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Kiwi dealers jailed for fraud in the UK

Autofile talks to one of the seven victims who paid hefty deposits for expensive cars only to be conned

One of the victims ripped off by two New Zealanders operating in the UK as car dealers wants them to be known in this country in case they try to repeat their crimes here when they get out of prison.

Nicholas Patrick O'Neil and David Jonathon Chandler have been jailed after a trial at St Albans Crown Court, north of London, after being found guilty of fraud charges.

They scammed £334,000 – or the equivalent of about \$650,000 – in deposits over a two-year period from clients of high-end cars, which failed to materialise.

The police finally caught up with the two criminals when tipped off by, among others, Simon Mattinson.

O'Neil was jailed for five years and six months, while Chandler's sentence was two years and four months with their different terms based on culpability.

Mattinson, who was one of seven victims, was fleeced for about

CONVICTED



Scammer Nicholas O'Neil

\$60,000 after being befriended by O'Neil at a wedding when they lived in Shipston-on-Stour, Warwickshire.

It was one victim too many for O'Neil, who also uses Nic and Nick as first names.

Mattinson reported him to the authorities because he "didn't know what else to do". He later found out O'Neil had been working in the automotive industry for years,

including here in New Zealand.

"I'm now moving on and I'm pleased with the court verdict," Mattinson told Autofile. "O'Neil has quite a lot of victims in the UK."

"I want to ensure that when he comes out of prison that he doesn't start doing it again. He may contact people in New Zealand, convince them to give him deposits and run off with them."

When the cars on which deposits had been paid never arrived, "it was fob-off after fob-off, brush-off after brush-off".

"He just pissed off and tried to walk away, but two or three friends and I said, 'no, this isn't happening,'" says Mattinson, who works in cyber security and IT.

"We befriended O'Neil's ex-wife Melissa, who had divorced him. After getting his emails released, we found about \$650,000 worth of fraud and that a lot of people were owed money."

"I believe he also ripped off people in New Zealand in the past."

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GUEST EDITORIAL

Chalk and cheese in tackling airbags

David Crawford looks at differences in recall risks between here and Australia

Thank goodness we live in New Zealand. Normally I say that with parochial gusto, but not this time.

No, I'm saying it with a sigh of relief while at the same time muttering under my breath that thank goodness we are not in Australia.

This isn't Australia bashing here either. I really enjoy jumping across the ditch and visiting the West Isle because it has so much to offer the casual visitor.

The thing that has sparked my reaction this time around is the response by the federal government, through the Australian Competition and Consumer Commission, to the Takata airbag recall compared to the New Zealand government's approach. These two approaches are chalk and cheese.

In Australia, everything is mandated with threats of punitive actions on distributors if a vehicle isn't fixed even though the discretionary part of the recall remains with the owner.

The list of things distributors must do is long and onerous. The programme imposed on distributors in Australia doesn't target the principle "at risk" areas, it treats everything as "ultra-high risk".

Conversely, our Minister of Commerce and Consumer Affairs has taken a more measured and targeted approach.

Kris Faafoi has focused on the "at risk" Takata airbags, which are loosely known and referred to as alpha-type airbags.

He has been clear with industry



DAVID CRAWFORD
CEO, MIA

what his expectations are and when industry has completed its obligations to do everything reasonable within its power for an affected vehicle to be fixed.

He understands that if a consumer doesn't choose to take a car in to be remedied, then

industry shouldn't be penalised for a decision it cannot make.

Conversely, our complexity is used-imported vehicles.

For the mandatory recall, New Zealand's new-vehicle distributors have agreed to undertake the call-back for all new and used vehicles, and when the vehicle is owned by a consumer the cost of the recall will be met by the Kiwi distributor in the first instance.

Identifying which vehicles are subject to the recall and the status of individual units in terms of whether or not the recall has been completed for any used import is not as straightforward as one might reasonably assume it is.

The full explanation of this process is much longer than my word limit for this guest editorial, although this has been previously covered in Autofile.

Coming back to my main theme of New Zealand over Australia. It's not often that industry passes out bouquets to government ministers, but in this case one is due to Faafoi.

His willingness to be firm with industry, but reasonable in the obligations we need to meet, means there's a greater chance we can both achieve the result we want – "at risk" airbag inflators removed and replaced with safe ones. ☺

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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"A few years ago, when the noose was tightening, he took a flight to the UK and everyone was left helpless."

Autofile has spoken to independent sources in the automotive industry, who confirm this appears to have been the case.

Mattinson says if it wasn't for him calling time on O'Neil, his criminal activities could have gone on for longer.

"Both he and Chandler go way back. O'Neil knows how to defraud. He befriended me when he realised I had wealthy friends.

"He was a neighbour and almost a best friend. We hit it off straight away. He liked super-cars and Porsches, and said he sold them.

"I did my due diligence and nothing came up, so I contacted a few wealthy mates who said 'we've got to have these cars'.

"O'Neil pretty much sent most of our money to a broker in London, who we later found out was David Chandler. We saw cars coming in, but it was a scam from start to finish."

Police say Chandler, aged 49, of Grays, Essex, and 47-year-old O'Neil knew each other well and plotted their scheme to extract money from car dealers and buyers who approached them and wanted the likes of Ferraris, Bentleys and Porsches.

The models in question were so exclusive they needed to be built to order – a process that can take in excess of six months – and they fabricated documents allowing clients to believe they had been ordered.

The case came to light when it was reported to Hertfordshire Constabulary via Action Fraud and the National Fraud Intelligence Bureau in March 2016.

The authorities got involved when victims became suspicious about the time it was taking to get their vehicles and a lack of action from both men.

The police discovered Chandler worked for Kis Cars, which was the trading name of Kis Consultants Ltd and registered

FRAUDSTER



David Chandler was sentenced to two years and four months in jail

in Broxbourne, Hertfordshire, while O'Neil was sole director of his company Drive Direct.

Sergeant Steve Dowty, of the cyber and financial investigation unit, told Autofile: "Although O'Neil and Chandler were identified early in the investigation, this was a complex and protracted investigation with numerous suspects, witnesses and victims as well as financial, technical and international inquiries.

"New Zealand Police provided

assistance to the investigation through intelligence checks on the suspects and facilitating the New Zealand-based victims' presentation of evidence."

Speaking from Surrey, near London, where he now lives, Mattinson said he was told by O'Neil he could access six Porsche 911 GT3 RSs from a friend in Cyprus, which is a right-hand-drive market "so the finance was needed to secure them".

Mattinson and some friends handed over deposits and expected the cars to be built to their specifications. O'Neil told him the process had been delayed and more excuses followed.

"As his neighbour, I saw cars coming over and that he was in the trade," says Mattinson. "He also said he could get five Bentley Bentaygas and GT4s. They were sought after as well. O'Neil was basically buying a list and selling it on.

"There were about five pubs in our area. He used to be in them from noon to midnight every day

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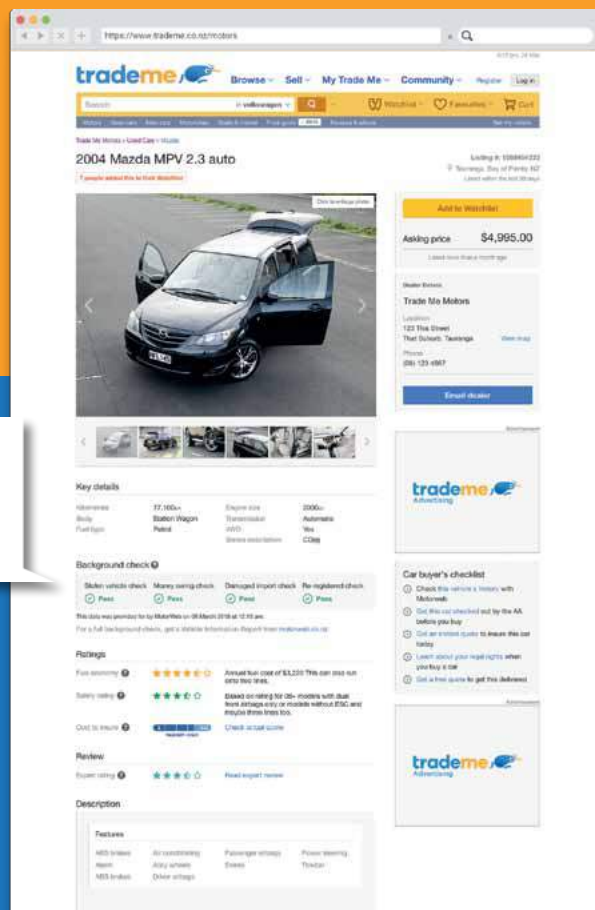
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◀ buying everyone a drink. I even thought about going into business with him.

"We would listen to him about sending his children to private school and he would fly first class back to New Zealand.

"O'Neil lived a life of luxury. He had all those deposits, spent it all and was flash. He thought he was on top of his game, but the money went to his head. He could have sold cars five times over, but they never existed."

Chandler and O'Neil's trial in St Albans lasted six weeks and they were sentenced on June 21.

O'Neil was found guilty of one count of transferring criminal property, six counts of fraud by false representation and one count of theft. Chandler was found guilty of one count of transferring criminal property and two counts of fraud by false representation.

Chandler and O'Neil have also been banned from being company directors for five and seven years respectively.



Nicholas O'Neil claimed he could access six Porsche 911 GT3 RSs similar to these

"O'Neil pretty much sent most of our money to a broker in London, who we later found out was David Chandler. We saw cars coming in, but it was a scam from start to finish"

- Simon Mattinson

There is an ongoing financial investigation to try to identify assets, some of which have already been restrained. However, it's unlikely the victims will recover all of their money.

The court heard that Chandler used much of the cash to prop up a failing business while O'Neil frittered the rest away on day-to-day living, including regular trips to the pub.

Investigator Alan Mordey, of Hertfordshire Constabulary's serious fraud and cyber unit, says the case involved hard work, which "was worth it to see the sentences handed down".

He describes Chandler and

O'Neil as being bold in their crimes by taking large sums of money from innocent people in exchange for an exclusive service they had no intention of providing.

"It was only when one of the victims realised something wasn't right, after being fobbed off one too many times and informing the police, that the fraud was discovered," adds Mordey.

"The scale of their offending was uncovered when more victims stepped forward. I hope they use their time in prison to reflect on their actions. The fact they are behind bars will be a comfort to their victims." ☺

Criminals' past

CHANDLER AND O'NEIL APPEAR to no longer have websites specific to their past business activities.

However, O'Neil says on social media he was in the class of 1985 at Takapuna Grammar School on the North Shore and attended King's College, Auckland, in the class of 1983.

On LinkedIn, he claims to have been dealer principal of Archibald and Shorter in Auckland from January 2004 to March 2008.

"I buy and sell cars around the globe," O'Neil's profile states. "I've worked with mainstream through to luxury marques. I've run dealerships over the last 10 years. I've predominantly done import and export of vehicles around the globe."

Autofile traced O'Neil's UK business through records held by Companies House in London.

Drive Direct was incorporated in June 2013 and dissolved in December 2017. He's listed as sole director.

A notice for compulsory strike-off was issued in June 2015 and discontinued the following month. Another notice was issued in May 2017. This was suspended two months later, but Drive Direct was dissolved via compulsory strike-off in December 2017.

Chandler was previously a director of Kis Consultants, trading as Kis Cars. He held that position from December 2011 before resigning in September 2012. He was reappointed in December 2012 until termination three days later.

Three other people have been listed as being involved with Kis Cars, which was dissolved after liquidation in September 2017.

On the website Referral Key, Chandler says he has been in the business for 22 years specialising in vehicle sourcing.

The site adds: "Kis stands for 'keeping it simple', which is what we do. Dealing with us is a pleasure."

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Call-backs for battery software

The New Zealand division of a Japanese car manufacturer is set to make an announcement about software issues connected to batteries in some of its electric vehicles (EVs).

The news follows on the heels of a voluntary call-back launched by Nissan North America to remedy "inaccurate calculations" with the state of health (SoH) of batteries in 30kWh Leafs and their driving ranges.

The recall there affects models made between May 2015 and July 2017 at the company's plant in Smyrna, Tennessee, and a similar remedy may be taken in this country.

Owners of the EVs in the US have reported up to 25 per cent loss of range and battery capacity in as little as 25,000km of use.

After some cars had their



Henrik Moller, left, and Dima Ivanov, co-founders of Flip The Fleet

lithium-ion batteries replaced, problems still existed and it became unclear if batteries were degrading at an accelerated rate or if their controllers were faulty.

The issue came to Nissan North America's attention late last year and was diagnosed

as a possible problem with controllers. Testing confirmed this with a software update needed as a corrective measure.

It announced recalls across its region on June 6 to reprogram 30kWh Leafs to "result in an accurate display of battery capacity and trip range". It adds the software update will "correct the calculation used for the battery-capacity level gauge and distance remaining".

The voluntary call-back is open to all 2016 and 2017 Leafs regardless of mileage or if their batteries were previously replaced.

Similar issues have been reported in New Zealand.

Flip The Fleet (FTF), a citizen science project, has been monitoring the energy-holding capacity – or SoH – of batteries in 30kWh Leafs on these shores.

The SoH is an estimate of how much energy the battery can hold now and can be compared to when it was first manufactured. This is reported by the EV's battery-management system (BMS).

FTF says, just like a cellphone, the car's battery capacity is expected to fade as it gets older, so full-charge range will gradually decline.

It released a report in March showing SoH reported from 30kWh Leaf batteries at two years of age seemed to be degrading at an average of about three times the rate of the 24kWh variant.

When Autofile went to print, Nissan NZ was waiting for a formal reply from its parent company in Japan on the way forward.

John Manley, managing director, says: "We are aware a programme has been launched in the US to recalibrate systems and that may happen in Japan sometime. We are working on it and hope to have news soon."

Manley, who indicates an announcement may be made early this month, notes the 30kWh Leafs came into this country as used imports and were not supplied to the Kiwi market as new vehicles by Nissan NZ.

All of that said, FTF's research into SoH is ongoing. Co-founder Henrik Moller says: "Not enough information is available yet to form any reliable scientific conclusion about whether Nissan's instrumentation error is a sufficient explanation for observed declines in reported battery health of 30kWh Leafs."


"We hope Nissan will show its technical data for all to evaluate. In the meantime, we invite New Zealand's Leaf owners to supply monthly battery-health records to Flip The Fleet's community database so we can monitor what happens to battery indicators over the coming months."

FTF has also contacted Nissan NZ to ask if and when the firmware patch will be available for 30kWh Leaf owners here.

Its database shows accelerating decline in reported SoH as the 30kWh Leaf gets older, but it has no way of accurately predicting how they will last in the long term.

FTF says the observed drop in reported SoH of 24kWh batteries at five years is close to what Nissan estimates it should be, while the decline in many 30kWh units – at an age of less than 2.3 years – is close to where the marque says they should reach after five years.


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Battery checks

Flip The Fleet advises sellers and buyers of electric cars to get a battery scan done.

It says some caution is required with Nissan Leafs as the battery-health metric can sometimes sharply drop after purchase depending on how the vehicle was treated prior to sale and during transport to New Zealand – assuming it's a used import.

The metric can fluctuate by up to eight per cent when on the road here following rapid charging on long trips. Also, it sometimes reduces sharply during cooler weather.

report just looks at the SoH of batteries as reported by the cars' instruments," stresses Moller. "It is possible instruments are giving false signals".

FTF believes formal tests using dynamometers under controlled conditions is the only way to really see if warning signals in 30kWh Leafs will seriously affect range.

Walter Larason, an electrical engineer at EVs Enhanced, has



A cross-section of a Nissan Leaf showing its battery

been conducting dynamometer tests in Christchurch.

He has been measuring the actual battery capacity of 30kWh Leafs against reported battery capacity from the BMS. Systems in some cars have been found to be reporting accurately, but there have been examples of under and over-reporting.

"In under-reporting cases, the BMS was telling people the battery was worse than it was," says Larason, who specialises in the likes of high-voltage battery repairs, re-balancing and upgrades.

With heavily under-reporting vehicles, owners were incorrectly seeing the loss of battery-capacity "bars". They also showed lower usable ranges as some capacity was being hidden below the Leaf's "very low battery warning".

Larason says: "Charge calculations have been affected in that they were

telling drivers they needed to stop and charge before they had to.

"Owners reporting less usable range from their cars are telling the truth because their range between a full charge and the instrument cluster indicating empty was getting shorter."

He's now trying to establish if Nissan North America's software update can correctly estimate the true battery capacity and state of charge in most 30kWh Leafs.

"If it does, with the assistance of the guys at Flip The Fleet, we should be able to see a more accurate picture of the condition of batteries in a large number of these cars in New Zealand.

"We've already performed the software update on several vehicles, but are monitoring them to see if they settle on correct values. Some are taking longer than expected, but still moving in the correct

direction. It's too early for me to say if cars with this update tend to be more accurate or not."

Larason says software updates in the past have been in the \$100-\$300 range.

Whatever the eventual outcome of Larason's tests of the BMS software upgrade, Moller urges everyone to keep the issue in perspective.

"Only one Leaf model is affected and we need to remember this is a wonderful car," he says. "EVs are new technology and occasional set-backs can be expected, so people need not be put off. This is a blip along the way."

The 24kWh Leafs "are doing brilliantly, and their batteries are ahead of expectations and longevity", but when it comes to old and degraded batteries, the marque "needs to front up" by providing replacement and

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"We need Nissan and the government to ensure safety nets for replacing batteries are in place so people can charge on as before and buy EVs with confidence.

