what I want on

the yard and when it comes up we buy it. We try to have cars that are desirable for people with money – that's the way to go."

As for 2018, Morris says the economy has been great and he's hoping for another good year.

"There is a price war in the under-\$10,000 import market, that's the way it is. People look on Trade Me for the vehicle they want to buy at the cheapest price they can afford.

"But it's all about speaking to people with respect and finding out what they need, and being fair and friendly."

As for last month's statistics, dealer-to-public sales of second-

hand passenger vehicles during December exceeded the same month of 2016 by 0.9 per cent, or 153 units.

There were 17,924 cars sold by traders last month compared to 17,771 in the same month of the previous year.

Across the country's 22 regions, just nine areas saw an increase in trader sales during December when compared to the same month of 2016.

Masterton recorded the highest percentage increase in used-car sales by dealers with 47.5 per cent, or 239 units, compared to 162 units during the same month of the previous year.

Whanganui was second – up by 30.6 per cent. It was followed by Thames on 28.4 per cent. Although Auckland saw a 2.9 per cent fall in dealer-to-public sales, it held 32.89 per cent of December's market share.

As for trade-ins, there were 11,868 during the last month of 2017 – a drop of 4.8 per cent compared to 2016's 12,469.

Whangarei saw a 37.7 per cent rise in public-to-trader sales in December with 314 registrations compared to 228 in the same month of 2016, while Rotorua was second – up by 23.8 per cent with 125. Masterton was third with a 13.8 per cent jump last month. ☺

SECONDHAND CAR SALES - December 2017

| | DEALER TO PUBLIC | | | | | PUBLIC TO PUBLIC | | | | PUBLIC TO DEALER | | |
|------------------|------------------|---------|-------|--------------|--|------------------|---------|-------|--|------------------|---------|-------|
| | DEC '17 | DEC '16 | +/- % | MARKET SHARE | | DEC '17 | DEC '16 | +/- % | | DEC '17 | DEC '16 | +/- % |
| Whangarei | 591 | 617 | -4.2 | 3.30 | | 1,867 | 1,969 | -5.2 | | 314 | 228 | 37.7 |
| Auckland | 5,896 | 6,073 | -2.9 | 32.89 | | 13,977 | 14,969 | -6.6 | | 4,494 | 4,714 | -4.7 |
| Hamilton | 1,391 | 1,395 | -0.3 | 7.76 | | 3,053 | 3,288 | -7.1 | | 1,002 | 1,095 | -8.5 |
| Thames | 294 | 229 | 28.4 | 1.64 | | 647 | 594 | 8.9 | | 129 | 129 | 0.0 |
| Tauranga | 838 | 1,001 | -16.3 | 4.68 | | 1,881 | 2,214 | -15.0 | | 509 | 656 | -22.4 |
| Rotorua | 362 | 314 | 15.3 | 2.02 | | 969 | 836 | 15.9 | | 125 | 101 | 23.8 |
| Gisborne | 157 | 149 | 5.4 | 0.88 | | 354 | 405 | -12.6 | | 70 | 70 | 0.0 |
| Napier | 613 | 545 | 12.5 | 3.42 | | 1,449 | 1,393 | 4.0 | | 348 | 376 | -7.4 |
| New Plymouth | 346 | 397 | -12.8 | 1.93 | | 864 | 948 | -8.9 | | 210 | 210 | 0.0 |
| Wanganui | 226 | 173 | 30.6 | 1.26 | | 602 | 503 | 19.7 | | 95 | 100 | -5.0 |
| Palmerston North | 734 | 747 | -1.7 | 4.10 | | 1,548 | 1,592 | -2.8 | | 552 | 556 | -0.7 |
| Masterton | 239 | 162 | 47.5 | 1.33 | | 476 | 376 | 26.6 | | 124 | 109 | 13.8 |
| Wellington | 1,526 | 1,551 | -1.6 | 8.51 | | 3,049 | 2,916 | 4.6 | | 1,063 | 1,067 | -0.4 |
| Nelson | 298 | 317 | -6.0 | 1.66 | | 1,010 | 1,044 | -3.3 | | 248 | 220 | 12.7 |
| Blenheim | 175 | 163 | 7.4 | 0.98 | | 429 | 390 | 10.0 | | 106 | 131 | -19.1 |
| Greymouth | 67 | 77 | -13.0 | 0.37 | | 163 | 211 | -22.7 | | 18 | 26 | -30.8 |
| Westport | 4 | 22 | -81.8 | 0.02 | | 28 | 81 | -65.4 | | 0 | 0 | 0.0 |
| Christchurch | 2,813 | 2,445 | 15.1 | 15.69 | | 5,019 | 4,809 | 4.4 | | 1,671 | 1,830 | -8.7 |
| Timaru | 205 | 234 | -12.4 | 1.14 | | 521 | 487 | 7.0 | | 82 | 128 | -35.9 |
| Oamaru | 34 | 65 | -47.7 | 0.19 | | 99 | 189 | -47.6 | | 9 | 16 | -43.8 |
| Dunedin | 687 | 719 | -4.5 | 3.83 | | 1,934 | 1,863 | 3.8 | | 441 | 463 | -4.8 |
| Invercargill | 428 | 376 | 13.8 | 2.39 | | 1,020 | 885 | 15.3 | | 258 | 244 | 5.7 |
| NZ total | 17,924 | 17,771 | 0.9 | 100.00 | | 40,959 | 41,962 | -2.4 | | 11,868 | 12,469 | -4.8 |

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New Passenger Vehicle Sales by Make - December 2017

| MAKE | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|---------------|--------------|--------------|------------|---------------------|----------------------|-------------------|
| Toyota | 2,397 | 2,344 | 2.3 | 29.4% | 20,919 | 19.3% |
| Holden | 669 | 776 | -13.8 | 8.2% | 9,709 | 8.9% |
| Mitsubishi | 662 | 475 | 39.4 | 8.1% | 7,392 | 6.8% |
| Mazda | 645 | 714 | -9.7 | 7.9% | 9,927 | 9.1% |
| Suzuki | 490 | 340 | 44.1 | 6.0% | 6,940 | 6.4% |
| Hyundai | 445 | 489 | -9.0 | 5.5% | 7,009 | 6.5% |
| Honda | 363 | 211 | 72.0 | 4.5% | 4,624 | 4.3% |
| Nissan | 354 | 521 | -32.1 | 4.3% | 4,796 | 4.4% |
| Kia | 251 | 218 | 15.1 | 3.1% | 6,495 | 6.0% |
| Ford | 210 | 387 | -45.7 | 2.6% | 6,479 | 6.0% |
| Mercedes-Benz | 194 | 192 | 1.0 | 2.4% | 2,541 | 2.3% |
| Subaru | 179 | 175 | 2.3 | 2.2% | 3,347 | 3.1% |
| Volkswagen | 178 | 247 | -27.9 | 2.2% | 4,050 | 3.7% |
| Jeep | 162 | 200 | -19.0 | 2.0% | 1,254 | 1.2% |
| Audi | 146 | 135 | 8.1 | 1.8% | 2,062 | 1.9% |
| BMW | 139 | 124 | 12.1 | 1.7% | 1,957 | 1.8% |
| Skoda | 79 | 46 | 71.7 | 1.0% | 1,281 | 1.2% |
| Land Rover | 76 | 46 | 65.2 | 0.9% | 1,178 | 1.1% |
| Lexus | 66 | 65 | 1.5 | 0.8% | 712 | 0.7% |
| Peugeot | 65 | 30 | 116.7 | 0.8% | 781 | 0.7% |
| SsangYong | 50 | 38 | 31.6 | 0.6% | 830 | 0.8% |
| Volvo | 46 | 42 | 9.5 | 0.6% | 540 | 0.5% |
| Renault | 44 | 39 | 12.8 | 0.5% | 267 | 0.2% |
| Haval | 35 | 0 | 3500.0 | 0.4% | 94 | 0.1% |
| Mini | 35 | 31 | 12.9 | 0.4% | 670 | 0.6% |
| Mahindra | 32 | 27 | 18.5 | 0.4% | 86 | 0.1% |
| Tesla | 21 | 1 | 2000.0 | 0.3% | 244 | 0.2% |
| Jaguar | 20 | 17 | 17.6 | 0.2% | 354 | 0.3% |
| Isuzu | 16 | 16 | 0.0 | 0.2% | 269 | 0.2% |
| Porsche | 15 | 16 | -6.3 | 0.2% | 355 | 0.3% |
| Dodge | 14 | 49 | -71.4 | 0.2% | 271 | 0.2% |
| Yamaha | 12 | 4 | 200.0 | 0.1% | 92 | 0.1% |
| Citroen | 10 | 7 | 42.9 | 0.1% | 234 | 0.2% |
| Alfa Romeo | 7 | 2 | 250.0 | 0.1% | 123 | 0.1% |
| LDV | 5 | 14 | -64.3 | 0.1% | 50 | 0.0% |
| Others | 19 | 31 | -38.7 | 0.2% | 676 | 0.6% |
| Total | 8,151 | 8,069 | 1.0 | 100.0% | 108,608 | 100.0% |

New Passenger Vehicle Sales by Model - December 2017

| MAKE | MODEL | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|--------------|------------|--------------|--------------|------------|---------------------|----------------------|-------------------|
| Toyota | Corolla | 1,116 | 905 | 23.3 | 13.7% | 7,801 | 7.2% |
| Toyota | RAV4 | 516 | 568 | -9.2 | 6.3% | 4,635 | 4.3% |
| Mitsubishi | ASX | 287 | 99 | 189.9 | 3.5% | 2,442 | 2.2% |
| Toyota | Yaris | 272 | 298 | -8.7 | 3.3% | 2,059 | 1.9% |
| Mazda | CX-5 | 227 | 150 | 51.3 | 2.8% | 3,237 | 3.0% |
| Suzuki | Swift | 188 | 179 | 5.0 | 2.3% | 2,419 | 2.2% |
| Toyota | Highlander | 182 | 349 | -47.9 | 2.2% | 2,730 | 2.5% |
| Nissan | Qashqai | 176 | 123 | 43.1 | 2.2% | 2,023 | 1.9% |
| Mitsubishi | Outlander | 160 | 208 | -23.1 | 2.0% | 2,847 | 2.6% |
| Kia | Sportage | 159 | 110 | 44.5 | 2.0% | 3,559 | 3.3% |
| Holden | Captiva | 156 | 211 | -26.1 | 1.9% | 2,180 | 2.0% |
| Honda | CRV | 144 | 28 | 414.3 | 1.8% | 986 | 0.9% |
| Nissan | X-Trail | 142 | 268 | -47.0 | 1.7% | 1,827 | 1.7% |
| Toyota | Camry | 136 | 47 | 189.4 | 1.7% | 908 | 0.8% |
| Hyundai | Tucson | 131 | 212 | -38.2 | 1.6% | 2,242 | 2.1% |
| Hyundai | Kona | 129 | 0 | 12,900.0 | 1.6% | 425 | 0.4% |
| Mazda | CX-9 | 115 | 84 | 36.9 | 1.4% | 1,237 | 1.1% |
| Hyundai | Santa Fe | 113 | 145 | -22.1 | 1.4% | 1,630 | 1.5% |
| Holden | Commodore | 105 | 80 | 31.3 | 1.3% | 2,169 | 2.0% |
| Mazda | Mazda3 | 103 | 226 | -54.4 | 1.3% | 1,928 | 1.8% |
| Honda | Jazz | 97 | 82 | 18.3 | 1.2% | 1,239 | 1.1% |
| Subaru | Outback | 91 | 74 | 23.0 | 1.1% | 1,469 | 1.4% |
| Jeep | Cherokee | 90 | 19 | 373.7 | 1.1% | 260 | 0.2% |
| Mazda | CX-3 | 89 | 107 | -16.8 | 1.1% | 1,484 | 1.4% |
| Suzuki | Baleno | 84 | 39 | 115.4 | 1.0% | 625 | 0.6% |
| Mazda | Mazda2 | 81 | 94 | -13.8 | 1.0% | 1,212 | 1.1% |
| Holden | Astra | 79 | 23 | 243.5 | 1.0% | 864 | 0.8% |
| Mitsubishi | Mirage | 78 | 40 | 95.0 | 1.0% | 605 | 0.6% |
| Suzuki | Vitara | 78 | 77 | 1.3 | 1.0% | 1,443 | 1.3% |
| Holden | Equinox | 72 | 0 | 7,200.0 | 0.9% | 0 | 0.0% |
| Holden | Trax | 71 | 114 | -37.7 | 0.9% | 1,281 | 1.2% |
| Honda | HR-V | 69 | 51 | 35.3 | 0.8% | 1,422 | 1.3% |
| Volkswagen | Tiguan | 68 | 69 | -1.4 | 0.8% | 1,893 | 1.7% |
| Holden | Spark | 63 | 70 | -10.0 | 0.8% | 729 | 0.7% |
| Toyota | Fortuner | 62 | 31 | 100.0 | 0.8% | 440 | 0.4% |
| Others | | 2,422 | 2,889 | -16.2 | 29.7% | 44,358 | 40.8% |
| Total | | 8,151 | 8,069 | 1.0 | 100.0% | 108,608 | 100.0% |

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Toyota secures double

A bumper December has resulted in sales of new passenger vehicles coming in at 108,608 last year – 5.8 per cent ahead of 2016's total of 102,644.