"Relying on second-hand EVs isn't a free lunch. We've been taking advantage of Japanese and UK government grants paid to buyers of these cars, but need to think in the long term and plan for the whole life of EVs, including having battery replacement and reuse services in place."

Moller notes many dealers have been great in regards to the battery SoH issue, so people are buying these vehicles with eyes open and for fair prices.

"Businesses – such as importers and early adopters – are vulnerable because the Consumer Guarantees Act [CGA] puts them as the filling in the sandwich if something goes wrong.

"We're not getting at Nissan, but it needs to stand by its product for owners with this problem.

"Its official replacement battery service is unavailable in New Zealand. The government and VIA [the Imported Motor Vehicle Industry Association] could work with Nissan to bring it here.

"At least we would then have a back-stop if Nissan's software patch isn't a sufficient fix of potential 30kWh Leaf battery problems."

MARKET REMAINS POSITIVE

David Vinsen, chief executive of VIA, says the issue with the 30kWh Leafs appears to have been with SoH measurements rather than the batteries themselves.

"We understand Nissan has developed a software update,

which should remedy the problem," he says. "As we had hoped from the start, there's probably nothing wrong with the batteries in these cars."

Vinsen told Autofile the first application to go before the Motor Vehicle Disputes Tribunal involving the battery on a 30kWh Leaf has been delayed on the basis of new software being released.

"It has been decided the hearing should be postponed until after the software has been upgraded to determine what difference it makes."

Vinsen says most customers are well-informed and battery SoH is a key point discussed at time of purchase.

On the uptake of EVs going forward, Vinsen has confidence in the market.

"It's worth bearing in mind this is relatively new technology and there

will be glitches from time to time. It was about four months ago that Flip The Flip identified a possible problem. There has been a fast response from Nissan. It's pleasing to see it dealing with the issue."

Vinsen says the network – both charging and with services – is supporting the increasing volume of EV imports, and stresses importers and dealers are aware of their CGA obligations.

"Buyers may be concerned if they see a smaller number of bars on their battery health reading, for example, but these Leafs are fit for purpose and of merchantable quality. Dealers importing them are providing after-sales services as required by the CGA and market."

Vinsen points out dedicated service departments are being developed specialising in EVs, while electrical engineers are moving forward with methodologies and test systems to refurbish batteries.

After-market manufacturers are developing replacement

Analysing data

Flip The Fleet aims to "accelerate uptake in electric vehicles in New Zealand".

Owners provide monthly records on distance travelled, efficiency, charging patterns and average speed.

About 850 drivers have signed up to contribute data since the testing phase of the project began in July 2016, followed by a public launch in 2017.



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products, which became obvious at a recent trade fair in Taiwan.

"It's my personal opinion after-market batteries will be more energy dense and cheaper than originals over time," says Vinsen. "Systems and procedures to provide adequate after-sales service, maintenance and battery replacements will develop in step with more EVs."

Specialist importers and car dealers contacted by Autofile say 30kWh Leafs they have sold achieve good ranges.

Hayden Johnston, general manager of GVI in Penrose, Auckland, has read FTF's report and is keeping an eye on stock coming through the system.

On the software upgrade, he notes: "It's being tested and Nissan should release it soon. We've done some testing ourselves, and there seems to be a marked increase in SoH and bars returning."

Remedying software issues with 30kWh Leafs will be a relief to dealers

selling them as well as owners.

"We are quietly optimistic," says Johnston. "These Leafs aren't failing and Flip The Fleet's report doesn't state they are. We've been contacted by a few customers, but they haven't been overly concerned – more interested if we know anything fresh."

Even when it has come to the lowest indicated SoH for batteries, Johnston says 30kWh Leafs are achieving better ranges than the 24kWh.

"Battery degradation is a factor with every EV and any device with a battery in it. We are still selling 30kWh Leafs and there has been no slowdown. It comes down to customer education, and being upfront and honest."

He stresses GVI has sold hundreds of Leafs and has only had to replace two battery packs in early first-generation 24kWh vehicles. They were second-hand and sourced locally.

Henry Schmidt, of Autolink Cars in Grey Lynn, Auckland,



Henry Schmidt with electric cars on his yard in Auckland

says: "This issue affects only a few 30kWh Leafs, maybe two to three per cent, so it's not a major problem."

Schmidt, who has had a few complaints so far, adds Leaf batteries are widely available overseas, especially in England, if they need replacing.

"One cell costs about \$150 and the whole pack around \$9,000. You can get \$4,000 for the old battery because it can be used for the likes of solar-panel storage. So, in the worse-case scenario, it can cost \$5,000."

Nelson Cottle, of Auto Court in Dunedin, says Leafs with a lower indicated SoH are still getting good ranges.

"We were wondering if it's a battery or software issue. Something like this could damage the market. But if they have got the range and it's a software glitch, it's not so much of an issue."

LETTER OF THE LAW

Car dealers should be aware of advice issued by Consumer NZ before news of the software update for 30kWh Leafs broke.

It says there are about 800 of them on Kiwi roads, or about 12 per cent of all EVs in New Zealand.

The watchdog warns the CGA states goods must be of acceptable quality, do what they're meant to and be fit for purpose.

"If your vehicle is affected, go back to the dealer and ask for a remedy," it says. "If the problem can't be fixed, you could claim compensation for any drop in

value or reject the car. As the manufacturer, Nissan also has responsibilities under the CGA.

"The US Environmental Protection Agency says, when new, the 30kWh Leaf will cover 172km on a full charge compared to 135km for the 24kWh model."

Overseas, Nissan offers a battery replacement warranty for the 30kWh Leaf when there's a loss of four bars on the dashboard – equivalent to about 60 to 65 per cent battery capacity – within eight years or 160,000km.

"Nissan doesn't offer replacement packs in New Zealand for the 30kWh Leaf. However, it does have zero emission-certified dealers, which used to sell the 24kWh Leaf new and could perform upgrades should Nissan make them available.

"A replacement 30kWh battery pack can be purchased and fitted in Japan for about \$9,000. There is a limited supply of used 24kWh packs in New Zealand sourced from wrecked cars. Some of these can be fitted to 30kWh Leafs with relative ease."

Autofile asked Paul Smith, of Consumer NZ, if its advice will now change as a result of the software issue being flagged up.

"I'm discussing what this means for 30kWh Leaf owners and plan to update our advice accordingly," he says.

"If it's a controller display error and the capacity or range of affected cars isn't degrading as fast as thought – and New Zealand owners can get the upgrade – it is good news for owners." ☺

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Pay-out ordered in Ferrari case



A prestigious car dealership in Auckland has been ordered to pay out \$130,000 for failing to make good on a contract to import a Ferrari, a judge has ruled.

Martyn Thompson arranged to purchase an F12 Berlinetta, similar to the one pictured, from Continental Car Services, but the transaction failed.

He believed he had bought it from the dealership, which disputed this, according to the high-court judgement made by Justice Peter Churchman.

In June 2016, Thompson spoke to staff there and said an offer was made a month later.

According to the decision, the price was to be \$480,000 or \$130,000 plus his F458 Spider. Thompson opted for the trade-in and also selected specified

modifications on the F12.

Later in July, Thompson was told he could get the vehicle as part of a purchase from Malaysia. He paid a \$5,000 deposit the next day, although it was disputed what the money was for.

Continental subsequently emailed Thompson to inform him it had pulled out of buying the vehicle because of communication issues and a fluctuating exchange rate with the euro.

"We thought we might be able to supply the F12 on terms we discussed," it said. "As a sign of good faith, a deposit was provided so we could pursue the opportunity."

Thompson objected to this and wrote a letter of complaint to the chief executive of Ferrari Australasia to express his concern, the judgement states.

The reply he received stated the vehicle was sold locally in Malaysia. It transpired that the F12 was eventually bought by a car dealer in this country.

Nothing came of Thompson's complaint.

Continental disputed that a deal had been done because there was no signed vehicle offer and sale agreement (VOSA).

Justice Churchman preferred Thompson's evidence the deal was done first and the VOSA was seen

as a formality.

The judge stated that knowing Thompson had been led to believe the F12 was on its way to New Zealand, if the dealership

wanted to make the agreement conditional it "should have used clear words explaining representations made to Thompson were untrue, neither Continental nor Ferrari Australasia owned the vehicle, and it was still in Malaysia". It was eventually bought by a dealer in this country and was listed at \$529,990.

The judge ordered Continental to pay \$130,000 – the difference between the F12's market value of \$610,000 and the contract price. "Thompson lost his ability to purchase the F12 lower than its market value. He's entitled to be compensated for that loss of a bargain." ☺



Continental Cars was ordered to pay \$130,000 compensation



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Excellent progress on recalls

The midpoint has been reached for the new-vehicle industry replacing alpha-type Takata airbags subject to the government's mandatory recall.

Motor Industry Association (MIA) statistics show that, as of May, 50,806 out of 103,819 vehicles were remedied, which means 53,013 remain outstanding.

The total for non-alpha airbags – for which voluntary call-backs have been issued – come to 490,004 units with 183,975 close-outs.

Overall, that means 593,893 vehicles have been affected by mandatory and voluntary recalls with 234,781 dealt with.

David Crawford, chief executive officer of the MIA, says: "Distributors have worked tirelessly to identify vehicles, whether New Zealand-new or used imports.

"For used imports, it has been a significant logistical exercise with

May 2018: Vehicles with alpha-type airbag fitted – mandatory recall

	TOTAL IN RECALL	COMPLETED	INTERIM FIX	TO DO
NZ-new	30,825	26,069	-	4,756
Used imports	72,994	24,737	14	48,257
Total	103,819	50,806	14	53,013

New Zealand-new vehicles: Takata airbag recalls completed

	MARCH 2018	MAY 2018	INCREASE
Alpha type	6,481	26,069	19,528
Non-alpha	61,006	111,779	50,773

Used-imported vehicles: Takata airbag recalls completed

	MARCH 2018	MAY 2018	INCREASE
Alpha type	22,469	24,737	2,241
Non-alpha	55,938	72,196	16,258

More MIA tables on the recalls can be found online at www.autofile.co.nz

challenges to overcome identifying at an individual vehicle level those caught in recalls."

Before replacement parts can be ordered, distributors need to know if used imports are in New Zealand and must verify the status of each

with their head office's database.

"This has been a focus of attention since March," adds Crawford. "Much work has been completed and parts are on order. Industry continues to allocate significant resources to achieve a co-ordinated and timely response to the recall."

VIA (the Imported Motor Vehicle Industry Association), recognises distributors may have their own order of priority for fulfilling recalls.

"But, generally speaking, distributors are dealing with vehicles sold NZ-new first," says Malcolm Yorston, technical manager. "Distributors will have procured replacement parts, sent letters to owners and allocated individual inflators for these vehicles."

Next in line are used imports in the fleet. Inflators will be allocated if the distributor has procured replacements or is doing so with owners being notified when parts are available.

Yorston says unregistered and uncompleted stock is the lowest priority because distributors cannot allocate parts.

"We continue to work with the MIA to develop a process for reworking used imports," he adds. "It's important all recalls are actioned in the country of origin before deregistration and closed out by the manufacturer before shipping."

Meanwhile, JEVIC has added an extra search function to its website to provide accurate information on the status of alpha-type airbags in vehicles inspected by the company pre-shipment and then transported here.

"The introduction of new border-inspection requirements has been seamless," says Euan Philpot, chief executive officer of JEVIC NZ. "Purchasers of vehicles and the industry have been seeking greater assurances and certainty of information in relation to recall status. This free search function provides that."

It includes all data of vehicles pre-shipment inspected by JEVIC and shipped here since December 1, 2017.

And MotorWeb's vehicle information reports now include an alert if a vehicle may be affected by a call-back.

Alan Clark, head of Trade Me Motors, says: "The recall has caused traders some headaches and we're always looking for ways to work with them."

While compulsory recall data isn't available from all marques yet, the company will continue to liaise with the NZTA with its reports reflecting updates as they occur. ☺



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Massive numbers

Alpha-type is how the market here describes vehicles fitted with life-threatening Takata airbag inflators subject to mandatory recall.

In the US, they are known as being PSAN, which stands for the propellant phase-stabilised ammonium nitrate.

In May 2016, recalls in America were expanded to include all Takata non-desiccated PSAN inflators, which contain a drying agent, for call-back by December 31, 2019. The total number of inflators being recalled there is around 68 million units.

An investigation into the safety of Takata's desiccated PSAN propellant, or non-alpha, inflators is ongoing, say the authorities there.

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Looking overseas to reduce emissions

Under the Paris Agreement, New Zealand is contractually obliged to do its part to reduce further climate change.

Our government is now looking to the EU and Australia for inspiration in developing a scheme to reduce our carbon footprint. As in those jurisdictions, reducing transport emissions has been identified as the most cost-effective way to achieve this.

While New Zealand does not yet have a definitive plan, we can look at these two jurisdictions to understand what our government is planning and how we can make it work for us, especially considering our unique fleet composition and vehicle sourcing.

Under the EU's proposed scheme, each manufacturer gets an individual annual target based on the average mass of all its new cars registered in a given year. Instead of setting maximum permitted values for emissions, an average is set that the marque must meet.

The Council of the EU will set the target average, slowly decreasing it over time – about 6CO₂/kg per annum until 2020 in the EU plan.

Manufacturers will still be able to make and supply vehicles with emissions above their mandated averages as long as they are offset by others below the targets.

The only requirement is the sales-weighted average be less than the mandated target; the sales-weighted target based upon the average mass of the vehicles sold in the previous year.

The EU has also designed its

formula for passenger vehicles so that heavier cars will require more carbon reduction than lighter cars.

Failure to meet the requirements will result in having to pay an excess premium, which is essentially a fine. This is a set fee multiplied by grams of CO₂/km in excess and the number of units sold. In the EU plan, the fine gets progressively more onerous over time, resulting in a de-facto education and compliance period.

Australia's emissions plan is very similar, except it plans to base its formula on vehicle footprint as opposed to mass.



what they bring in. For many intents and purposes, the importer is construed to be the manufacturer.

Our government is, therefore, looking to allow groups of importers to enter into contractual arrangements – or coalitions – subject to similar conditions as marques in the European and Australian schemes. This will include both new and used-vehicle importers.

The way importers operate creates different dynamics for how they will be required to comply.

For instance, manufacturers' official importers are likely to

predictable the further one tries to look into the future.

There will be clear benefits to these coalitions of importers that decide to exchange overs and unders.

As part of our submission to the government in developing this model, we at VIA are now trying to figure out ways to enable this "co-opetition" while still allowing the industry to be competitive both internally and externally.

There's another important consideration, and that is no solution can be collusion. There are strict Commerce Commission rules surrounding the establishment of fixed pricing levels between ostensibly competing businesses.

Nor do we want to create a dynamic that often occurs with quota or credit-trading schemes where benefits of scale for big companies make it difficult or impossible to compete as a small business.

The used industry has a real opportunity to demonstrate its maturity by acting cohesively and assisting the government in finding a solution that allows New Zealand to meet its obligations, while keeping the doors open for the entire motor-vehicle industry.

Once a solution is established, we can all be pleased for having done our part to save the world – at least for now.

Perhaps, one day, we can start exploring cross ways to reduce carbon across every industry, and maybe even find ways to actually reduce carbon output instead of what we're doing now, which is simply slowing the rate of increase. ☺

"For many intents and purposes, the importer is construed to be the manufacturer"

The stated rationale for this is that it creates greater incentive for manufacturers to decrease the mass of a vehicle without necessarily decreasing its size. The assumption of this argument is a footprint can be a better proxy for different uses. Whether this is true in practice will remain to be seen.

In New Zealand, the government is looking to apply a similar system for importers. As we have no passenger vehicle manufacturers, all importers are expected to be responsible for

have several years to address their "overs and unders" – offsetting less efficient vehicles with more efficient models – to meet the specified average limit.

The reason this is practicable is that new-vehicle importers are able to plan their stock well in advance.

Used-vehicle importers, on the other hand, have a more difficult time planning for future stock. Purchasing decisions in source jurisdictions entirely depend on available stock and foreign-exchange rates, which become less



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Stink-bug rules delayed

The consultation period on changes to the import health standard (IHS) for vehicles entering New Zealand has been extended after an official request from overseas.

The government in Japan says it needs more time to consider requirements relating to vehicles, machinery and equipment, says the Ministry for Primary Industries (MPI).

The revised IHS will come into force as soon as possible to protect New Zealand's border from biosecurity risks – and in time for the start of the next brown marmorated stink bug (BMSB) season in September.

The request from the Japanese means the consultation deadline has been pushed back to July 2 from June 8 with the MPI hoping “to publish the new standard in its final form at the end of that month”.

The MPI's amended IHS is an attempt to ensure biosecurity risks linked to importing vehicles, machinery and equipment “are managed in response to commercial practices and changing scientific knowledge”.

The changes primarily relate to extra requirements for cleaning

and certifying used vehicles and machinery from all countries, and strengthening the management of imports from Japan.

“New and used vehicles and machinery are a biosecurity risk as regulated contaminants and pests are commonly associated with them,” says the MPI. “Used items provide higher risk than new as contaminants and pests have a longer period and greater opportunity to infest them.”

The MPI reissued the current IHS on February 19 to strengthen rules for vehicles and machinery from Japan because of the stink-bug crisis, which continued into March.

“At that time, significant numbers of live assassin bugs, BMSBs, conifer bugs, yellow-spotted stink bugs and other pests were intercepted on vessels from Japan,” it says.

“The MPI was concerned vessels – and vehicles and machinery being carried – hadn't received appropriate cleaning, management or treatment to effectively deal with the high-risk pests prior to departure.

“The situation led to increased border intervention, including declining discharge from Japanese vessels until mitigating

actions were conducted.”

Other measures included repeated inspections, insecticide fogging, heat treatment, using trained detector dogs for stink bugs during controlled discharges and, in some cases, preventing vessels from docking.

The MPI is committed to managing the pathway through measures primarily conducted in countries of origin under the revised IHS.

All new vehicles and machinery from Japan will have to comply with the IHS and be treated overseas for BMSBs from September 1 to April 30, or managed in countries of departure under an MPI-approved new vehicle and machinery system.

Exclusions will apply to new bicycles, motorised bicycles, motorbikes, motor scooters, side-by-side racers and quad bikes – but not when they have been used.

According to the proposed IHS, all used units – including non-standard vehicles, such as buses, dump-trucks and motor homes – must be managed in



Conifer bug



Brown marmorated stink bug



Asian gypsy moth



Assassin bug



Yellow-spotted stink bug

[continued on page 18]

WIDE RANGE OF METHODS TO PROTECT OUR BORDER

The MPI has supplied Autofile with its pros and cons of treatments considered to combat brown marmorated stink bugs (BMSBs).

HEAT TREATMENT

Advantages: Environmentally clean, quicker than fumigation, effective, wide range of pests controlled, insects usually visible afterwards.

Disadvantages: Energy source needed, cost of chamber, careful application to avoid damage, usually small batches.

Relative efficacy: Heating achieves a high level of efficacy, greater than the 99.9 per cent rate for BMSBs.

INSECTICIDE FOGGING

Advantages: Handles large volume of cars, cost-effective, broad spectrum, flushes insects out.

Disadvantages: May leave residues, can delay vessels depending on when applied.

Relative efficacy: Scientifically unproven, but when used with other measures appears to reduce bugs to acceptable level, seems successful as an emergency measure for vessels ex-Japan.

SULFURYL FLUORIDE (SF)

Advantages: Handles large volume of cars, cost-effective, not reactive with vehicle parts.

Disadvantages: 12 hours' treatment needed, global-warming gas if escapes, not broad spectrum – particularly against eggs – at stink-bug rate, currently unregistered for use here.

Relative efficacy: At current fumigation rates of 10-15°C of

16gm³ for 12 hours, achieves slightly lower results for hibernating bugs, higher rates may exceed use limits in some countries.

FREEZING

Advantages: Environmentally clean, quicker than fumigation, effective, wide range of pests controlled.

Disadvantages: Energy source needed, chamber cost, insects not visible after treatment, efficacy against BMSBs unknown.

Relative efficacy: Unknown at less than -18°C, biological intolerance to freezing may indicate a high level of efficacy.

METHYL BROMIDE (MB)

Advantages: Handles large volumes, cost-effective, wide range of pests controlled.

Disadvantages: 24 hours'

treatment needed but may be cut in near future, ozone-depleting gas if escapes, broad spectrum, can react with some vehicle parts.

Relative efficacy: At fumigation rates exceeding 400gh/m³ at 10-15°C, such as 48g/m³ for 24 hours, achieves more than 99.9 per cent efficacy.

ETHYL FORMATE

Advantages: Handles large volumes, broad spectrum for surface insects, not ozone depleting or global warming, generally safe.

Disadvantages: May cost more than SF or MB, treatment time required unknown but likely to be less than 24 hours, level of efficacy against BMSBs not known.

Relative efficacy: Unknown, but testing is under way.

Vehicle carriers from Japan were subject to massive delays during the stink-bug crisis

Japan under an approved system before export with a treatment component used in the stink-bug season. Used machinery must be certified by an MPI-approved cleaning provider and treated there over the same timescale.

"The BMSB and other high-risk pests – such as the asian gypsy moth – conceal themselves and may actively hide when disturbed, reducing inspection efficiency," says the MPI. "The current requirement for cleaning isn't considered to be appropriate to manage hidden pests.

"The MPI considers cleaning and treatment in Japan is effective in killing hidden pests, and reduces the risk of non-compliant vehicles or machinery arriving in New Zealand."

Current MPI-approved treatment options are fumigation with methyl bromide or sulfuryl

fluoride, or heat treatment.

A spokesman told Autofile: "At this stage, the MPI isn't proposing to adopt an alternative treatment method.

"There has been discussion with industry about other measures, for example freezing, but we would require sufficient scientific evidence to support their use. Any person or organisation can request the MPI to assess an alternative treatment method for approval."

VIA (the Imported Motor Vehicle Industry Association) has made a submission on the proposed changes and supports the intent of IHS amendment.

Malcolm Yorston, technical manager, says: "It aims to minimise biosecurity risk by requiring new and used vehicles and machinery to be processed and treated in

Japan, and other jurisdictions, prior to shipment to ensure there are no organisms that have the potential to compromise our agricultural, horticultural or forestry industries on vessels destined for New Zealand."

VIA's submission draws the MPI's attention to the need for appropriate treatments to be available because not all vehicles can be heat-treated due to their componentry.

"This is the case for electric vehicles and hybrids when heating at temperatures required to ensure 100 per cent mortality of organisms will have a detrimental effect on propulsion batteries, which will contribute to their accelerated degradation," explains Yorston.

"We have concerns around the biosecurity integrity of cargo given vessels often leave New Zealand, travel to China and then Korea loading vehicles for New Zealand and other markets, then to Japanese ports to load again for New Zealand and other markets.

"Once leaving Japan, a vessel will typically call into Brisbane and Botany harbours in Australia to discharge and pick up cargo. Unless all cargo in these vessels has been subject to treatment in accordance with the IHS, irrespective of where loaded or intended discharge, the biosecurity of cargo will be compromised.

"The last thing we want to see is a repeat of the recent BMSB scare and subsequent actions due to cargo destined for other markets compromising the integrity of cargo destined for New Zealand."

The Motor Industry Association supports incorporating MPI-approved systems for new and used vehicles and machinery in the revised IHS.

"The introduction of these systems will provide assurances for the MPI that our biosecurity risks are being managed and recognises how vehicle manufacturers can assist in managing those risks," says David Crawford, chief executive officer.

The MPI stresses the regime will be in place by September 1. "Treatments will be carried out

offshore," a spokesman told Autofile. "Some facilities are already in place, others are in progress."

The reply to whether the industry – shipping, port and motor-vehicle supply chain – will have enough time to respond to changes is: "The MPI believes it will. Everybody wants to avoid a repeat of recent events, which is why we're taking steps to mitigate future issues."

Having offshore treatments in place before the start of the stink-bug season may reduce disruption come September.

"It's also important to review how supply chains can be strengthened in terms of biosecurity. This involves looking at things like storing and shipping vehicles in ways that reduce risk. The MPI continues to talk with exporters, manufacturers, shippers and importers on the situation, and how to best manage the risk."

ROBUST SYSTEMS 'CRITICAL'
Automotive Technologies Ltd (ATL) has become the second company to secure MPI-approval for the heat treatment of vehicles in Japan.

The method was used at Ports of Auckland during the stink-bug crisis and, because of likely changes to the IHS, ATL has added heat treatment as an offshore option for vehicles.

Nigel Grindall, chief executive officer of ATL, says: "Having robust and efficient processes for vehicles in Japan will be critical to meeting the required level of biosecurity control MPI is seeking under the current revision to the IHS."

ATL has installed heat-treatment facilities across all of its operations in Japan, "coupled with increased staffing levels at sites".

In mid-April, JEVIC's system was approved by the MPI.

"The purpose of the heat-treatment chamber is to treat vehicles in Japan found with live insects," says Euan Philpot, chief executive of JEVIC NZ. "Heat treatment is approved treatment by the MPI for this purpose. The implementation is an addition to JEVIC's current system." ☺

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Eliminating the red flags for buyers

Why did they purchase elsewhere? The answer to this question is highly valuable and significantly important to your dealership.

Understanding any consistent reason as to why prospective customers who have come to your dealership, engaged with your staff, test driven a vehicle, then left and bought somewhere else, is the first place to start when wanting to sell more vehicles.

Plenty of sales people will tell you the answer to this question is that it was price, or they were a tyre-kicker and not in the market. This is generally very far from the reality.

Each month you have a level of customer opportunity that presents itself through the way of enquiry, walk-in and test drive. Some you sell to, some you don't.

It's the ones who don't purchase from you that hold the information that you need to understand.

Once you understand why, you can then address these areas to ensure more of those customer opportunities are converted to sales in the coming months, or years, ahead.

Do nothing and you will keep losing the same, if not more, than what you lose now. If you aren't sure of how many you lose, just think about how many test drives you did last month versus how many sales from those test drives. Chances are high that there's some lost opportunity waiting for you to explore.

So why did that customer, who

you thought was a sure sale, end up leaving the dealership and never coming back?

Well, it could've been for a number of reasons, such as you didn't have the vehicle they ultimately settled on and purchased elsewhere, or they are undecided on what vehicle and are still in the market looking. Others may be:

- ▶ A poor experience with your sales person or manager – they didn't like or trust them, or they weren't given any attention by employees.
- ▶ The vehicle's presentation was poor, its price was too high or they didn't like it after test driving it.
- ▶ What you offered for their trade-in.
- ▶ Finance wasn't competitive or they were unable to get it via your dealership.



MARK GREENFIELD
Motorcentral

▶ The dealership's facilities, which in turn forms their perception of your cars and buying confidence.

▶ Email and phone communication was poor and slow to respond, or there was no response.

Thinking about how they would answer any of these points, you can start to get an idea of what insight you would have from potential customers as to their reasons for not buying from you.

Once you learn what it was that has them off looking or purchasing elsewhere, you can then form a plan to eliminate as many of these red flags as possible.

To increase conversion leading to vehicle sales, it's now up to the dealership to make changes to ensure the next lot of customers don't have the same experience.

Price doesn't feature as much as people would assume it does. This is great news as apart from lowering prices (which impacts the bottom line) it means you can address many other areas without any additional cost or negative effect on margin.

There are a couple of easy ways to gather this intelligence from those that got away.

One is getting an employee to contact each customer to ask some simple questions as to whether they are still in the market, if they have purchased somewhere else, and, if they have, why they didn't buy from you.

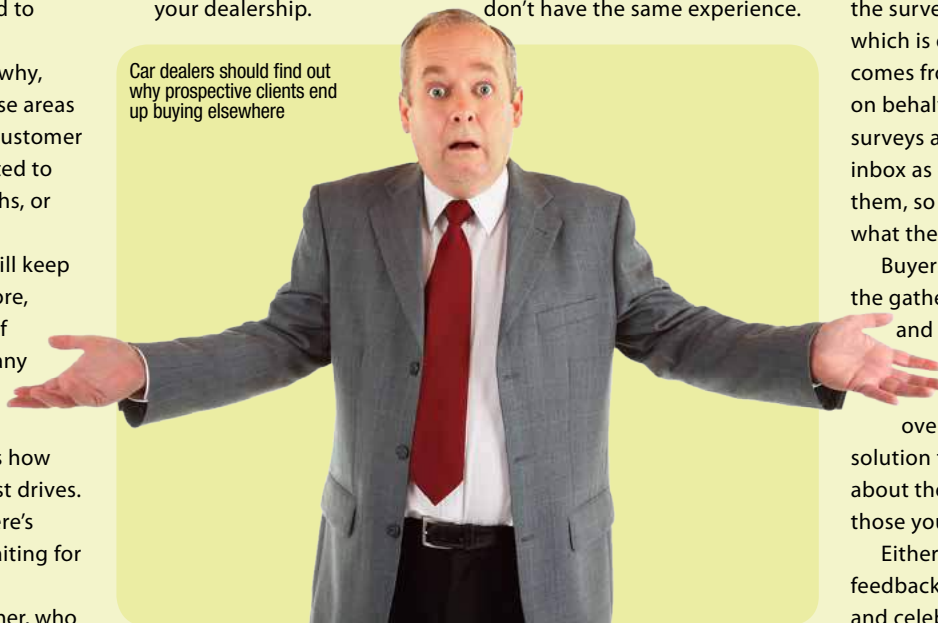
The only downside to doing it from the dealership is you may not get 100 per cent honest feedback depending on how comfortable the customer feels with their experience and the person they are talking to.

An alternative to this is using the survey tool BuyerScore, which is entirely automated and comes from a trusted third party on behalf of the dealership. The surveys are sent straight to your inbox as customers complete them, so you know in real time what their reasoning was.

BuyerScore can also facilitate the gathering of important rating and review information from customers who did purchase from you, so overall offering a complete solution to understand more about the customers you lost and those you won.

Either way, measure their feedback, embrace the negative and celebrate the positive. ☺

Car dealers should find out why prospective clients end up buying elsewhere



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Global process for top position

The long-standing chief executive officer of Trade Me is stepping down in about six months' time.

Jon Macdonald took over running the company from founder Sam Morgan in 2007. Before that he was general manager after being head of technology in 2003 when Trade Me had only 15 staff.

The company's board will now start a global recruitment process and work with him over the coming months to ensure a smooth transition.

"Jon has done an enormous amount to grow and shape Trade Me over the past 15 years," says chairman David Kirk. "It's now a company of more than 600 people.

"We're grateful for the enormous amount of energy and care he has put into his work, and wish him all the best."

Macdonald says he has

no intention of immediately jumping into another top role – his first priority will be to enjoy the summer with his children and family. He may then consider

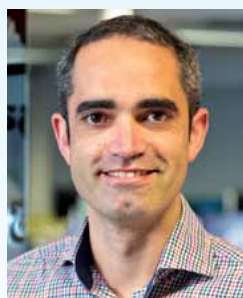
taking on extra directorships and is keen to work with some start-ups.

Macdonald believes Trade Me has a long and bright future, so "it's a good time to pass the baton to someone with fresh eyes and a full tank of gas", and

says it has been "a privilege" to work with so many passionate and talented people.

"I'm proud of the business we've built together and all that we have accomplished, but it's time for me to take a rest and then do something new," he adds.

"I would like to thank the board and team for their help and support. I'll be leaving the business in good hands with a lot of fond memories and great affection for the people here." ☺



Jon Macdonald

NEWS in brief

Huge growth in premiums for insurance business

Geneva Finance has announced after-tax profits of \$6.1 million for the 12 months to March 31 – up by 19 per cent on 2016/17 – with revenue from ordinary activities climbing by 23 per cent.

"From a profitability perspective, it has been a satisfactory year," says managing director David O'Connell. "In addition, a combination of operational changes and acquisitions has positioned each business segment to build on this platform."

They include Quest Insurance Group, which returned unchanged pre-tax profits of \$900,000 even though its direct channel delivered 270 per cent growth in gross written premiums to \$8.3m.

These benefits aren't reflected in Quest's profits with premium revenues deferred over a policy's life with the deferred amount held in the unearned premium account on the balance sheet, which now stands at \$7.1m – up by \$4.3m.

The company expects this "effect" to normalise this financial year when benefits of increased premium sales begin to flow into revenue.

Marque aims for aircraft to advance car technology

Honda aims to start selling its six-seater business jet in Japan in the first half of 2019. It's awaiting certification for the NZ\$7.6 million plane at home and in China after securing US and European certifications over the past two years.

"Japan lacks a strong culture of business jets [with about 90 in use at the moment], but the number of high net-worth individuals is competitive with the US," says Michimasa Fujino, chief executive officer of Hondajet. "We want to target these customers to grow the market."

The jet's engines are mounted on the wings, not the fuselage, to cut cabin noise and make space for a full-sized washroom for a first in its segment.

Honda hopes the plane will help boost its image as a maker of cutting-edge technology, and that jet-engineering skills will raise the efficiency and performance of future cars.



Recalls across ditch to increase demand for parts

The federal government in Australia has recalled 1.1 million more vehicles fitted with Takata airbags to increase the country's biggest-ever compulsory call-back to almost four million units.

The authorities there have already ordered manufacturers to replace almost three million airbags by December 31, 2020, or face fines of NZ\$1.8m per breach.

The decision is likely to put further pressure on some marques in New Zealand to secure parts needed for remedial work to close out mandatory call-backs here.

Economic signals hint at possible recession in Japan

The world's third biggest economy contracted at an annualised rate of 0.6 per cent in the first quarter of 2018.

Some economists says Japan may be able to dodge a recession, which is usually two consecutive quarters of negative growth. Rising wages are supporting consumer spending, while manufacturing and industrial production remain strong. ☺

Tyres scheme gains traction

Organisations in the automotive industry are backing the revival of mandatory product stewardship for end-of-life tyres (ELTs) after several years' work on the project was canned.

The Tyrewise Working Group has relaunched with a fresh stance on the issue being taken by the new government.

It is updating work completed six years ago, which provided a framework for an industry-led and government-supported stewardship scheme for ELTs.

It's hoping tyres will soon be declared a priority product by the Ministry for the Environment (MfE). When that happens, a mandatory scheme can finally be set up.

Adele Rose, chief executive of Hastings-based 3R Group, which leads Tyrewise, is excited to get "another crack" at the project.

"ELTs represent a huge potential resource that's lost when dumped or put in landfill," she says. "Mandatory stewardship makes economic and environmental sense, and will enable a circular economy approach to deal with them."

The project would see the cost disposing ELTs built into purchase prices. Fees would be used to incentivise end markets, and process and collect tyres to end stockpiling, illegal dumping and landfilling.

Tyrewise, whose members include VIA (the Imported Motor Vehicle Industry Association (VIA)), the Motor Trade Association (MTA) and Motor Industry Association, started its work in earnest in 2012 to provide a framework to manage ELTs.

It was signed off and presented to then-Minister for the Environment, Nick Smith, in August 2013, but the National government instead went with an investment strategy to secure markets for ELTs.

Fast forward to 2015. Autofile reported in June on the inaugural tyre industry summit in Auckland being a success despite lobbying for stewardship ending with an impasse.