There were 8,151 units registered in the last month of 2017, which was a one per cent rise from 8,069 in December of the previous year.

The top-selling model for both the year and month was Toyota's Corolla on 7,801 units for 2017 and 1,116 in December, which represented an annual market share of 7.2 per cent.

The Toyota RAV4 was second for the year on 4,635 and 4.3 per

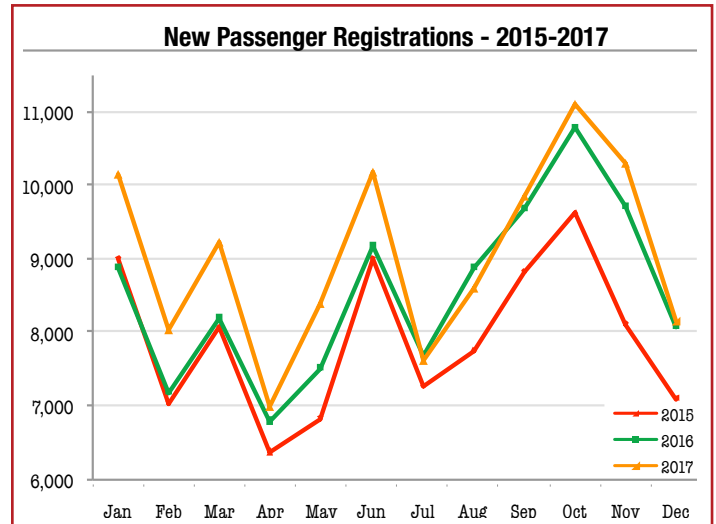
cent. Kia's Sportage rounded out the top three with a 3.3 per cent market share from 3,559 sales.

The marques ladder for 2017 was also topped by Toyota on 20,919 units and a market share of 19.3 per cent.

Mazda took the runners-up spot with 9,927 units and 9.1 per cent. Holden secured an 8.9 share with 9,709 registrations to come third.

Total registrations of new cars and SUVs for 2017 were up by 5.8 per cent – or 5,945 units – while commercial vehicles jumped by 16.2 per cent and 7,173 units compared to 2016.

The Motor Industry Association



adds that segmentation figures reflect the changing patterns of new-vehicle registrations.

The top segment was medium-sized SUVs with a 17 per cent

market share. It was followed by the pick up/chassis cab four-by-four segment with 14 per cent.

Visit www.autofile.co.nz for reaction from marques on 2017. 📱

NEW VEHICLE SALES BY BUYER TYPE - December 2017

| | DEC '17 | DEC '16 | MTH % | 2017 YTD | 2016 YTD | % YTD |
|-------------------------|---------------|---------------|--------------|----------------|----------------|-------------|
| Passenger | 3,438 | 3,713 | -7.4 | 45,030 | 49,193 | -8.5 |
| Private | 859 | 1,101 | -22.0 | 15,822 | 18,424 | -14.1 |
| Business | 1,040 | 1,347 | -22.8 | 17,518 | 19,906 | -12.0 |
| Gov't | 53 | 70 | -24.3 | 1,802 | 2,003 | -10.0 |
| Rental | 1,486 | 1,195 | 24.4 | 9,888 | 8,860 | 11.6 |
| SUV | 4,673 | 4,303 | 8.6 | 62,845 | 52,902 | 18.8 |
| Private | 1,849 | 1,418 | 30.4 | 27,230 | 21,443 | 27.0 |
| Business | 1,894 | 1,454 | 30.3 | 25,516 | 22,032 | 15.8 |
| Gov't | 81 | 59 | 37.3 | 1,003 | 845 | 18.7 |
| Rental | 849 | 1,372 | -38.1 | 9,096 | 8,582 | 6.0 |
| Light Commercial | 2,863 | 2,682 | 6.7 | 44,234 | 38,264 | 15.6 |
| Private | 801 | 668 | 19.9 | 10,902 | 9,341 | 16.7 |
| Business | 1,832 | 1,815 | 0.9 | 29,728 | 25,868 | 14.9 |
| Gov't | 136 | 84 | 61.9 | 1,692 | 1,333 | 26.9 |
| Rental | 94 | 115 | -18.3 | 1,912 | 1,722 | 11.0 |
| Sub Total | 10,974 | 10,698 | 2.6 | 152,109 | 140,359 | 8.4 |
| Private | 3,509 | 3,187 | 10.1 | 53,954 | 49,208 | 9.6 |
| Business | 4,766 | 4,616 | 3.2 | 72,762 | 67,806 | 7.3 |
| Gov't | 270 | 213 | 26.8 | 4,497 | 4,181 | 7.6 |
| Rental | 2,429 | 2,682 | -9.4 | 20,896 | 19,164 | 9.0 |
| Heavy Commercial | 451 | 326 | 38.3 | 5,908 | 4,849 | 21.8 |
| Other | 146 | 184 | -20.7 | 1,855 | 1,512 | 22.7 |
| Total | 11,571 | 11,208 | 3.2 | 159,872 | 146,720 | 9.0 |