Many of the 90 or so delegates were furious with the outcome



Adele Rose, chief executive of the 3R Group.
Photo: Tim Whittaker Photography

with one of them being Jo Knight, facilitator of the NZ Tyre Recyclers' and Collectors' Association.

She said with so much support for a stewardship programme – and industry doing much of the leg work – nobody could understand why Smith had such a turnabout in backing the self-funding scheme.

"There's a real need to develop markets for products from ELTs," said Knight. "This is a difficult task given the news during the summit on no commitment to priority-product status for tyres from the government."

The announcement didn't come from Smith at the conference. The verdict was delivered by Mike Mendonca, regional director of operations for the MfE.

"Tyres in New Zealand are probably as safe in landfill as anywhere else," he said. "Tyres can be a problem in landfills, but not significant."

"We don't have regulation of the tyre sector on our programme for the next 12 months, so it's something we aren't looking at."

Looking to the future, David Vinsen, VIA's chief executive, is hopeful the government will act to make the scheme come to fruition, belatedly.

"We were disappointed a lot of work was done six years ago on a proposal to deal with ELTs, but it wasn't acted on. We are delighted with the new government's position on tyres and hope that it

will now pick up the proposal."

The MTA fully supports the revival of the Tyrewise programme, says Ian Baggott, sector specialist – energy and environment.

He adds: "We're pleased to see the government placing a priority on resolving ELT problems, not

just recycling but also establishing controls around the storage of used tyres awaiting disposal."

Phil Goff, Mayor of Auckland, welcomed comments in May made by Eugenie Sage, the Associate Minister for the Environment, on the declaration of ELTs as a priority product.

The political ducks now seem more lined up for this country's first mandatory product stewardship scheme for ELTs to be set up.

The total volume of tyres, from the likes of cars, trucks and aircraft, which come to the end of their useful lives in New Zealand each year, is equivalent to more than 7.75 million passenger-tyre equivalents – or about 73,700 tonnes.

No real solutions for ELTs in the past have resulted in millions being stockpiled around the country, wasting a resource, and posing harm to people and the environment. ☹

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Marques show off their wares

The first pure-electric compact SUV has landed – literally – in New Zealand with global demand exceeding forecasts.

The Kona Electric was unveiled by Hyundai at last month's Fieldays after being flown in especially for the event.

It is a direct development of the Ioniq's technology, which was New Zealand's top-selling new electric car last year.

The 64kWh lithium-ion battery in the version for these shores can deliver 150kW of power and 395Nm of torque, and makes the 0-100kph dash in 7.6 seconds.

The Kona is capable of a single-charge range of up to 470km. Charging takes just under 10 hours using a standard connection, but a fast-charger sees that drop to about 75 minutes for up to 80 per cent of capacity from empty.

Tweaked headlights and sealed grille vents are the only real indications of the electric motor within. The inside includes a new centre console and seven-inch driver display equipped with EV functions, such as real-time battery status and usage statistics.

Apart from its drivetrain and cockpit, the roomy SUV is similar to other Konas. It boasts the SmartSense safety package, including the forward collision-avoidance assist with pedestrian detection, lane-keeping and following assist, and an intelligent speed-limit warning.

Andy Sinclair, general manager of Hyundai NZ, says: "It was fantastic to bring the full EV here so quickly



Hyundai's Kona Electric

to showcase it. Due to massive interest, we've worked hard to ensure New Zealand is one of the first markets to see it."

Pricing for the Kona has yet to be confirmed, but customers can pre-order now. The new Santa Fe also made its debut, alongside other fresh models such as the i30N, Genesis G70, i30 wagon and iLoad.

Hyundai NZ hosted Hayden Paddon and his AP4 rally car with some lucky visitors being co-driver in virtual-race experiences.

The first RAM 1500 off the Australian production line where the American truck is being reconfigured into right-hand drive headed to Mystery Creek for its Kiwi launch.

At its wheel was Roger Zagorski, managing director of the Ateco Group, official factory-appointed RAM importer and distributor.

"There is a steady stream of 1500s coming off the Melbourne production line," he says. "This truck

takes RAM into the heart of the premium ute market in New Zealand.

"Volume expectations are on a different scale to the 2500 and 3500. The designers, engineers, technicians and component suppliers have done a remarkable job on the remanufactured RAM 1500, which is world class."

It's powered – as standard – by a 5.7-litre HEMI engine, which sees the return of the V8-powered ute to the Kiwi market. It can tow up to 4.5 tonnes, a tonne more than the rest of the market.

The 1500 comes in two cab sizes – the Express with quad cab and the crew-cab Laramie. It's priced from \$94,900 to \$118,990, plus on-road costs.

Holden revealed two new models at Mystery Creek – the all-new Acadia, a large executive-styled seven-seat SUV, and the special-edition Colorado Xtreme.

The Acadia's arrival during

the fourth quarter of 2018 will bolster the brand's SUV portfolio to five models along with the Trax, Equinox, Captiva and Trailblazer.

"Sourced from North America, but with significant Holden involvement from the start of development, the Acadia is a game-changer for us and the segment," says Marc Warr, national marketing manager of Holden NZ.

"Not only does it boast high-tech features, such as a 360-degree camera, wireless phone-charging, heated and cooled seats, and the ability to park itself, it's great to drive.

"Also, we've incorporated highly desirable accessories to create the Colorado Xtreme and anticipate significant interest."

Features include a winch bar and winch-wire harness kit, 18-inch black alloys with all-terrain tyres, a black extended sports bar, black tubular side steps, rear step, soft-

Roger Zagorski, of the Ateco Group, with the first RAM 1500 off the production line in Melbourne



Holden's special-edition Colorado Xtreme





Ford's Ranger Raptor



Mercedes-Benz Vans' Marco Polo Activity



Toyota New Zealand's Hilux concept



Lexus' NX 300



Mitsubishi Motors NZ's Triton R Concept

◀ tonneau cover, tow bar and a black roof tray. It will be in dealerships around the same time as the Acadia.

Pricing for Acadia will be revealed closer to launch, while the Xtreme is available from \$79,990.

Mitsubishi Motors NZ unveiled its Huntaway II with only 20 local units made available with a \$69,990 price-tag.

"Our custom-built Huntaways have taken the Triton GLX-R four-wheel-drive double-cab diesel auto to the next level," says Reece Congdon, head of marketing and corporate affairs.

The special edition has custom wheel guards, hard lid and rail kit, rear-protection bar, bull bar with LED daytime running lights and a steel personalised bash guard.

Sitting on 18-inch alloys and shod with 33-inch all-terrain tyres, the Huntaway II stands more than 80mm above a regular Triton thanks to 50mm suspension lift and aggressive tyres.

The 2.4-litre turbo engine packs 437Nm of torque. Trailer stability-assist and electronic brake-force distribution help keep loads in line.

The marque's technical team showed off its prowess when the curtains went back on its new-look ute – the Triton R Concept, which is designed for street-side show rather than off-road escapades.

"After adding 80mm to standard Triton's height, our team couldn't resist seeing how far it could be

taken in the other direction," says Congdon. "The R Concept sits just 50mm off the road – 230mm lower than the factory version."

To achieve a negative camber effect, a Pajero rear-suspension unit has been fitted to the rear chassis with a modified front suspension for the super-low stance to be balanced.

A new grille and interior updates round out the low-slung unit with a red front bumper being its only identifiable link to its Huntaway II inspiration.

The marque also showcased the Triton GLS 4WD Black Edition – and the colour's all in the name.

The double cab's factory-fitted body kit includes these items in black – 17-inch wheels, over-fenders, sports bar, door handles, wing mirrors, front grille, tailgate handle, running boards, rear bumper, door sashes and headlight surrounds.

Other exterior GLS features include fog lights, high-intensity discharge headlights with integrated daytime LED running lights, and electric fold mirrors with turn indicator.

Ford NZ revealed the first Ranger Raptor to arrive in the country. It was the first time it has been seen anywhere in the world in "conquer grey" livery.

Due to go on sale late this year from \$84,990, the marque is hailing it as the new "hero model" in the ute's line-up.

Simon Rutherford, managing

director of Ford NZ, says: "The response to our announcement in September, and interest from February's global reveal, to bring it to market adds to the anticipation ahead of its arrival in showrooms.

"Kiwis love the Ranger and there have been calls for a vehicle like the Raptor for some time."

It will be Ford's first performance ute in New Zealand. The one at Fieldays was an early-build tool trial, which was off-road tested before arriving at Mystery Creek.

The Raptor features unique suspension with Fox Racing shock absorbers, bulging guards, sports seats and trim. It's powered by a 157kW two-litre bi-turbo diesel engine matched with a 10-speed automatic transmission.

This year's supply is restricted to 250 units with about 100 pre-sold with many buyers expected to come out of the XLT.

Toyota NZ displayed models fitted with a variety of systems. These were five customised Hiluxes, a Land Cruiser 70 and 200, and a Hiace. They boasted Toyota Genuine, T Custom, Toyota Racing Development (TRD) and Toyota Associated Suppliers accessories.

"Fieldays gives us a chance to mix up functional and extreme customisation," says Andrew Davis, Toyota NZ's general manager of marketing and customer.

Major items available included a constant load-suspension upgrade

for the Hilux, alternative wheel and tyre packages, extra lighting, and TRD parts and decals. For serious off-roading, there are snorkels, bull bars and winches.

Visitors to the Lexus lounge experienced the recently launched LS with all of their senses with the sedan being put in a blacked-out area.

"As drivers we generally look at a car, feel how it drives and listen to the exhaust on a high-performance model," says Paul Carroll, senior general manager of Lexus NZ. "The 'out-of-sight experience' was designed to get people to feel and smell the craftsmanship of the LS' interior."

The award-winning performance sports coupe, the LC 500, and SUV models including the NX, RX and LX were also on display.

Finally, for something different Kiwis got to see Mercedes-Benz Vans' seven-seater Marco Polo Activity for the first time. It boasts a roof that pops up and fold-down back seats.

Diane Tarr, chief executive, says the Activity was launched in Australia last August and the company has been "pleasantly surprised" by the interest in it.

"We think it will have more appeal to New Zealanders given exploring the countryside is part of the national psyche. We'll test the market over the coming months before making a decision." ☺

The month that was.... July

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July 9, 2004

Attention turns to recalls

Call-backs involving the Mazda 6 and Atenza accelerated action towards getting industry agreement on how the thorny issue of recalls should be dealt with in the future.

The Motor Industry Association (MIA) and Independent Motor Vehicle Dealers' Association edged closer to having their members' responsibility for action on this more clearly defined and broadly accepted.

Although manufacturers maintained official responsibility for fixing used imports already in the country legally rested with the selling dealers, some new-vehicle importers were willing to remedy used imports as well as new units.

Perry Kerr, of the MIA, said: "The key to a distributor accepting responsibility for rectifying recalled used imports is getting support from its overseas supplier. Even then this compensation doesn't cover all costs and the distributor may look to the owner or importing wholesaler to meet some.

"Arguably, importers and wholesalers should come to the party, but how do you find out who imported the vehicle when it could've been brought in by a private individual."

The MIA was working with the Land Transport Safety Authority on protocols and procedures to set minimum standards for handling future recalls of New Zealand-new and used-import vehicles already in the country. That would necessitate defining when "safety" was involved.



July 20, 1998

Director wades into imports debate

The Land Transport Safety Authority (LTSA), which was responsible for certifying imports, told importers they shouldn't assume recent law changes on parallel importing meant they could put any car they liked on New Zealand's roads.

Only stock from Australia, Japan, the US and EU automatically qualified under New Zealand's vehicle-safety standard regulations.

LTSA director Reg Barrett said every vehicle for on-road use here must comply with the rules. He said it was up to importers to establish stock met required standards before it could be certified.

He was reported as saying he was concerned about the "arrogance" of some dealers who he described as "fly-by-nighters" and "quick-buck experts". The LTSA's comments on compliance were seen by some as a clear warning to traders.

At that time, Autofile understood 25 new Malaysian Vitaras were already on the water, while more than 20 new Japanese-assembled Isuzu trucks were also on their way to New Zealand.



July 16, 2004

Revised compliance law proposed

Radical changes were on the way for compliance testing of imports entering New Zealand.

The Land Transport Safety Authority met with the transport service delivery agents – On Road, VINZ, VTNZ and the AA – to discuss far-reaching changes to entry certification.

Many feared this would put at risk millions of dollars invested in buildings, equipment and staff by compliance and service centres across the country.

The changes proposed were described by one participant at the meeting as of "extreme interest to everyone involved in the used import and compliance areas". There were concerns they could go so far as closing compliance centres in provinces to concentrate on locations in main import areas, such as Auckland and Christchurch.



July 28, 2006

Inspection changes put on hold

The Ministry of Agriculture and Forestry (MAF) delayed implementing biosecurity procedures until 2007 after consultation and meetings with representative bodies.

The review of the process of importing cars, especially used, and with the health and biosecurity risks involved, was part of a general review of import health and biosecurity standards. Used vehicles were highlighted as high risk and examined in high profile.

Over the past 12 months, MAF had examined hundreds of vehicles after cleaning in Japan and New Zealand using intensive and invasive procedures, such as microscopic video probes.

Fifty-one per cent of vehicles still had contaminants not spotted using current visual-inspection methods – mainly dried plant material, soil, seeds, and live spiders and egg sacks.

MAF was favouring a procedure in which all used vehicles would be decontaminated then heat-treated for at least 30 minutes either onshore or offshore.

It was pondering how to implement changes while considering different fumigation technology and the practicality of setting up heat-treatment facilities.



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'Strong platform' to support growth

Turners Automotive Group Ltd aims to increase market share after announcing strong results amid a booming used-vehicle sector.

It has delivered a 33 per cent lift in net profit after tax to \$23.4 million for 2017/18 following takeovers and integration. It will now focus on "organic growth and synergy benefits".

The company benefited from a full year of Buy Right Cars trading, finance reflected growth in receivables and insurance took a revenue step-change from the Autosure transaction.

The group's largest division is automotive with Turners Group and Buy Right Cars. It generated 68 per cent of revenue and 41 per cent of operating profit, and secured revenue of \$223.2m and \$16.6m in operating profit.

Moving from wholesale continued with 70 per cent of sales being retail, up five per cent. Fixed-price transactions rose by 17 per cent. Finance contract sales jumped by 16 per cent in loans written and by 15 per cent for mechanical breakdown insurance.

Buy Right Cars notched up revenue growth of 34 per cent, but its operating profit tumbled by 21 per cent. Its financial performance has "disappointed" as a new management team deals with legacy issues and an aged inventory.

Buy Right Cars secured revenue growth of about one-third in 2017/18, but operating profit dropped by almost one-quarter



Turners took over managing the company in September 2017, a year earlier than expected with the new team installed two months later. The original owners' earn-out payment has been adjusted, while the board "remain confident about its growth prospects".

Looking ahead, a closer association with group branding is being lined up for Buy Right Cars, which has grown by one new branch in Penrose, Auckland, with three sites planned over the next two years.

Turners' footprint has expanded with new sites for cars, trucks and machinery, and a partnership with Auto Super Shoppes.

It will look into buying brown-field sites or bare land with developments on "customised leases, sale and lease-back providing profit opportunities" to capitalise on the brand being a tenant, and large projects in Auckland and Christchurch.

The finance division delivered a 48 per cent revenue lift to \$39.7m and a 16 per cent rise in operating profit to \$11.7m. The main aim of 2017/18 was to merge businesses under the Oxford Finance brand with Turners Finance loans being redirected into it this financial year.

"Credit criteria continues to be tightened for the inevitable downward shift in the credit cycle,"

warns Grant Baker, chairman.

As for insurance, revenue rocketed by almost 300 per cent to \$46.9m and operating profit increased by more than 500 per cent to \$5.7m.

"The focus has been on combining businesses into Autosure," says Baker. "Progress has been made, including a move to new premises.

"The number of gross written policies and new policy sales grows, while sales of mechanical breakdown and vehicle insurance exceed 5,300 policies per month."

Turners' overall revenue was up 31 per cent to \$330.5m in 2018. Shareholder equity as of March 31 was \$214.3m, up from \$171.7m, and reflected a \$30m capital raise in October 2017.

The capital provides funding to support growth and a "war chest" for initiatives. Visit www.autofile.co.nz for more on the annual report. ☺

Promotion for Walsh

Mike Walsh has been selected as executive vice-president of DEKRA's new Oceania and Southern Africa region.

He will continue as chief executive officer of VTNZ and help find his replacement before taking up the position towards the end of the year.

"I'm excited by the appointment, which recognises the great work of VTNZ's team and ongoing success since we became



part of DEKRA in 2013," says Walsh, pictured.

"The region covers Southern Africa, Australasia and much of south-east Asia, and includes industrial and automotive product

certification, consulting and inspection businesses. It's a growing market with a lot of potential."

Stefan Kölbl, chairman of DEKRA's management board, adds: "Mike has been with VTNZ since 2004 and has led its expansion through changing market conditions." ☺

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Industry movers

MARC EBOLO, the new managing director of Holden NZ, has had an extensive career with General Motors since joining in 2001.

He has worked in sales, marketing and distribution in Australia, and regionally for the company.

Ebolo returned to Australia in 2017 as general manager of revenue strategies after managing GM's regional operations in Malaysia, Brunei and Fiji.

He replaces Kristian Aquilina, who was appointed as Holden's director of marketing in April to oversee Australia and New Zealand.

"We have the opportunity to grow in New Zealand," says Ebolo.

"I'm excited to continue to grow sales, particularly in the SUV, light commercial and passenger segments."