NEW VEHICLE MARKET SEGMENTATION - December 2017

| | DEC '17 | DEC '16 | MTH % DIFF | 2017 YTD | 2016 YTD | % YTD |
|--------------------------------|---------------|---------------|--------------|----------------|----------------|--------------|
| Passenger | 3,438 | 3,713 | -7.4 | 45,030 | 49,193 | -8.5 |
| SUV | 4,673 | 4,303 | 8.6 | 62,845 | 52,902 | 18.8 |
| Light Commercial | 2,863 | 2,682 | 6.7 | 44,234 | 38,264 | 15.6 |
| Heavy Commercial | 451 | 326 | 38.3 | 5,908 | 4,849 | 21.8 |
| Other | 146 | 184 | -20.7 | 1,855 | 1,512 | 22.7 |
| TOTAL MARKET | 11,571 | 11,208 | 3.2 | 159,872 | 146,720 | 9.0 |
| Micro | 162 | 147 | 10.2 | 1,717 | 2,120 | -19.0 |
| Light | 920 | 1,048 | -12.2 | 12,485 | 13,735 | -9.1 |
| Small | 1,656 | 1,836 | -9.8 | 19,279 | 19,191 | 0.5 |
| Medium | 363 | 373 | -2.7 | 5,498 | 7,048 | -22.0 |
| Large | 183 | 150 | 22.0 | 3,174 | 3,909 | -18.8 |
| Upper Large | 17 | 4 | 325.0 | 124 | 184 | -32.6 |
| People Movers | 39 | 49 | -20.4 | 957 | 946 | 1.2 |
| Sports | 98 | 106 | -7.5 | 1,796 | 2,060 | -12.8 |
| SUV Small | 1,357 | 769 | 76.5 | 17,278 | 13,507 | 27.9 |
| SUV Medium | 2,059 | 1,875 | 9.8 | 26,517 | 21,472 | 23.5 |
| SUV Large | 1,197 | 1,606 | -25.5 | 18,134 | 17,295 | 4.9 |
| SUV Upper Large | 60 | 53 | 13.2 | 916 | 628 | 45.9 |
| Light Buses | 63 | 54 | 16.7 | 1,043 | 813 | 28.3 |
| Vans | 348 | 466 | -25.3 | 6,323 | 5,923 | 6.8 |
| Pick Up/Chassis Cab 4x2 | 957 | 931 | 2.8 | 14,688 | 13,234 | 11.0 |
| Pick Up/Chassis Cab 4x4 | 1,495 | 1,231 | 21.4 | 22,180 | 18,294 | 21.2 |
| Heavy Commercial | 451 | 326 | 38.3 | 5,908 | 4,849 | 21.8 |
| Other | 146 | 184 | -20.7 | 1,855 | 1,512 | 22.7 |
| TOTAL MARKET | 11,571 | 11,208 | 3.2 | 159,872 | 146,720 | 9.0 |

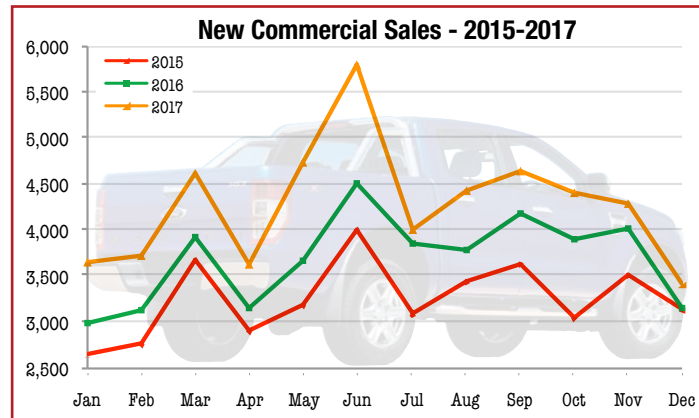
Ranger takes out Kiwi title

It was another excellent year for the Ford Ranger, which retained its title of New Zealand's best-selling new passenger vehicle in 2017.

There were 9,430 of the utes registered during 2017 – up by 12.4 per cent on 2016. That figure was boosted by 597 Rangers sold in December. The vehicle took an 18.3 per cent chunk of 2017's market share.

"It's a fantastic result for the Ranger – third year in a row as New Zealand's overall best-selling vehicle," says Simon Rutherford, managing director of Ford NZ.

"Our engineers certainly continue to get the recipe right with the Ranger. Then again, they are from the same company that built the



F-150 and that truck is going on its 43rd year at number one. Ford does know a thing or two about making great trucks."

Toyota's Hilux came second on 2017's ladder with 8,122 units and

Holden's Colorado was third on 4,501.

Overall, light commercials were up by 8.4 per cent during December with 3,420 registrations compared to the same month of last year when 3,156 units were registered.

Ford dominated the marques ladder with a 13.7 per cent increase in registrations on 657 units sold compared to 578 during December 2016, which gave the brand a 19.2 per cent market share for the month.

Toyota was second, with sales up 3.8 per cent on 595 units compared to 573 for a 17.4 per cent share.

Holden was third with sales up by a massive 86.2 per cent to 473 compared to 254 in December 2016 and a 13.8 per cent market share.

The Hilux was second with 442 sales compared to 406 in December 2016 – a 8.9 per cent increase. The Colorado was third with a 77.7 per cent jump in sales compared to the same month of the previous year. 📈

New Commercial Sales by Make - December 2017

| MAKE | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|---------------|--------------|--------------|------------|------------------|-------------------|----------------|
| Ford | 657 | 578 | 13.7 | 19.2% | 10,369 | 20.1% |
| Toyota | 595 | 573 | 3.8 | 17.4% | 11,405 | 22.1% |
| Holden | 473 | 254 | 86.2 | 13.8% | 4,737 | 9.2% |
| Isuzu | 285 | 291 | -2.1 | 8.3% | 3,825 | 7.4% |
| Mitsubishi | 285 | 254 | 12.2 | 8.3% | 4,078 | 7.9% |
| Nissan | 191 | 247 | -22.7 | 5.6% | 3,064 | 5.9% |
| Mazda | 145 | 134 | 8.2 | 4.2% | 2,224 | 4.3% |
| LDV | 118 | 105 | 12.4 | 3.5% | 1,275 | 2.5% |
| Fuso | 96 | 1 | 9500.0 | 2.8% | 842 | 1.6% |
| Fiat | 82 | 62 | 32.3 | 2.4% | 1,093 | 2.1% |
| Volkswagen | 81 | 73 | 11.0 | 2.4% | 1,534 | 3.0% |
| Mercedes-Benz | 68 | 84 | -19.0 | 2.0% | 1,141 | 2.2% |
| Hino | 53 | 30 | 76.7 | 1.5% | 661 | 1.3% |
| Hyundai | 45 | 110 | -59.1 | 1.3% | 897 | 1.7% |
| Foton | 43 | 34 | 26.5 | 1.3% | 690 | 1.3% |
| Iveco | 30 | 23 | 30.4 | 0.9% | 274 | 0.5% |
| SsangYong | 26 | 71 | -63.4 | 0.8% | 557 | 1.1% |
| Factory Built | 23 | 83 | -72.3 | 0.7% | 187 | 0.4% |
| UD Trucks | 18 | 29 | -37.9 | 0.5% | 267 | 0.5% |
| Scania | 14 | 8 | 75.0 | 0.4% | 246 | 0.5% |
| Others | 92 | 112 | -17.9 | 2.7% | 2,141 | 4.2% |
| Total | 3,420 | 3,156 | 8.4 | 100.0% | 51,507 | 100.0% |

New Commercial Sales by Model - December 2017

| MAKE | MODEL | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|---------------|--------------|--------------|--------------|------------|------------------|-------------------|----------------|
| Ford | Ranger | 597 | 531 | 12.4 | 17.5% | 9,430 | 18.3% |
| Toyota | Hilux | 442 | 406 | 8.9 | 12.9% | 8,122 | 15.8% |
| Holden | Colorado | 439 | 247 | 77.7 | 12.8% | 4,501 | 8.7% |
| Mitsubishi | Triton | 284 | 254 | 11.8 | 8.3% | 4,075 | 7.9% |
| Nissan | Navara | 191 | 247 | -22.7 | 5.6% | 3,062 | 5.9% |
| Isuzu | D-Max | 153 | 172 | -11.0 | 4.5% | 2,513 | 4.9% |
| Mazda | BT-50 | 145 | 134 | 8.2 | 4.2% | 2,222 | 4.3% |
| Toyota | Hiace | 137 | 155 | -11.6 | 4.0% | 2,966 | 5.8% |
| Fiat | Ducato | 81 | 59 | 37.3 | 2.4% | 1,066 | 2.1% |
| Isuzu | N Series | 75 | 44 | 70.5 | 2.2% | 511 | 1.0% |
| LDV | V80 | 62 | 72 | -13.9 | 1.8% | 677 | 1.3% |
| Ford | Transit | 60 | 47 | 27.7 | 1.8% | 935 | 1.8% |
| Mercedes-Benz | Sprinter | 53 | 67 | -20.9 | 1.5% | 884 | 1.7% |
| Volkswagen | Amarok | 48 | 46 | 4.3 | 1.4% | 903 | 1.8% |
| Hyundai | iLoad | 42 | 100 | -58.0 | 1.2% | 865 | 1.7% |
| Isuzu | F Series | 37 | 55 | -32.7 | 1.1% | 539 | 1.0% |
| Foton | Tunland | 36 | 26 | 38.5 | 1.1% | 611 | 1.2% |
| LDV | T60 | 33 | 0 | 3300.0 | 1.0% | 185 | 0.4% |
| Holden | Commodore | 30 | 6 | 400.0 | 0.9% | 203 | 0.4% |
| SsangYong | Actyon Sport | 26 | 71 | -63.4 | 0.8% | 557 | 1.1% |
| Others | | 449 | 417 | 7.7 | 13.1% | 6,680 | 13.0% |
| Total | | 3,420 | 3,156 | 8.4 | 100.0% | 51,507 | 100.0% |

Setting the Benchmark

6 Ports in Japan. 7 Ports in New Zealand

SPEED, SERVICE, VALUE & INDEPENDENCE

Hard work finding used utilities

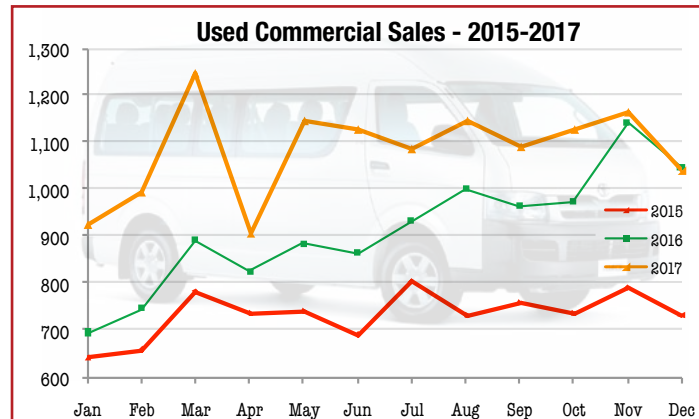
It was another great year for registrations of used light commercial vehicles.

There were 13,032 units sold during 2017, which was a remarkable 18.8 per cent increase on 2016's 10,967-unit total.

Despite dealers telling Autofile there was a high demand for used utilities over the past 12 months, they continued to find it difficult to obtain good-quality vehicles to meet buyers' requirements.

Peter Wilson, manager of Superior Cars in New Plymouth, which buys most of its stock from Japan, says "the market over there has been more vibrant".

"The farming community here wants SUVs, four-wheel drives



and utilities, so we don't sell many sedans," he adds. "We will work hard again this year to find utilities. Four-wheel drives and double-cabs are gold for us."

Toyota ended the year with a

massive 45.5 per cent share of the market with 5,936 registrations, while Nissan took 21.3 per cent with 2,781 sales. Mazda was third with 6.7 per cent and 874 units.

As for last month's figures, 1,044

used commercial vehicles were sold – down by only two units compared to December 2016.

Toyota was December's market leader with 400 registrations and a 38.3 per cent market share.

Nissan followed on 204 units and 19.5 per cent of the market, while Fiat was third with 94 sales for nine per cent.

Toyota's Hiace once again topped the models table with 301 registrations for the month – up by one unit on December 2016 for a market share of 28.8 per cent. It sold 4,465 units last year, which gave it a 34.3 per cent share of the market.

Fiat Ducato's was second with 91 sales for December and the Nissan Caravan was third on 60 units. ☺

Used Commercial Sales by Make - December 2017

| MAKE | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|-----------------|--------------|--------------|-------------|------------------|-------------------|----------------|
| Toyota | 400 | 396 | 1.0 | 38.3% | 5,936 | 45.5% |
| Nissan | 204 | 203 | 0.5 | 19.5% | 2,781 | 21.3% |
| Fiat | 94 | 72 | 30.6 | 9.0% | 247 | 1.9% |
| Mazda | 55 | 86 | -36.0 | 5.3% | 874 | 6.7% |
| Ford | 51 | 55 | -7.3 | 4.9% | 498 | 3.8% |
| Isuzu | 47 | 51 | -7.8 | 4.5% | 676 | 5.2% |
| Mitsubishi | 36 | 42 | -14.3 | 3.4% | 471 | 3.6% |
| Hino | 25 | 22 | 13.6 | 2.4% | 349 | 2.7% |
| Chevrolet | 24 | 26 | -7.7 | 2.3% | 252 | 1.9% |
| Holden | 20 | 21 | -4.8 | 1.9% | 243 | 1.9% |
| Mercedes-Benz | 14 | 5 | 180.0 | 1.3% | 82 | 0.6% |
| Volkswagen | 13 | 10 | 30.0 | 1.2% | 94 | 0.7% |
| GMC | 9 | 9 | 0.0 | 0.9% | 55 | 0.4% |
| Dodge | 6 | 5 | 20.0 | 0.6% | 66 | 0.5% |
| Mitsubishi Fuso | 6 | 2 | 200.0 | 0.6% | 35 | 0.3% |
| Suzuki | 6 | 2 | 200.0 | 0.6% | 35 | 0.3% |
| Iveco | 4 | 1 | 300.0 | 0.4% | 20 | 0.2% |
| Land Rover | 4 | 0 | 400.0 | 0.4% | 20 | 0.2% |
| DAF | 2 | 1 | 100.0 | 0.2% | 17 | 0.1% |
| Daihatsu | 2 | 1 | 100.0 | 0.2% | 28 | 0.2% |
| Others | 22 | 36 | -38.9 | 2.1% | 253 | 1.9% |
| Total | 1,044 | 1,046 | -0.2 | 100.0% | 13,032 | 100.0% |