MIKE ESSON has been appointed dealer principal of Manukau Nissan, the marque's number-one dealership in the country, following the resignation of Jonathan Martin.

Esson, pictured, has been with Automotive Holdings Group for a number of years. He first led the new retail sales team at Davie Motors Holden in South Auckland and was more recently dealer principal at West Auckland Nissan in Henderson.



DANIEL COOK has been promoted to chief operating officer at Mitsubishi Motors NZ from the position of general manager of vehicle sales and marketing.

He started with the marque in 2001 as a market analyst, and has held various marketing and sales roles over the years.

TONY JOHNSTON, previously manager of national fleet sales, is now head of new-vehicle sales.

He's on his third stint with the company and has racked up 10 years' service.

REECE CONGDON has become head of corporate and marketing affairs. Before that he was marketing manager – a role he started six years ago.

Congdon has several years' experience in the advertising industry. He started as an advertising executive before holding various roles on the marketing team.

NINA RAMA was previously manager – financial accountant. She has become manager of performance and management accounting.

Since starting with the marque almost 30 years ago as management accountant, Rama became its financial accountant in 1996.

Warren Brown, chief executive officer, says the appointments will strengthen his senior leadership team and allow the wider organisation to develop. Visit www.autofile.co.nz for more on this story.



Daniel Cook



Tony Johnston



Reece Congdon



Nina Rama

GRANT KEMBLE has been appointed to take over from Richard Lorraway as chief risk officer at Heartland Bank.

Kemble has been a project manager with the company since late last year. His most recent role was chief executive officer of Perpetual Guardian in New Zealand and he was also a non-executive director of Airways NZ.

NZ labour market report

CHANGES TO EMPLOYMENT

legislation can catch some companies unaware and the impact on them can be quite damaging.

You're probably wondering as a business owner what your obligations are and what some of the changes mean, so I've highlighted some you may want to pay attention to along with some tips.

The most notable that has impacted every business in the country was health and safety legislation, which came into effect in April 2016.

Two years on, there are businesses that haven't updated employment documents – such as their health and safety policies and processes (health and safety induction), employee handbooks and employment agreements.

Businesses are advised to reduce any risk and get these documents updated as soon as possible, it will save you a heap of headaches if anything ever happens on-site.

It's a great idea to get your HR person or employment lawyer to review employment documents.

Ideally, it's best to review your employment documents on an annual basis. Why not treat it as your HR and people warrant of fitness!

There are other recent changes that are good to be aware of.

MINIMUM WAGE

The minimum wage increased by 75c to \$16.50 an hour on April 1. There will be further increases with a targeted minimum wage of \$20 per hour by April 2021.

Some businesses are already paying next year's minimum now, which helps them stay ahead with forecasting and budgeting for wages and salaries.

Also, training rates have risen 40c to \$13.20. Again, ensure employment agreements and payroll systems are updated to reflect this.

PARENTAL LEAVE

From July 1, employees planning to take parental leave for a child born

to them, or coming into their care, will be entitled to primary-carer leave of 22 weeks. This is up from 18 weeks with a further increase to 26 weeks from July 1, 2020.

The provision for "keeping-in-touch" days – paid days when work is performed by the employee on parental leave – is increasing from 40 to 52 hours from July 1, and up to 64 hours from July 1, 2020.



Will Allan, Hello Monday

TRIAL PERIOD

Several changes are proposed under the Employment Standards Bill, which covers the

Employment Relations Act.

One of note is the 90-day trial period. It's under review with proposals as follows:

- ▶ It will only apply to businesses with less than 20 employees.
- ▶ The law may be amended to require employers to provide a reason for dismissing staff.
- ▶ A dismissal within the period can be challenged through a free referee service with no lawyers involved. The understanding is the outcome will be binding and cannot be appealed.

Tips for the current 90-day trial period include it having to be agreed to in the employment agreement before the worker starts or the trial is invalid, and that it can be used in any industry for any job.

The contract with the 90-day trial must be signed by the employee before starting work. This includes training time, while notice of termination must be inside the trial period.

Both of these points are still tripping up businesses – when they start someone without signing the employment agreement, or they sign it on the day they start or after they have started.

If you're unsure again, it's best to ask your HR person or employment lawyer for guidance.

Will Allan owns Auckland-based Hello Monday, a specialist HR consulting and recruitment provider

Professionalism is important

A business manager has to perform a wide range of duties including helping customers, interacting with the sales team and lenders, keeping abreast of changing legislation and maintaining a desired level of dealership profitability. It's certainly not a role for the faint-hearted.

Business managers should exemplify the ideals of a professional, acting with integrity and conducting themselves in accordance with the highest standards of ethical conduct.

They should treat every customer with courtesy and respect, answer their questions completely, directly and honestly, and comply with all relevant legislation including the new responsible lending code.

The business manager ensures every customer has all of the finance, leasing and risk-management options reviewed and explained to enable them to make

an informed decision about the options available in connection with the purchase.

Finally, a professional business manager fully discloses to clients the costs, terms and contractual obligations of any finance transaction, as well as any products or services offered.

A major component of an effective finance and insurance (F&I) department is a quality turnover from the salesperson. The goal is 100 per cent quality turnover at the time of sale.

Nothing will make a business manager's role harder than an inappropriate introduction by sales staff or other managers. These types of introductions denigrate their role as a professional within the dealership.

Quality turnover requires three



TONY HEADLAND
General manager
Protecta Insurance

basic elements:

1 Always refer to the business manager as the "business manager".

Don't use terms such as the finance or F&I guy, manager, person, whiz or anything else unprofessional.

2 Advise your customer that you will check to see if the business manager is available.

Then give the business manager a verbal overview of the deal with the write-up sheet.

After that, take your customer and introduce him or her to the business manager.

3 Always have a write-up sheet with all of the relevant details.

This information should include the negotiated sale price, trade-in price and appraisal sheet, as well as

any extras with the prices included.

Other details to cover are the approximate delivery date and time of the vehicle, and a copy of the amended consumer information notice with the current odometer reading and corrected sale price.

The write-up sheet should also include a copy of the buyer's driver's licence, any promises made and the sales manager's authorisation.

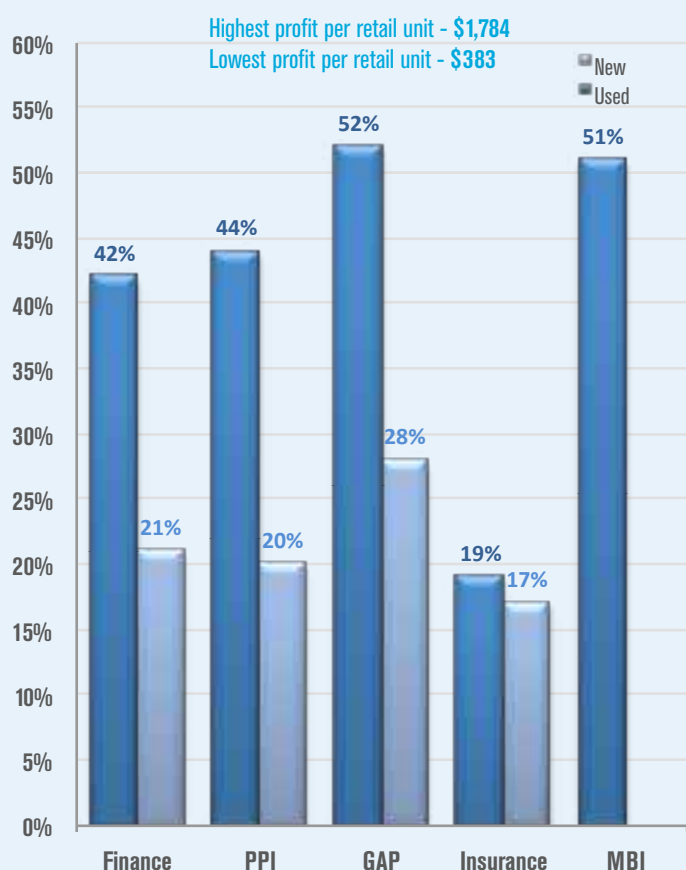
After completing the documents, the business manager should always return the client to the salesperson with a summary of the deal.

This means the salesperson should ensure they are available to receive their customer back.

Most importantly, the business manager is there to assist the selling of more vehicles.

Acting as a team and helping each other will produce better results for everyone. ☺

PROTECTA nationwide F&I results June 2018



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SPEED DIARY

6 - 8 July
Australian Supercars - Townsville 400

7 July
F1 Qualifying - Silverstone GP, UK
NASCAR Cup Series - Daytona, USA

7 - 8 July
Formula 2 - Silverstone
Superbikes - Misano, Italy
GP3 Series - Silverstone GP Circuit

8 July
F1 - Silverstone GP Circuit

12 - 15 July
Goodwood Festival of Speed

13 - 25 July
Silk Way Rally - Xi'an, China to Moscow, Russia

14 - 15 July
F3 European Championship - Zandvoort, Netherlands
Formula E - New York, USA
DTM - Zandvoort, Netherlands

15 July
MotoGP - Sachsenring, Germany

20 - 22 July
Australian Supercars - Coates Hire Ipswich SuperSprint

21 July
F1 Qualifying - Hockenheim, Germany

21 - 23 July
European Rally Championship - Rallye Sanremo, Italy

22 July
F1 - Hockenheim, Germany
NASCAR Cup - New Hampshire, USA
European Le Mans - Spielberg, Austria

26 - 29 July
24 Hours of Spa - Spa-Francorchamps, Belgium
WRC - Rally Finland

27 - 28 July
F3 European Championship - Spa-Francorchamps, Belgium

28 July
F1 Qualifying - Budapest, Hungary
Formula E - Montreal, Canada

28 - 29 July
Formula 2 - Budapest, Hungary
GP3 Series - Budapest, Hungary

29 July
F1 - Budapest, Hungary
Formula E - Montreal, Canada
NASCAR Cup - Pocono Raceway, USA

Series returns to Highlands

The 2019 Castrol Toyota Racing Series (TRS) will return to Highlands

Motorsport Park in the South Island and will not start at Ruapuna as it has done for the past few years.

The TRS will run on the Central Otago circuit's full 3.9km layout, including the bridge. The switch leaves Canterbury Car Club's prestigious Lady Wigram Trophy in limbo as the club requires that it be raced at Ruapuna.

There will again be three races per round. The remainder of the five-round calendar is unchanged from 2018 with the finale being the

64th New Zealand Grand Prix at Manfeild's Circuit Chris Amon.

Entries for TRS 2019 opened recently with Pukekohe's Liam Lawson indicating he's likely to pull together a package to race.

Russian Robert Shwartzman won the 2018 title after a dramatic finale in which long-time points leader Marcus Armstrong crucially lost several positions at a late restart.

Armstrong has indicated he's

unlikely to return to contest the championship.

Meanwhile, the 17-year-old has broken through to become the new leader of the 2018 FIA Formula 3 European championship.

He took a win, a second and third to leap from sixth to outright leader over three races at the Norisring in Bavaria from June 23-24, shading second-placed Dan Ticktum by one point - 101 to 100. 📧

The 2019 TRS calendar

RND	DATE	CIRCUIT
1	Jan 10-13	Highlands Motorsport Park, Cromwell
2	Jan 17-20	Teretonga Park, Invercargill
3	Jan 24-27	Hampton Downs Motorsport Park, North Waikato
4	Jan 31-Feb 3	Bruce McLaren Motorsport Park, Taupo
5	Feb 7-10	Circuit Chris Amon, Feilding



Resurgence seen in Kiwi rallying

Buoyed by some insightful changes to regulations governing the national championship and the international success of Hayden Paddon, rallying in New Zealand is in a period of rapid growth.

The eligibility of R5 and AP4+ cars has enabled Kiwi drivers to gain experience at speeds approaching the World Rally Championship (WRC) at a relatively affordable price, while the country's compact size and nature of its roads is attracting overseas drivers in increasing numbers.

Australians are clamouring to get across the Tasman and compete



against growing fields of locals, with the recent South Canterbury Rally attracting an entry list of 96 - believed to be a record for a national round in this century.

Having contested the recent round, Aussie champion Nathan Quinn is back across the Tasman

raising funds to compete at Coromandel in August and Raglan in October. Molly Taylor is another rumoured to be working on a deal to compete here.

Adding in distances the Australians have to travel to get to events tips the scales in New Zealand's favour, meaning it can often be cheaper to compete here than across the ditch.

A recent informal plot-out of special stage speeds comparing local stages with WRC stages shows Kiwi events are giving drivers experience at an equal pace to premier global series. 📧



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Pushing rules to the limit

He was a driving force behind the modification and acceptance of the AP4 “+” rules that have transformed and revitalised rallying in New Zealand.

A passionate rally man for “years and years”, he won the 2017 NZ Rally Championship when aged 49.

Then Andrew Hawkeswood shocked the local scene by announcing he wouldn’t be contesting this year’s championship.

Six months later, he was back at the wheel and in the thick of national championship competition. Once that adrenalin bug bites, it bites hard and doesn’t let go.

The old adage “win on Sunday, sell on Monday” rings true for Hawkeswood, whose company Force Motorsport designed, built and engineered the smart little Mazda2 that carried him to the title. The company was promptly swamped with queries and orders for replicas.

AP4+ cars are not as expensive as the full FIA R5 cars, which makes them popular in countries such as New Zealand, which has suffered under the Group N rules for too long, and seen corporate money and spectators dwindle.

With the rise of the AP4+ category has come a resurgence in the sport, which is exciting for Hawkeswood.

“I get a buzz from modifying cars, extracting maximum performance and even pushing the rules to the absolute limit,” he says.

“That’s why I helped devise the current AP4 competition category. The regulations allow competitors plenty of freedom to modify the

cars and AP4 has reinvigorated local rallying.

“The cars actually look like they’re on the edge and spectators appreciate a return to the sideways antics of old.”

Like many current “seasoned” rallymen, Hawkeswood got his start in the sport after watching the masters of Group 4.

Inspired at a young age by a rally-driver uncle and by witnessing action from the 1977 Rally of New Zealand, Hawkeswood still recalls the driving exploits of Finnish legend Ari Vatanen and seeing local ace Rod Millen compete in his Mazda heyday.

Vatanen’s win-it-or-bin-it antics, knocking corners off an increasingly battered Ford Escort RS 1800 run by the Masport team, inspired a whole generation of enthusiasts at a time

when it was relatively cheap to get into the sport.

And Millen, often competing against best mate John Woolf and sometimes also brother Steve Millen, were the Possum Bournes of their time, larger-than-life local heroes.

“At 15, I built a Ford Anglia and went racing on dirt tracks, which was all I could afford back then,” says Hawkeswood.

“Years later, I made my first Mazda connection after returning from a stint as a mechanic for race teams in the US. I worked with Neil Allport during a decade of evolution for the Mazda 323.”

Hawkeswood was a late bloomer in terms of a start in rallying, only taking up the sport as a driver in the 1990s.

He thus experienced Group N rallying and the enormous costs

associated with the category – transmission rebuilds and or replacements at \$30,000-\$40,000 during a season, suspension components that would fail under normal rally conditions. Many competitors had rally or class wins snatched away by mechanical failures.

With the title in his sights in 2017, Hawkeswood says there was to be no chance of his Mazda2 suffering the same fate.

The team was thorough and built the car to withstand a championship season. The transmission, for example, was rated for 920Nm – around double the torque loadings it could be expected to deal with in New Zealand rallying.

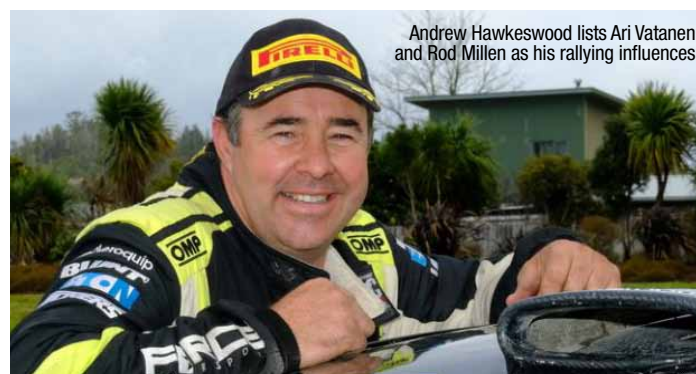
Everything else on the car was built in-house by Force Motorsport, the venture acting as a rolling shop window for the company.

Engine builder Norm Soo has worked with Hawkeswood for 22 years. For the new car he developed a power unit based on the two-litre Mazda SkyActiv engine with direct injection.

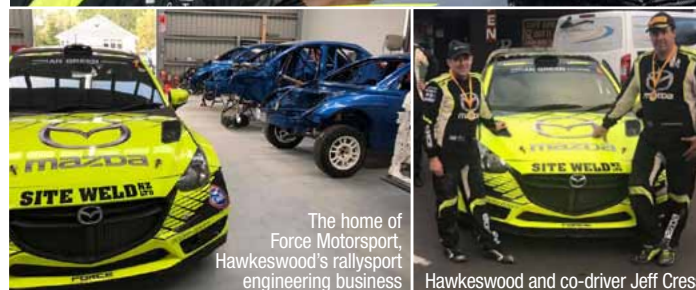
Destroyed – with capacity reduced to 1,600cc to conform to AP4 specs – the engine has a unique Force Motorsport turbocharger set-up. It reliably produces 261kW and 550Nm, outputs more commonly associated with V8s.

“We had input from a Mazda factory engineer who visited from Hiroshima, but without a factory-style testing regime each season is a journey into the unknown.”