Used Commercial Sales by Model - December 2017

| MAKE | MODEL | DEC'17 | DEC'16 | +/- % | DEC'17 MKT SHARE | 2017 YEAR TO DATE | 2017 MKT SHARE |
|---------------|--------------|--------------|--------------|-------------|------------------|-------------------|----------------|
| Toyota | Hiace | 301 | 300 | 0.3 | 28.8% | 4,465 | 34.3% |
| Fiat | Ducato | 91 | 72 | 26.4 | 8.7% | 242 | 1.9% |
| Nissan | Caravan | 60 | 76 | -21.1 | 5.7% | 953 | 7.3% |
| Mazda | Bongo | 47 | 72 | -34.7 | 4.5% | 728 | 5.6% |
| Nissan | Vanette | 41 | 39 | 5.1 | 3.9% | 456 | 3.5% |
| Nissan | NV350 | 32 | 12 | 166.7 | 3.1% | 233 | 1.8% |
| Nissan | NV200 | 31 | 35 | -11.4 | 3.0% | 470 | 3.6% |
| Toyota | Dyna | 27 | 21 | 28.6 | 2.6% | 342 | 2.6% |
| Isuzu | Elf | 24 | 30 | -20.0 | 2.3% | 370 | 2.8% |
| Ford | Ranger | 22 | 19 | 15.8 | 2.1% | 181 | 1.4% |
| Toyota | Hilux | 21 | 19 | 10.5 | 2.0% | 202 | 1.6% |
| Toyota | Regius | 21 | 32 | -34.4 | 2.0% | 518 | 4.0% |
| Mitsubishi | Canter | 19 | 19 | 0.0 | 1.8% | 232 | 1.8% |
| Nissan | Atlas | 14 | 17 | -17.6 | 1.3% | 236 | 1.8% |
| Toyota | Toyoace | 14 | 10 | 40.0 | 1.3% | 206 | 1.6% |
| Isuzu | Forward | 13 | 13 | 0.0 | 1.2% | 177 | 1.4% |
| Hino | Dutro | 11 | 10 | 10.0 | 1.1% | 175 | 1.3% |
| Nissan | Navara | 11 | 18 | -38.9 | 1.1% | 223 | 1.7% |
| Toyota | Land Cruiser | 10 | 4 | 150.0 | 1.0% | 71 | 0.5% |
| Mercedes-Benz | Sprinter | 10 | 2 | 400.0 | 1.0% | 46 | 0.4% |
| Others | | 224 | 226 | -0.9 | 21.5% | 2,506 | 19.2% |
| Total | | 1,044 | 1,046 | -0.2 | 100.0% | 13,032 | 100.0% |

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Challenge to secure supply

There was around eight months' supply of new car stock sitting in distributor or dealership yards during the last quarter of 2017, a decrease from when traders' unsold stock hit a high of 8.3 months' supply in August.

Dealers across the country now have 239 days' worth of stock on hand – two days more than November and five days higher than in December 2016.

However, average daily sales remain strong and have increased from 281 in December 2016 to 298 last month.

There were 8,736 new cars imported into New Zealand during December, an 11.1 per cent decrease on the same month in 2016, which saw 9,825 units imported. The total was also down by 11.1 per cent on November 2017's 9,825 units.

Although dealers registered 8,151 new cars last month, there

were 585 units unsold. This raised the stock on-hand level to 71,201 units yet to be registered.

This means there has been an eight per cent increase in unsold stock on yards compared to the same month of 2016, which had 65,921 units unregistered.

During 2017, 113,888 new cars crossed the border and 108,608 of those have been sold leaving a variance of 5,280.

Haydn Mackenzie, chief executive officer of Albany Toyota and Warkworth Toyota, describes his 2017 as "a good year with growth stronger than the market".

He expects 2018 to be another good year for the industry. "I don't see any changes and Kiwis are quite resilient," he told Autofile. "There was a slowdown around the election, but business has picked up since then."

"Toyota has been number one

all around. Warkworth does have a different spread with the age demographic to Albany. It's very strong here with Hilux. However, we do sell them all – the Corolla, RAV4 and Highlander – but in different numbers to Albany.

"We have a bright yellow Yaris and a blue Corolla in the showroom, and people will look at bright colours. That's what attracts them first, but then they may buy the car in a more conservative colour.

"Stock is challenging with both new and used cars. There are shortages across the range. We are lucky to be able to lean on Albany.

"Toyota has been pushed to get the cars that people want and there have been wait times. Some private purchasers will compromise with colour choices to get the car they want straight away."

Mackenzie says the Warkworth operation shifted into new

premises off Woodcocks Road at the end of 2017.

"It's gone well, we are in the door and operational," he says. "We have owned the site for about two years and have had positive comments about the location.

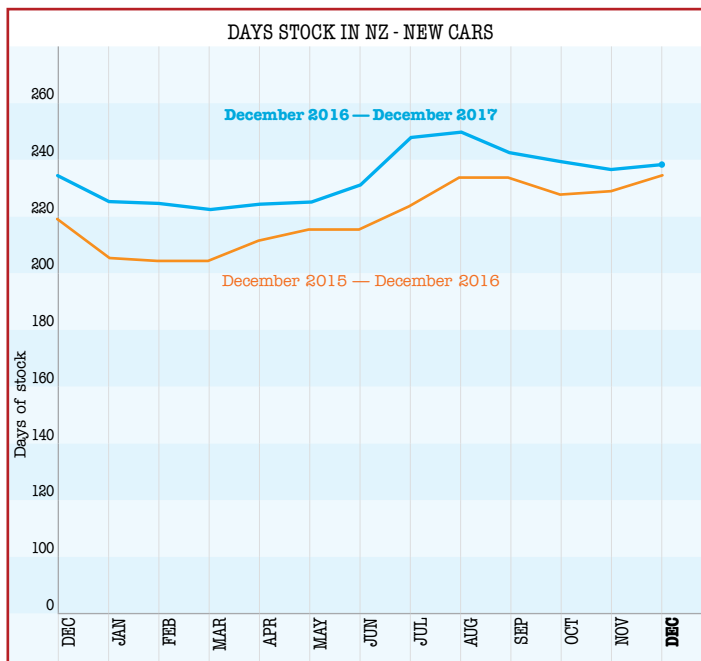
"It will be a good move and Warkworth is one of the fastest-growing areas in Rodney. We are investing in the future and growing the team."

Tom Clancy, Ford NZ's communications manager, told Autofile: "We do have a number of things lined up for 2018 and there are new products coming across the range.

"The new Endura, known as the Edge overseas, will arrive here during the first half of the year. It's a well-spec'd five-seater SUV. Then there will be the new Ecosport small SUV and an upgrade of the Mondeo." ☺

Dealer stock of new cars in New Zealand

| | CAR SALES | | VARIANCE | STOCK | DAILY SALES - 12-MONTH AVERAGE | DAYS STOCK AT HAND |
|----------------------|---------------|------------|----------|------------|--------------------------------------|-----------------------|
| | IMPORTED | REGISTERED | | | | |
| Dec '16 | 9,825 | 8,069 | 1,756 | 65,921 | 281 | 234 |
| Jan '17 | 8,489 | 10,150 | -1,661 | 64,260 | 285 | 226 |
| Feb '17 | 8,099 | 8,050 | 49 | 64,309 | 287 | 224 |
| Mar '17 | 9,200 | 9,230 | -30 | 64,279 | 290 | 222 |
| Apr '17 | 8,234 | 6,996 | 1,238 | 65,517 | 290 | 226 |
| May '17 | 9,539 | 8,386 | 1,153 | 66,670 | 293 | 228 |
| Jun '17 | 10,483 | 10,181 | 302 | 66,972 | 296 | 227 |
| Jul '17 | 12,591 | 7,605 | 4,986 | 71,958 | 295 | 244 |
| Aug '17 | 10,599 | 8,606 | 1,993 | 73,951 | 295 | 251 |
| Sep '17 | 7,620 | 9,855 | -2,235 | 71,716 | 295 | 243 |
| Oct '17 | 10,473 | 11,109 | -636 | 71,080 | 296 | 240 |
| Nov '17 | 9,825 | 10,289 | -464 | 70,616 | 297 | 237 |
| Dec '17 | 8,736 | 8,151 | 585 | 71,201 | 298 | 239 |
| Year to date | 113,888 | 108,608 | 5,280 | | | |
| Change on last month | -11.1% | -20.8% | | 0.8% | | |
| Change on Dec 2016 | -11.1% | 1.0% | | 8.0% | | |
| | LESS IMPORTED | MORE SOLD | | MORE STOCK | | |



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Availability of stock on the agenda

The managing director of a workshop providing vehicle compliance and certification for used imported vehicles is expecting 2018 to be a positive year with some changes in the availability of stock for New Zealand.

Nick Owens, of Auto Inspection Services in Christchurch, is optimistic about the year ahead. "I don't think there will be doom and gloom," he says. "We have had a few years with amazing volumes."

"You go through phases with Japanese stock and it has been good of late, while supply into Africa and Myanmar has slowed."

Owens told Autofile that it appears motorists in Japan "are going for smaller and smaller cars, which will not suit New Zealand buyers".

He adds the Nissan Note e-Power hybrid is popular in that country because it can travel more than

1,000km on one tank of petrol.

"From what I've been told, many people in Japan don't have easy access to plug in an electric vehicle [EV]."

Peter Wilson, manager of Superior Cars in New Plymouth, believes there is a lack of buyer demand for EVs in the region.

"We don't get any call for EVs and I can't get my head around that. Even older people still want cars with petrol engines. You would think they would want hybrids."

Mike Farmer, group managing director of Farmer Autovillage in Mount Maunganui, says the challenge for 2018 is to meet buyer demand for quality used EVs.

"With the launch of the new Nissan Leaf in Japan in 2018, there will be more EV imports this year," he predicts.

Lloyd Wilson, of Lloyd Wilson Motors in Dunedin, says cars in Japan

come up for auction in cycles when manufacturers release new models. He adds stocking his yard is more luck than science. "We are cautious and keep a wide range."

Jade Karaitiana, of Pearce Brothers in Auckland, says the dealerships buy New Zealand-new stock off big franchises throughout the country. "We are a well-established company and there has always been plenty of quality stock available."

Despite a record year for the sales of used cars, stock levels on dealers' yards remain high when compared with 2016.

During the past 12 months, 171,543 used passenger vehicles have entered the country and 165,654 units have been sold, resulting in a surplus stock variance of 5,889 units.

That means current overall stock sits at 34,602 vehicles, which is an increase of 20.5 per cent compared to December 2016 when a total of

28,713 excess vehicles were recorded.

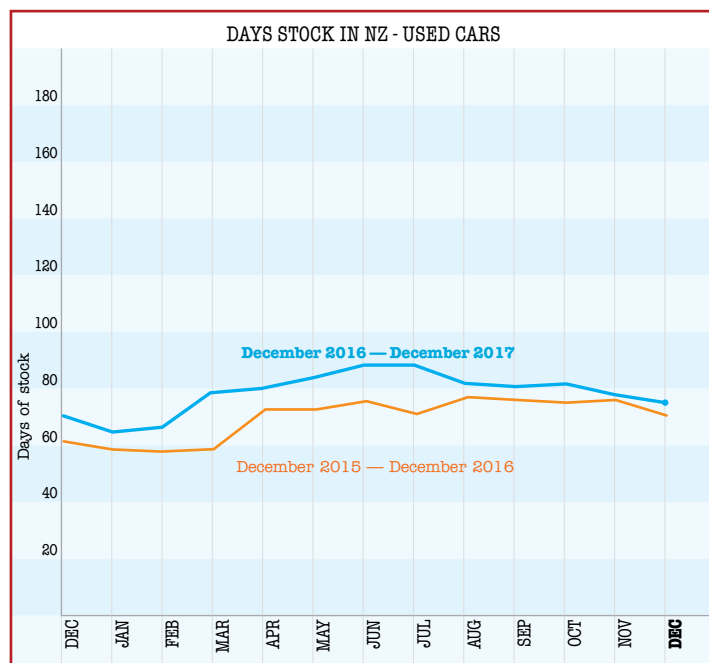
Dealers' stock on-hand fell to 76 days in December – down from 79 in November, but still well-ahead of the 12-month low of 64 days in January and 70 in the same month of 2016.