So far, the journey has been remarkably smooth. ☺



Andrew Hawkeswood lists Ari Vatanen and Rod Millen as his rallying influences



The home of Force Motorsport, Hawkeswood's rallysport engineering business

Hawkeswood and co-driver Jeff Cress

Damage caused by collision may have caused faulty car to break down

Background

Lei Chen purchased a new Ford Kuga in 2013 from Hutchinson Motors Ltd. About four years later, he and his partner Anna experienced problems with the SUV breaking down on acceleration from standstill.

They took the car to the trader for repairs four times over eight months, but said they had reached the end of their patience with the vehicle.

They told Hutchinson Motors they wanted to reject it because it didn't comply with the CGA. The trader said it had fixed the problem, so the Chens weren't entitled to a refund.

The case

During the first three years the Chens owned the Kuga, they said it worked satisfactorily.

In late 2015, another vehicle hit the front of the SUV, but no evidence was supplied to the tribunal about damage or subsequent repairs.

However, the accident had some relevance during the hearing and in the tribunal's decision.

From April 2017, the Kuga suffered unexpected breakdowns after accelerating from standstill. It could only be driven a few metres before its engine stopped.

The car was taken to Hutchinson Motors for repairs. It found a battery fault and replaced the battery, but the engine wouldn't start.

It was later discovered that the power control module (PCM)

wasn't connecting because its fuse had blown.

On May 30, the buyers took the Kuga into the trader's workshop "not running". A fault code for the cam-angle sensor was identified and the part was replaced.

At the end of June, the SUV was returned to Hutchinson Motors. Its report stated the "vehicle's engine stops when driving". A fault code identified an electrical relay was switching off too soon and it was swapped to another location.

A fourth breakdown occurred in early 2018. The engine light came on with "engine malfunction" displayed. Again, a communication fault with the PCM was uncovered.

After what Greg Barnard, Hutchinson Motors' service manager, described as a "head to toe" investigation of the electrical system on January 3, a chafed wire was found in the left front of the engine bay below the air cleaner. Barnard said this wire fed multiple circuits. It was replaced long with the PCM.

Hutchinson Motors said two matters rebutted Chen's assertion the car failed to comply with the CGA's guarantee of acceptable quality.

The first was that the Kuga hadn't been serviced in accordance with the recommended service intervals. However, the tribunal's assessor said the irregular servicing wasn't relevant to the engine failure.

The second rebuttal was the crash damage to the front of the car. Hutchinson Motors said the

damaged wire that caused the Kuga's electrical problems was likely caused by frontal-impact problems.

The trader argued the crash damage was a form of vehicle use that was inconsistent with the manner of use that a reasonable consumer would expect to obtain, so the Kuga didn't fail to comply with the guarantee of acceptable quality.

The finding

The tribunal acknowledged the buyers had had a difficult driving experience with the Kuga, but they failed to establish any entitlement to a remedy under the CGA.

Although the trader advanced a respectable theory for why the car didn't fail to comply with the guarantee of acceptable quality, the lack of evidence on crash damage and remedial work made it difficult for the tribunal to be sure the chafed wire was caused by the accident or repairs. It was also impossible to determine if this wire was present at purchase.

The fact it took three-and-a-half years before the fault's symptoms appeared suggested the wire was probably chafed sometime following purchase.

But given the likelihood it happened post-sale, the tribunal was unable to find Hutchinson Motors responsible for breaching the CGA in respect of the chafed wire. Therefore, the Chens didn't demonstrate the Kuga failed to comply with the guarantee of acceptable quality.

The case: The buyers wanted to reject their four-year-old Ford Kuga after it would occasionally break down on acceleration from standstill. They said the car failed to comply with the guarantee of acceptable quality in the Consumer Guarantees Act (CGA) because the trader took too long to find and remedy the fault. The trader said the problem was likely caused by frontal-impact damage after the vehicle was involved in a crash.

The decision: The buyer's application to reject the car was dismissed.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

The tribunal said given that finding, it was unnecessary to investigate the Chens' claim that the trader failed to fix the problem in a reasonable time under section 18 of the CGA and in regards to their application to reject the car.

It said Hutchinson Motors acted rationally in trying basic diagnostics before a "head to toe" investigation on the Kuga, which led to the discovery of the chafed wire.

The tribunal added that even if the buyers had a right to reject the vehicle, they lost that right before they sent a rejection email to the trader on January 4, 2018, for two reasons.

Firstly, the right to reject was lost because it wasn't exercised within a reasonable time of supply. The buyers notified the dealer they wanted to reject the vehicle four years and two months after purchase.

Secondly, the rejection right was also lost as the goods were damaged following supply for reasons unrelated to its state or condition when sold.

Order

The application was dismissed. ☹

Vehicle could only be driven in reverse two weeks after buyer took possession

Background

On October 27, 2017, Amanda Edwards purchased a 1994 Mazda Familia for \$1,300 from Car Fox Ltd for her son.

She said the salesman told her it was a perfect first car for her son. About two weeks later, it broke down. It could no longer be driven forward, but could be driven in reverse.

After unsuccessfully seeking Car Fox's assistance to remedy the transmission, Edwards rejected the Mazda.

Car Fox denied it was liable under the CGA for repairs. It said the buyer shouldn't have expected anything more from an old, low-cost, high-mileage and end-of-life vehicle.

The case

After test driving the Mazda, Edwards was told by Car Fox's salesman that the car came with a one-month mechanical warranty.

During the two weeks following supply, it drove satisfactorily for about 1,350km.

However, on November 15, Jayden Lines, Edwards' son, found that when the car was put into "drive", it just revved as if in neutral. The vehicle went in reverse, but wouldn't move forward after selecting forward gears.

Edwards contacted Car Fox for assistance, but it refused to accept she had any grounds for complaint about the Familia's quality.

In a written submission,

director Tom Rolton, who didn't attend the hearing, denied the vehicle was sold with a one-month warranty and pointed out there was no written record of one.

Edwards said she had reminded Rolton of her rights under the CGA. He said he was sorry to hear about the transmission issues, but that it was a \$1,300 vehicle sold with a new VTNZ warrant of fitness (WOF).

He said: "What is fit for purpose on a \$1,300 vehicle? A \$1,300 vehicle is half a step up from a scrap, project or parts vehicle due to the age, kilometres and condition of it. There's no way of knowing how long it will last. Sadly, the transmission hasn't lasted as long as we would both expected."

The tribunal asked Edwards to obtain a diagnosis from a repairer approved by the Motor Trade Association about the fault and an estimate for repairs. Edwards said she was unable to have the fault accurately diagnosed as the car wasn't driveable.

Lincoln Automatics provided the buyer with an estimate of \$1,292 to remove and replace the transmission with a second-hand unit.

Rolton took issue with Edwards' failure to get the Mazda properly assessed and said Car Fox was "yet to receive any proof from a mechanic shop that the vehicle has this fault".

He added: "Our position is this is a high kilometres, old vehicle sold with a new VTNZ WOF for \$1,300. A reasonable person

would expect this to be an end-of-life vehicle with faults and issues that may not be apparent to the trader, buyer or WOF inspector."

The tribunal's assessor said the evidence from Edwards and her son was sufficient for him to conclude the transmission had likely failed – probably due to a valve-body fault or possibly a stuck valve causing no oil flow in the selected drive position – and it would need to be replaced.

When the Mazda broke down, Edwards contacted Rolton. He told her it wasn't Car Fox's problem and she would have to fix it herself.

Edwards said she told Rolton the Familia came with a warranty so Car Fox would have to repair it. Rolton denied this was the case and stated that he asked Edwards what more she expected from a vehicle that cost \$1,300.

Two days later, Edwards emailed the trader her letter of rejection seeking a full refund under the CGA.

Three days later, Rolton offered her \$300 to settle the matter. Shortly before the hearing, the trader revised its offer to \$402 – the cost of a replacement transmission – but Car Fox didn't offer to remedy the fault.

The finding

In regards to the primary issue of whether the Mazda failed to comply with the guarantee of acceptable quality, the

The case: Two weeks following purchase, a high-mileage Mazda Familia's transmission failed. The trader refused to fix the fault and said the buyer wasn't entitled to a remedy under the Consumers Guarantees Act (CGA). However, the buyer rejected the car and sought the tribunal's help to get a full refund.

The decision: The purchaser's rejection was upheld. The trader was ordered by the tribunal to pay her \$1,350 and collect the vehicle.

At: The Motor Vehicle Disputes Tribunal, Palmerston North.

adjudicator said Car Fox was correct the Familia was rather old, had high mileage and was sold for a low price.

However, a reasonable purchaser would expect that even an old car would meet basic standards of durability. If bought from a trader, it should be good for at least one month of motoring without needing major repairs.

Accordingly, the tribunal concluded the Familia failed to comply with the CGA's guarantee of acceptable quality because it was insufficiently durable.

Under the legislation, when a supplier was required to remedy a failure, but refused to do so, the consumer may reject the goods.

Edwards set out her grounds for rejection in an email about three weeks post-purchase, which was within a reasonable time of the vehicle's date of supply.

Orders

The buyer was entitled to reject the car. Car Fox had to repay Edwards \$1,300, which was the Mazda's purchase price, and \$50 costs for her tribunal fee. ☺

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LATEST SCHEDULE

Port Calls		Carrera v1812	Lake Taupo v1813	Dream Orchid v1857	Tokyo Car v1814
JAPAN	Moji	15 Jun	—	—	14 Jul
	Osaka	16 Jun	8 Jul	11 Jul	15 Jul
	Nagoya	18 Jun	9 Jul	—	16 Jul
	Yokohama	19 Jun	10 Jul	13 Jul	19 Jul
NZ	Auckland	6 Jul	26 Jul	29 Jul	7 Aug
	Wellington	10 Jul	6 Aug	6 Aug	10 Aug
	Lyttelton	9 Jul	4 Aug	4 Aug	11 Aug
	Nelson	14 Jul	7 Aug	7 Aug	18 Aug

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Total new cars
9,725
2017: 10,181 ▼ 4.5%



Total imported used cars
12,651
2017: 13,339 ▼ 5.2%

Whangarei
NEW: 185 2017: 210 ▼ 11.9%
USED: 279 2017: 310 ▼ 10.0%

Auckland
NEW: 4,293 2017: 4,758 ▼ 9.8%
USED: 5,905 2017: 6,379 ▼ 7.4%

Hamilton
NEW: 679 2017: 689 ▼ 1.5%
USED: 887 2017: 853 ▲ 4.0%

New Plymouth
NEW: 151 2017: 150 ▲ 0.7%
USED: 187 2017: 216 ▼ 13.4%

Wanganui
NEW: 103 2017: 67 ▲ 53.7%
USED: 129 2017: 97 ▲ 33.0%

Palmerston North
NEW: 258 2017: 351 ▼ 26.5%
USED: 398 2017: 368 ▲ 8.2%

Nelson
NEW: 113 2017: 133 ▼ 15.0%
USED: 265 2017: 287 ▼ 7.7%

Westport
NEW: 4 2017: 7 ▼ 42.9%
USED: 3 2017: 11 ▼ 72.7%

Greymouth
NEW: 26 2017: 15 ▲ 73.3%
USED: 28 2017: 36 ▼ 22.2%

Thames
NEW: 135 2017: 108 ▲ 25.0%
USED: 104 2017: 86 ▲ 20.9%

Tauranga
NEW: 420 2017: 456 ▼ 7.9%
USED: 458 2017: 564 ▼ 18.8%

Rotorua
NEW: 140 2017: 95 ▲ 47.4%
USED: 173 2017: 149 ▲ 16.1%

Gisborne
NEW: 46 2017: 50 ▼ 8.0%
USED: 73 2017: 70 ▲ 4.3%

Napier
NEW: 267 2017: 237 ▲ 12.7%
USED: 297 2017: 302 ▼ 1.7%

Masterton
NEW: 102 2017: 81 ▲ 25.9%
USED: 72 2017: 90 ▼ 20.0%

Wellington
NEW: 812 2017: 779 ▲ 4.2%
USED: 1,011 2017: 960 ▲ 5.3%

Blenheim
NEW: 69 2017: 91 ▼ 24.2%
USED: 61 2017: 87 ▼ 29.9%

Christchurch
NEW: 1,430 2017: 1,365 ▲ 4.8%
USED: 1,582 2017: 1,686 ▼ 6.2%

Timaru
NEW: 70 2017: 98 ▼ 28.6%
USED: 121 2017: 147 ▼ 17.7%

Oamaru
NEW: 13 2017: 25 ▼ 48.0%
USED: 19 2017: 29 ▼ 34.5%

Dunedin
NEW: 257 2017: 277 ▼ 7.2%
USED: 409 2017: 438 ▼ 6.6%

Invercargill
NEW: 152 2017: 139 ▲ 9.4%
USED: 190 2017: 174 ▲ 9.2%

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Imported Passenger Vehicle Sales by Make - June 2018

MAKE	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	2,881	3,304	-12.8	22.8%	17,609	23.6%
Nissan	2,486	2,590	-4.0	19.7%	14,067	18.9%
Mazda	2,018	1,983	1.8	16.0%	12,125	16.3%
Honda	1,322	1,304	1.4	10.4%	7,525	10.1%
Suzuki	714	653	9.3	5.6%	4,010	5.4%
Subaru	685	669	2.4	5.4%	4,287	5.7%
BMW	590	537	9.9	4.7%	3,186	4.3%
Mitsubishi	421	507	-17.0	3.3%	2,335	3.1%
Volkswagen	363	437	-16.9	2.9%	2,304	3.1%
Audi	267	252	6.0	2.1%	1,448	1.9%
Mercedes-Benz	216	290	-25.5	1.7%	1,382	1.9%
Lexus	105	89	18.0	0.8%	537	0.7%
Ford	81	120	-32.5	0.6%	612	0.8%
Volvo	76	69	10.1	0.6%	385	0.5%
Jaguar	44	37	18.9	0.3%	287	0.4%
Land Rover	41	47	-12.8	0.3%	243	0.3%
Chevrolet	34	46	-26.1	0.3%	290	0.4%
Holden	34	68	-50.0	0.3%	228	0.3%
Dodge	33	25	32.0	0.3%	193	0.3%
Porsche	28	40	-30.0	0.2%	134	0.2%
Mini	27	39	-30.8	0.2%	191	0.3%
Hyundai	25	28	-10.7	0.2%	168	0.2%
Chrysler	22	18	22.2	0.2%	108	0.1%
Jeep	22	24	-8.3	0.2%	156	0.2%
Renault	17	32	-46.9	0.1%	63	0.1%
Peugeot	15	14	7.1	0.1%	110	0.1%
Daihatsu	11	11	0.0	0.1%	56	0.1%
Kia	8	7	14.3	0.1%	58	0.1%
Skoda	5	0	500.0	0.0%	15	0.0%
Plymouth	4	4	0.0	0.0%	21	0.0%
Pontiac	4	7	-42.9	0.0%	28	0.0%
Alfa Romeo	3	8	-62.5	0.0%	22	0.0%
Bentley	3	5	-40.0	0.0%	24	0.0%
Citroen	3	6	-50.0	0.0%	33	0.0%
Fiat	3	3	0.0	0.0%	20	0.0%
Others	40	66	-39.4	0.3%	312	0.4%
Total	12,651	13,339	-5.2	100.0%	74,572	100.0%

Imported Passenger Vehicle Sales by Model - June 2018

MAKE	MODEL	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Nissan	Tiida	627	602	4.2	5.0%	3,152	4.2%
Mazda	Axela	621	558	11.3	4.9%	3,575	4.8%
Suzuki	Swift	605	554	9.2	4.8%	3,388	4.5%
Honda	Fit	550	439	25.3	4.3%	2,867	3.8%
Mazda	Demio	474	440	7.7	3.7%	2,891	3.9%
Subaru	Legacy	356	346	2.9	2.8%	2,104	2.8%
Toyota	Prius	336	281	19.6	2.7%	1,719	2.3%
Toyota	Wish	322	348	-7.5	2.5%	1,693	2.3%
Nissan	Leaf	297	162	83.3	2.3%	1,386	1.9%
Toyota	Atenza	237	315	-24.8	1.9%	1,583	2.1%
Mazda	Premacy	231	188	22.9	1.8%	1,303	1.7%
Mitsubishi	Outlander	230	293	-21.5	1.8%	1,309	1.8%
Volkswagen	Golf	228	265	-14.0	1.8%	1,456	2.0%
Nissan	Note	223	181	23.2	1.8%	1,110	1.5%
Toyota	Vitz	216	240	-10.0	1.7%	1,576	2.1%
Toyota	Blade	190	122	55.7	1.5%	999	1.3%
Toyota	Corolla	183	194	-5.7	1.4%	1,034	1.4%
Nissan	Skyline	181	132	37.1	1.4%	895	1.2%
Subaru	Impreza	180	158	13.9	1.4%	1,060	1.4%
Nissan	Dualis	179	223	-19.7	1.4%	1,052	1.4%
Toyota	MarkX	167	253	-34.0	1.3%	1,311	1.8%
Honda	Stream	152	144	5.6	1.2%	867	1.2%
Toyota	Auris	146	148	-1.4	1.2%	968	1.3%
Mazda	MPV	139	201	-30.8	1.1%	1,058	1.4%
Mazda	Verisa	122	93	31.2	1.0%	661	0.9%
Nissan	Bluebird	121	166	-27.1	1.0%	681	0.9%
BMW	320i	116	103	12.6	0.9%	632	0.8%
Nissan	X-Trail	114	129	-11.6	0.9%	699	0.9%
Honda	Odyssey	111	193	-42.5	0.9%	783	1.0%
Toyota	Ractis	110	109	0.9	0.9%	615	0.8%
Nissan	Murano	109	144	-24.3	0.9%	860	1.2%
Honda	CRV	100	105	-4.8	0.8%	694	0.9%
Toyota	Aqua	95	27	251.9	0.8%	409	0.5%
Toyota	Estima	93	204	-54.4	0.7%	802	1.1%
Honda	Accord	89	101	-11.9	0.7%	548	0.7%
Others		4,401	5,178	-15.0	34.8%	26,832	36.0%
Total		12,651	13,339	-5.2	100.0%	74,572	100.0%

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Used sales take another tumble

Registrations of used imported cars fell for the fifth month in a row – from February to June – when compared to the same period during 2017.