Daily sales have consistently trended upwards over the past 12 months and reached 454 last month, which was 44 units more per day than in December 2016.

Stock of used cars has fallen for the second month in a row – down by 2.8 per cent in December compared with November.

There were 13,097 units imported last month. The previous month's total was 14,642. There were 14,102 units sold during the month, which was below November's sales figures by 5.5 per cent.

December's import total was up by seven per cent on the same month of 2016 and sales were also up by seven per cent. ☺



Dealer stock of used cars in New Zealand

| | CAR SALES | | VARIANCE | STOCK | DAILY SALES - 12-MONTH AVERAGE | DAYS STOCK AT HAND |
|----------------------|-----------------------|-------------------|----------|---------------------|--------------------------------------|--------------------------|
| | IMPORTED | REGISTERED | | | | |
| Dec '16 | 12,242 | 13,181 | -939 | 28,713 | 410 | 70 |
| Jan '16 | 10,583 | 12,933 | -2,350 | 26,363 | 413 | 64 |
| Feb '17 | 13,829 | 12,260 | 1,569 | 27,932 | 415 | 67 |
| Mar '17 | 19,546 | 14,474 | 5,072 | 33,004 | 421 | 78 |
| Apr '17 | 13,017 | 12,507 | 510 | 33,514 | 422 | 79 |
| May '17 | 16,584 | 14,439 | 2,145 | 35,659 | 427 | 84 |
| Jun '17 | 15,530 | 13,339 | 2,191 | 37,850 | 431 | 88 |
| Jul '17 | 14,055 | 14,430 | -375 | 37,475 | 434 | 86 |
| Aug '17 | 12,416 | 14,483 | -2,067 | 35,408 | 439 | 81 |
| Sep '17 | 13,378 | 13,645 | -267 | 35,141 | 442 | 80 |
| Oct '17 | 14,866 | 14,118 | 748 | 35,889 | 445 | 81 |
| Nov '17 | 14,642 | 14,924 | -282 | 35,607 | 451 | 79 |
| Dec '17 | 13,097 | 14,102 | -1,005 | 34,602 | 454 | 76 |
| Year to date | 171,543 | 165,654 | 5,889 | | | |
| Change on last month | -10.6% | -5.5% | | -2.8% | | |
| Change on Dec 2016 | 7.0% MORE IMPORTED | 7.0% MORE SOLD | | 20.5% MORE STOCK | | |

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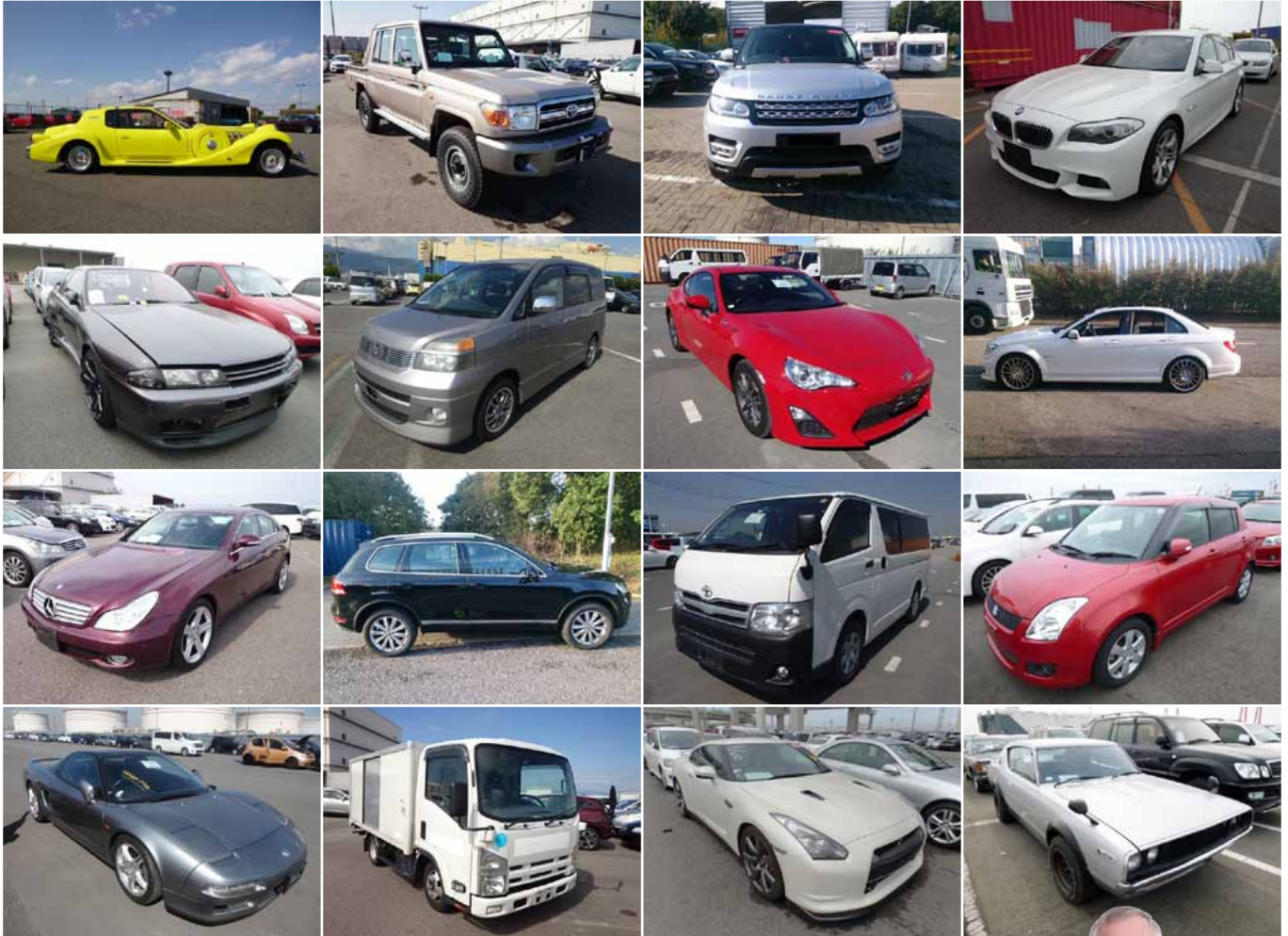
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