June saw 12,651 used imported passenger vehicles sold, which was a fall of 5.2 per cent compared to the same month of last year.

All up, 2018's registrations are down by 6.72 per cent compared to the first half of last year – 74,572 units versus 2017's 79,952.

However, an expert in the automotive industry says the market for used vehicles continues to be strong.

Todd Hunter, chief executive officer of Turners Automotive Group Ltd, says the large number of cars nearing scrapping age is growing, which is positive for "underlying replacement demand" and as vehicle sales increase, "so does demand for finance and insurance products".

He describes the used-car market as "resilient and less discretionary than new" with 80 per cent of people buying vehicles priced at less than \$20,000.

For the 2017/18 financial year, Hunter says: "The percentage of 'owned vehicles' increased to 50 per cent, up from 48 per cent, of transactions with better margins.

"The company has a strong platform to support growth. While mergers and acquisitions will be considered when there's a strategic benefit, the majority of medium-term growth will come from within the group."

There has been some discussion across the industry about how the recent hike in petrol

prices may affect vehicles sales.

But Kevin Moloney, of Moloney Motor Court in Timaru, doesn't expect local buyers to switch to smaller and more economic cars in the near future despite the region having some of the highest petrol prices in New Zealand.

"It depends on how long high prices last," he told Autofile. "If you need to tow a boat, you need a bigger vehicle.

"A lot of people talk about buying more economical vehicles when the price of petrol goes up, but it's hard to get an accurate feel for any change.

"Sometimes, before you make a decision, the price comes down again. Often people just cut back on travel to save money. It can be hard for young families. But if it gets to \$3 a litre and stays there for a long time, then things will change."

Moloney believes a cross-section of vehicles and specialising in specific parts

of the market is a good way of trying to attract local buyers.

"We have smaller cars for retired people, but a lot of families now have a double-cab ute and a car."

So far, Moloney hasn't felt the impact of vehicles being fitted with alpha-type Takata airbags being recalled. That said, "you have to take it case by case".

Henry Schmidt, of Autolink Cars in Grey Lynn, Auckland, says the biggest problem posed by recent supply issues has been vehicles being pre-sold and people then getting frustrated by late deliveries.

"We've had customers waiting for their cars and there's nothing we can do about that," he adds.

"We import some cars from the UK, mostly Renaults and the new-shape Nissan Leaf."

As for the cost of fuel, Schmidt says there hasn't been a surge in petrol prices since 2013. While there has been a lot of talk about the rise, he hasn't seen

an increase in sales of electric vehicles (EVs).

"Petrol isn't expensive enough yet, but when the price gets very high then people will come around," he says. "They do come in and talk to us about what EVs have to offer. If the price of petrol hits \$3 a litre, it may be a different story.

"We can meet an increase in demand for EVs. But if the New Zealand dollar keeps dropping, prices of cars will have to go up as well."

Schmidt notes this is "crystal-ball gazing" because no one can tell him if the dollar is going to drop further, but a stable currency does make it easier to do business.

"The price of petrol is going up and our dollar keeps dropping, so it's possible that we could be paying \$3 a litre at the pumps."

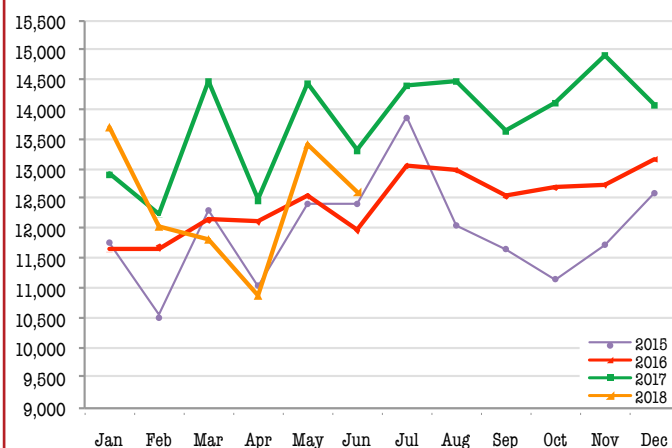
He imports some EVs from the UK and supply from there wasn't impacted by stink-bug delays because cars are transported here in containers.

"But we don't bring in a lot of cars from the UK because it takes too long to get them here," says Schmidt. So far, he's unaware of any recall issues associated with Takata airbags in Leafs.

Back to June's statistics, Nissan's Tiida was the top-selling model on 627 units, Mazda's Axela was second with 621 and the Suzuki Swift was third on 605.

Toyota was June's top marque with 2,881 registrations – but its total was down by 12.8 per cent on June 2017. Nissan was second on 2,486 and Mazda was third with 2,018. ☺

Used Imported Passenger Registrations - 2015-2018



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Check website for call-backs

Car dealers importing used vehicles from Singapore have been advised to check their status online before deregistering stock there.

VIA (the Imported Motor Vehicle Industry Association) has been contacting the authorities overseas as part of its work dealing with the Takata airbag recall to see if there is any call-back information publicly available for vehicles there.

The website www.onemotoring.com.sg – run by the Land Transport Authority (LTA) in Singapore – has a facility to check the status of individual vehicles.

After searching for “electronic

vehicle recall system” and clicking on the link, specific models can be accessed for call-backs as well as all recalls announced in the past six months.

“For members importing from Singapore, we advise them to check prospective vehicles on this website prior to deregistration,” says Malcolm Yorston, VIA’s technical manager.

“If no recalls are outstanding, print off the results. If there are recalls outstanding, have these completed, recheck online and then print the results once cleared on the website.

“These results will be required

at compliance and should also be provided to prospective purchasers.”

VIA has received feedback that deregistered vehicles in Singapore aren’t found on the LTA’s database.

If the vehicle has been deregistered, the Kiwi importer will need to ask the last registered owner to use the feedback facility, which can be found in the top right-hand corner of the home page of www.lta.gov.sg or call the LTA hotline on 1800-2255 582 for advice.

As for June’s statistics, there were 16,272 used passenger vehicles imported into New Zealand – up by 4.8 per cent when compared

to the same month of last year.

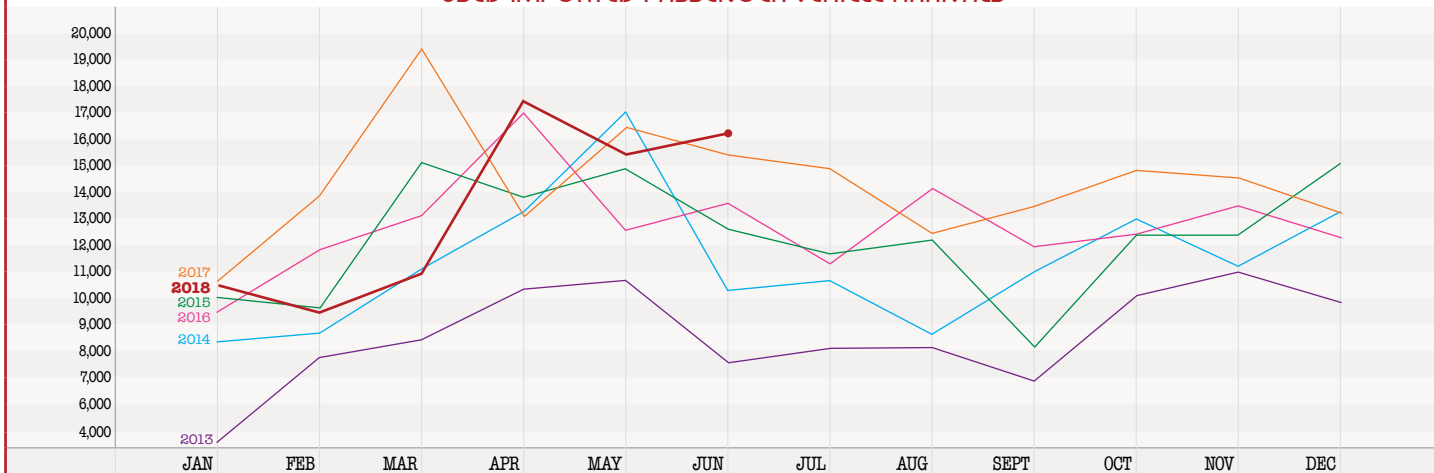
The year-to-date total now stands at 80,157 – down by 8,932 units or 10 per cent on 89,089 in the first six months of 2017.

That said, last month’s total was an increase of 7.4 per cent compared to 14,566 in the same month of last year.

Japan’s market share for 2018 is 93.75 per cent, with its year-to-date total down from 15,642 units in 2017 to 14,506 in 2018.

Australia took out second spot last month with 340 units. Its total for June was down from 475 units in June 2017 for a decline of 28.4 per cent. ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2018								2017		2016	
	JAN '18	FEB '18	MAR '18	APR '18	MAY '18	JUN '18	JUN MRKT SHARE %	2018 TOTAL	TOTAL	% SHARE	2016 TOTAL	MRKT SHARE
Australia	435	359	383	340	392	340	2.1%	2,249	5,540	3.2%	5,151	3.4%
Great Britain	123	66	95	87	80	70	0.4%	521	2,173	1.3%	1,537	1.0%
Japan	9,681	8,852	10,154	16,801	14,755	15,642	96.1%	75,885	160,822	93.8%	143,080	93.7%
Singapore	132	111	101	126	129	99	0.6%	698	1,202	0.7%	1,231	0.8%
USA	80	101	102	102	98	89	0.5%	572	1,419	0.8%	1,275	0.8%
Other countries	28	36	89	17	30	32	0.2%	232	387	0.2%	438	0.3%
Total	10,479	9,525	10,924	17,473	15,484	16,272	100.0%	80,157	171,543	100.0%	152,712	100.0%



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'Crazy' situation with airbag parts

A car dealer in Northland is working hard to deal with issues arising from the mandatory call-back of vehicles with unremedied alpha-type Takata airbags.

Andre Stevenson, of the Optimum Motor Group in Whangarei, has a good amount of stock on the yard with 20 units soon to arrive.

"We're being selective about what we bring in – cars with affected airbags must be repaired in Japan before coming into the country," he told Autofile.

"We will not trade in vehicles from Nissan or Subaru if their airbags haven't been fixed, and

won't touch a trade-in until we've checked it out to ensure it's not part of the recall."

Stevenson says Honda and Toyota have been "brilliant" because they will fix the airbags as soon as possible, but "Subaru has told us it doesn't have the parts".

He adds "The airbag situation is crazy. There's a website where you can put in the chassis number to check, but it may tell you the vehicle doesn't exist.

"The Hondas and Toyotas we had that needed repairs were quickly fixed. We have tackled it head-on and got a small number of cars that need airbag repairs done

as soon as possible. However, a huge percentage of the public don't have any idea about the recall."

Despite dealers being cautious when accepting trade-ins due to the mandatory airbag recall, June's public-to-dealer sales of 13,425 were only down by 1.7 per cent compared to the same month of last year.

Dealers in Palmerston North clocked up an 85.7 per cent jump in trade-ins last month with 1,320 units compared to 711 in the same month of last year, even though the area experienced a 2.3 per cent fall in dealer-to-public sales.

Thames came in second with a

41.3 per cent jump up to 178 from 126 last year, while Rotorua was third – up by 39.3 per cent with 124 trade-ins compared to 89 in June 2017.

There were 17,247 second-hand passenger vehicles sold by traders last month – down by 2.3 per cent on June 2017's 17,649 and down by 8.78 per cent, or 1,661 units, on May's 18,908.

Wanganui saw a 33.3 per cent increase with 260 dealer-to-public sales compared to 195 in June 2017. Rotorua was second with a 29.8 per cent jump to 392 sales in June. Thames came third with a 21 per cent increase and 282 units. ☺

SECONDHAND CAR SALES - June 2018

	DEALER TO PUBLIC					PUBLIC TO PUBLIC					PUBLIC TO DEALER			
	JUN'18	JUN'17	+/- %	MARKET SHARE		JUN'18	JUN'17	+/- %	JUN'18		JUN'17	+/- %		
Whangarei	585	611	-4.3	3.4		1,930	1,928	0.1		254	268	-5.2		
Auckland	5,923	5,908	0.3	34.3		13,565	14,249	-4.8		4,965	5,046	-1.6		
Hamilton	1,279	1,477	-13.4	7.4		3,150	3,437	-8.4		1,002	1,336	-25.0		
Thames	282	233	21.0	1.6		621	583	6.5		178	126	41.3		
Tauranga	839	948	-11.5	4.9		2,123	2,326	-8.7		632	623	1.4		
Rotorua	392	302	29.8	2.3		1,009	837	20.5		124	89	39.3		
Gisborne	138	156	-11.5	0.8		411	369	11.4		70	56	25.0		
Napier	607	668	-9.1	3.5		1,449	1,489	-2.7		436	445	-2.0		
New Plymouth	363	405	-10.4	2.1		1,010	1,053	-4.1		183	251	-27.1		
Wanganui	260	195	33.3	1.5		636	534	19.1		141	166	-15.1		
Palmerston North	794	813	-2.3	4.6		1,592	1,706	-6.7		1,320	711	85.7		
Masterton	206	185	11.4	1.2		474	380	24.7		112	103	8.7		
Wellington	1,544	1,499	3.0	9.0		3,146	3,191	-1.4		1,082	1,112	-2.7		
Nelson	277	327	-15.3	1.6		1,005	1,010	-0.5		228	287	-20.6		
Blenheim	210	178	18.0	1.2		463	461	0.4		109	141	-22.7		
Greymouth	53	75	-29.3	0.3		157	212	-25.9		35	51	-31.4		
Westport	7	24	-70.8	0.0		28	82	-65.9		0	0	0.0		
Christchurch	2,063	2,216	-6.9	12.0		5,088	4,972	2.3		1,663	1,985	-16.2		
Timaru	221	218	1.4	1.3		499	520	-4.0		147	136	8.1		
Oamaru	38	69	-44.9	0.2		133	206	-35.4		1	18	-94.4		
Dunedin	713	713	0.0	4.1		2,006	1,926	4.2		473	437	8.2		
Invercargill	453	429	5.6	2.6		1,130	1,076	5.0		270	276	-2.2		
NZ total	17,247	17,649	-2.3	100.00		41,625	42,547	-2.2		13,425	13,663	-1.7		

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New Passenger Vehicle Sales by Make - June 2018

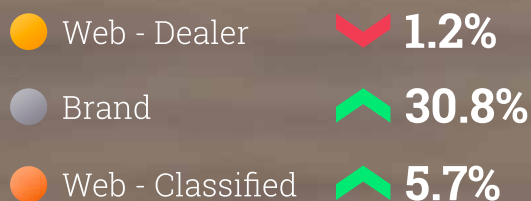
MAKE	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	1,558	2,011	-22.5	16.0%	8,748	16.5%
Mazda	862	940	-8.3	8.9%	5,157	9.7%
Hyundai	823	829	-0.7	8.5%	3,645	6.9%
Mitsubishi	727	667	9.0	7.5%	3,650	6.9%
Holden	695	686	1.3	7.1%	3,947	7.4%
Kia	639	626	2.1	6.6%	3,659	6.9%
Suzuki	563	677	-16.8	5.8%	3,418	6.4%
Honda	521	440	18.4	5.4%	2,809	5.3%
Ford	443	459	-3.5	4.6%	2,987	5.6%
Volkswagen	413	430	-4.0	4.2%	1,990	3.7%
Nissan	394	361	9.1	4.1%	2,079	3.9%
Subaru	323	387	-16.5	3.3%	1,828	3.4%
Audi	213	190	12.1	2.2%	1,069	2.0%
Mercedes-Benz	207	280	-26.1	2.1%	1,131	2.1%
BMW	170	163	4.3	1.7%	1,020	1.9%
Skoda	170	154	10.4	1.7%	824	1.6%
Jeep	169	127	33.1	1.7%	777	1.5%
Land Rover	124	123	0.8	1.3%	551	1.0%
Peugeot	71	60	18.3	0.7%	513	1.0%
SsangYong	69	83	-16.9	0.7%	368	0.7%
Lexus	66	60	10.0	0.7%	395	0.7%
Mini	56	73	-23.3	0.6%	380	0.7%
Volvo	53	50	6.0	0.5%	311	0.6%
Haval	49	0	4900.0	0.5%	251	0.5%
Jaguar	48	26	84.6	0.5%	191	0.4%
Mahindra	46	2	2200.0	0.5%	92	0.2%
Isuzu	39	41	-4.9	0.4%	160	0.3%
Porsche	33	29	13.8	0.3%	209	0.4%
Renault	32	29	10.3	0.3%	136	0.3%
Tesla	32	32	0.0	0.3%	147	0.3%
Alfa Romeo	22	21	4.8	0.2%	59	0.1%
Seat	16	0	1600.0	0.2%	68	0.1%
Citroen	15	28	-46.4	0.2%	125	0.2%
LDV	10	1	900.0	0.1%	35	0.1%
Maserati	10	10	0.0	0.1%	69	0.1%
Others	44	86	-48.8	0.5%	313	0.6%
Total	9,725	10,181	-4.5	100.0%	53,111	100.0%

New Passenger Vehicle Sales by Model - June 2018

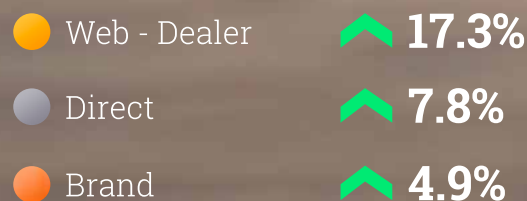
MAKE	MODEL	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	RAV4	678	412	64.6	7.0%	2,069	3.9%
Toyota	Corolla	360	508	-29.1	3.7%	2,328	4.4%
Mazda	CX-5	328	309	6.1	3.4%	1,904	3.6%
Kia	Sportage	293	297	-1.3	3.0%	1,632	3.1%
Holden	Captiva	282	182	54.9	2.9%	1,153	2.2%
Mitsubishi	ASX	265	177	49.7	2.7%	892	1.7%
Hyundai	Tucson	255	225	13.3	2.6%	915	1.7%
Suzuki	Swift	243	296	-17.9	2.5%	1,566	2.9%
Honda	Jazz	241	111	117.1	2.5%	1,013	1.9%
Mitsubishi	Outlander	222	314	-29.3	2.3%	1,177	2.2%
Hyundai	Kona	194	0	19400.0	2.0%	969	1.8%
Nissan	Qashqai	190	116	63.8	2.0%	1,018	1.9%
Volkswagen	Tiguan	188	192	-2.1	1.9%	898	1.7%
Hyundai	Santa Fe	162	228	-28.9	1.7%	803	1.5%
Ford	Escape	149	141	5.7	1.5%	718	1.4%
Nissan	X-Trail	148	153	-3.3	1.5%	756	1.4%
Subaru	Outback	143	177	-19.2	1.5%	745	1.4%
Mitsubishi	Eclipse Cross	138	0	13800.0	1.4%	837	1.6%
Honda	CRV	137	11	1145.5	1.4%	849	1.6%
Mazda	Mazda3	136	120	13.3	1.4%	1,012	1.9%
Toyota	Highlander	121	451	-73.2	1.2%	1,387	2.6%
Mazda	Mazda2	114	109	4.6	1.2%	659	1.2%
Suzuki	Vitara	113	112	0.9	1.2%	608	1.1%
Volkswagen	Golf	100	104	-3.8	1.0%	545	1.0%
Mazda	CX-3	99	174	-43.1	1.0%	704	1.3%
Holden	Commodore	96	158	-39.2	1.0%	937	1.8%
Volkswagen	Polo	96	45	113.3	1.0%	317	0.6%
Subaru	XV	95	21	352.4	1.0%	583	1.1%
Toyota	C-HR	91	63	44.4	0.9%	475	0.9%
Holden	Equinox	90	0	9000.0	0.9%	394	0.7%
Toyota	Yaris	89	217	-59.0	0.9%	786	1.5%
Mazda	CX-9	85	148	-42.6	0.9%	580	1.1%
Ford	Focus	84	118	-28.8	0.9%	841	1.6%
Holden	Trax	83	72	15.3	0.9%	416	0.8%
Kia	Rio	80	130	-38.5	0.8%	532	1.0%
Others		3,537	4,290	-17.6	36.4%	20,093	37.8%
Total		9,725	10,181	-4.5	100.0%	53,111	100.0%

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

LEADS



TEST DRIVES



Sales decreases across board

The number of new passenger vehicles sold in New Zealand last month dropped by 4.5 per cent compared to June 2017 – from 10,181 units to 9,725 to bring the year-to-date total to 53,111.

Toyota's RAV4 was the best-selling model with 678 units, up from 412 in the same month of last year, while the Corolla came second. It achieved 360 registrations, down from 508, while Mazda's CX-5 came third on 328 units, up from 309.

Fourth spot was taken by Kia's Sportage with 293 sales, down by four units compared to June 2017, while the Holden Captiva came fifth with a 54.9 per cent jump to 282.

So far this year, the Corolla leads the way with 2,328 registrations for a market share of 4.4 per cent. The RAV4's total is 2,069 for 3.9 per cent of the market, while 1,904 CX-5s have been sold for 3.6 per cent.

June's top-selling marque was Toyota on 1,558, which was a 22.5 per cent decrease on June 2017's total of 2,011.

Mazda took out second spot with 862 sales. This was an 8.3 per cent drop from 940 in the same month of last year. Hyundai was third on 823, down by 0.7 per cent from 829.

When looking at the overall market for new cars and commercial vehicles, the number of units registered was down by 5.09 per cent – or 813 units – when compared to June 2017, but it was still the second strongest-ever June.

There were 15,172 units registered last month, which means the year-to date total is

marginally up by 0.5 per cent, or by 428 units, compared to the first six months of 2017.

Toyota retained the position of overall market leader with a 16 per cent share of the market and 2,458 units. It was followed by Ford with 11 per cent and 1,629 units, and Holden with eight per cent and 1,276 units.

The medium-sized SUV segment was June's top segment with a market share of 18 per cent. It was closely followed by the pick-up and chassis cab four-by-four segment on 17 per cent. Compact SUVs accounted for 13 per cent.

"We have received many inquiries on whether higher fuel prices have resulted in people purchasing smaller vehicles or more electric vehicles," says David Crawford, chief executive officer of the Motor Industry Association.

"Based on results to the end of June, there appears to be a slight shift to smaller vehicles with the SUV medium and SUV compact segments coming in first and third."

There was plenty of activity on the dealership front last month with events including Tesla officially launching its first New Zealand store and service centre in Karangahape Road, Auckland.

It hosts two Model Ss and a Model X, in addition to a signature Tesla "skateboard" chassis and Tesla Powerwall.

It also has five super-charging bays, which will take the total number of such sites in New Zealand to six, while the company is expanding its network with sites in Queenstown and Omarama.

The marque says this furthers the investment of electric-vehicle (EV) infrastructure in New Zealand with owners already benefitting from destination chargers in more than 75 locations nationally, such as shopping centres, secure parking locations, hotels and restaurants.

Tesla's retail model, which is direct to customer, allows for buyers to customise the design of vehicles and be educated on the

benefits of owning an EV with zero compromise.

The marque says its servicing model on offer at the store is built on a zero-profit model to ensure owners receive a full understanding of costs and works being undertaken on vehicles upfront.

People can also view Tesla's home-energy product offering, which includes its Powerwall and solar panels.

Twenty-four hour access to the centre is available to owners with customers able to use a lounge with snacks, refreshments and television.

Model 3s can be ordered with a right-hand-drive version anticipated to be available next year.

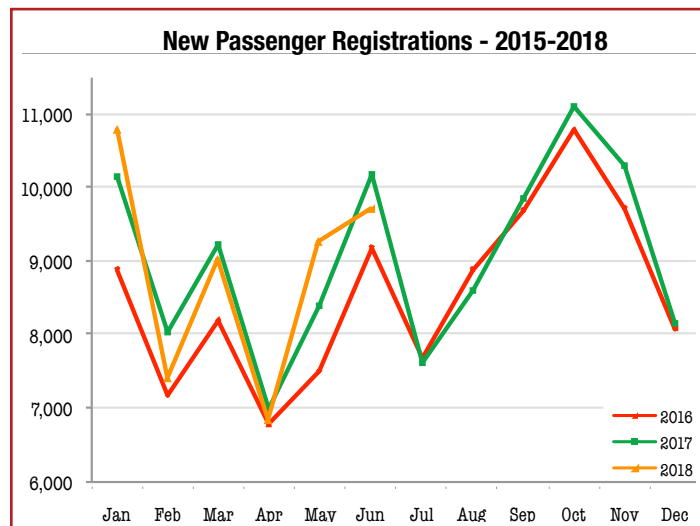
Meanwhile, June also saw the official opening of Infiniti's multi-level showroom in Auckland.

It's part of a three-level new build in Greenlane and adjoins the recently developed two-level dealership that houses the city's Renault and shared servicing facilities.

Special guest Minoru Kikuchi, Consul-General of Japan, cut the ribbon at the opening of the facility, which completes a four-year development on the Great South Road site.

Richard Couch, sales manager of Infiniti Auckland, says he's proud to be working in the "world-class, premium facility – it's perfect for showcasing and displaying our range of vehicles, and to give a top-class experience."

Visit www.autofile.co.nz for more information and photographs of the two new dealerships.



June 2018 (vs May 2018)

SALES

- Web - Dealer ▲ 8.2%
- Web - Classified ▲ 27.4%
- Brand ▲ 32.9%

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Smart Digital Tools

'Significant' sales at Fieldays

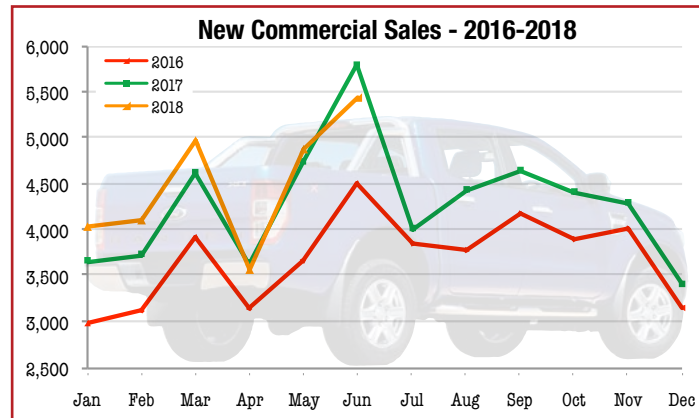
A marque doubled its first-day sales record at Mystery Creek compared to last year – although it's keeping the exact figures under wraps.

Reece Congdon, head of marketing and corporate affairs at Mitsubishi Motors NZ, says – in line with other brands – it doesn't release specific figures from the event.

"Having said that, it was a significant number of units sold from one day's trading," he told Autofile.

Its Mystery Creek line-up included three Triton utes, the Black Edition GLS 4WD, Huntaway II and R Concept, as well as the Outlander, Pajero Sport and Eclipse Cross.

The Huntaway II was one of



the marque's main attractions with a limited supply of 20 units. Day one closed with only a few units left up for grabs.

"Fieldays provides a great opportunity to showcase our range

and our results reflect the momentum we continue to foster with year-on-year growth," says Congdon.

Chief executive officer, Warren Brown, says an enormous amount of work is done by his team

leading up to the event.

"By default, Fieldays has become a national motor show," he adds. "It's an opportunity for us to put the brand in front of 120,000 eyes.

"The Triton is our biggest seller followed by the ASX and Outlander, while we were pleased to add the Eclipse Cross, which we've had a fantastic response to."

He emphasises close to one-in-every-four new vehicles sold in this country is a ute.

"The dominant segments are utes and SUVs, so our range fits with New Zealand's appetite. Utes do everything from a recreational point of view, and are equipped and drive like a family car." ☺

New Commercial Sales by Make - June 2018

MAKE	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	1,186	1,230	-3.6	21.8%	5,764	21.3%
Toyota	900	1,299	-30.7	16.5%	5,238	19.4%
Holden	581	666	-12.8	10.7%	2,483	9.2%
Mitsubishi	507	466	8.8	9.3%	2,270	8.4%
Isuzu	415	460	-9.8	7.6%	1,899	7.0%
Nissan	365	291	25.4	6.7%	2,082	7.7%
LDV	255	126	102.4	4.7%	1,004	3.7%
Volkswagen	244	232	5.2	4.5%	1,006	3.7%
Mazda	202	202	0.0	3.7%	1,032	3.8%
Fuso	122	86	41.9	2.2%	447	1.7%
Mercedes-Benz	97	85	14.1	1.8%	470	1.7%
Hino	70	65	7.7	1.3%	348	1.3%
Fiat	61	63	-3.2	1.1%	430	1.6%
Foton	57	119	-52.1	1.0%	324	1.2%
Hyundai	56	84	-33.3	1.0%	388	1.4%
Scania	37	22	68.2	0.7%	125	0.5%
Factory Built	35	6	483.3	0.6%	110	0.4%
BCI	29	0	2900.0	0.5%	30	0.1%
DAF	24	32	-25.0	0.4%	152	0.6%
SsangYong	23	45	-48.9	0.4%	293	1.1%
Others	181	225	-19.6	3.3%	1,150	4.3%
Total	5,447	5,804	-6.2	100.0%	27,045	100.0%

New Commercial Sales by Model - June 2018

MAKE	MODEL	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	Ranger	1,049	1,178	-11.0	19.3%	5,171	19.1%
Toyota	Hilux	646	964	-33.0	11.9%	3,938	14.6%
Holden	Colorado	567	650	-12.8	10.4%	2,448	9.1%
Mitsubishi	Triton	507	466	8.8	9.3%	2,270	8.4%
Nissan	Navara	365	289	26.3	6.7%	2,082	7.7%
Isuzu	D-Max	286	335	-14.6	5.3%	1,299	4.8%
Toyota	Hiace	227	304	-25.3	4.2%	1,132	4.2%
Mazda	BT-50	202	202	0.0	3.7%	1,032	3.8%
Ford	Transit	137	52	163.5	2.5%	593	2.2%
LDV	T60	135	1	13400.0	2.5%	490	1.8%
Volkswagen	Amarok	122	190	-35.8	2.2%	522	1.9%
Volkswagen	T6	95	27	251.9	1.7%	240	0.9%
LDV	V80	67	72	-6.9	1.2%	289	1.1%
Fiat	Ducato	60	62	-3.2	1.1%	429	1.6%
LDV	G10	53	53	0.0	1.0%	224	0.8%
Isuzu	F Series	52	54	-3.7	1.0%	234	0.9%
Hyundai	iLoad	51	78	-34.6	0.9%	373	1.4%
Mercedes-Benz	X-Class	50	0	5000.0	0.9%	148	0.5%
Isuzu	N Series	48	49	-2.0	0.9%	212	0.8%
Foton	Tunland	48	118	-59.3	0.9%	281	1.0%
Others		680	660	3.0	12.5%	3,638	13.5%
Total		5,447	5,804	-6.2	100.0%	27,045	100.0%



Moana Blue are turning a little green!

Trade boost from Mystery Creek

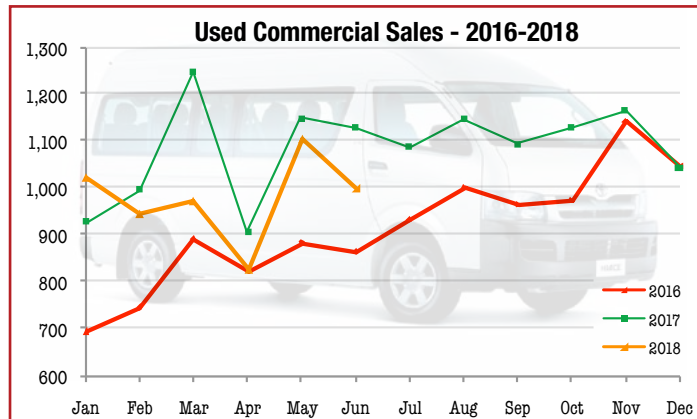
It's not only the franchises that benefit from Fieldays each year – so do used-vehicle dealers as more stock heads their way.

Gareth Karrasch, director of Auto Biz, which operates three yards in South Auckland, says a lot of trade-ins come through thanks to the annual event at Mystery Creek, which keeps business going over the winter.

"There's always a big flow-on effect from Fieldays," he told Autofile. "We go down there every year and talk to people about their trades.

"Sometimes people will take a month or two after the event to buy a new ute or van and then we'll get the trade-in."

Karrasch gets plenty of Toyotas



– Hiaces and Hiluxes – coming in.

"They always sell well although we don't make a lot of money off them."

As for the cost of fuel increasing recently, he believes people will think about their personal spending.

He adds: "But if someone needs a van or ute for work, they will still buy what they need and pass the running costs onto their customers. Tradies will charge more for travel costs."

As for electric vans, Karrasch

doesn't think they will take off yet "because their ranges aren't high enough, so it will take a while for them to impact our market".

June's statistics show 999 used light commercials were registered – down by 11.5 per cent on 1,129 in June 2017. This year's total now stands at 5,880 – down by 482 units when compared to the first half of 2017.

Toyota was once again top marque with 453 registrations, although this total was down by 15.5 per cent on the same month of last year. Nissan was second on 201 units and Mazda was third on 65.

The Toyota Hiace was the best-selling model, followed by Nissan's Caravan and Mazda's Bongo. ☺

Used Commercial Sales by Make - June 2018

MAKE	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	453	536	-15.5	45.3%	2,583	43.9%
Nissan	201	236	-14.8	20.1%	1,240	21.1%
Mazda	65	70	-7.1	6.5%	359	6.1%
Isuzu	53	67	-20.9	5.3%	338	5.7%
Ford	39	52	-25.0	3.9%	250	4.3%
Hino	33	20	65.0	3.3%	214	3.6%
Mitsubishi	33	40	-17.5	3.3%	212	3.6%
Chevrolet	20	20	0.0	2.0%	110	1.9%
Fiat	20	8	150.0	2.0%	86	1.5%
Holden	13	25	-48.0	1.3%	111	1.9%
Daihatsu	8	2	300.0	0.8%	31	0.5%
Mercedes-Benz	7	7	0.0	0.7%	36	0.6%
Suzuki	7	3	133.3	0.7%	25	0.4%
Volkswagen	6	6	0.0	0.6%	32	0.5%
DAF	5	2	150.0	0.5%	15	0.3%
Dodge	4	5	-20.0	0.4%	35	0.6%
Kenworth	4	3	33.3	0.4%	12	0.2%
GMC	3	2	50.0	0.3%	25	0.4%
Great Wall	3	2	50.0	0.3%	8	0.1%
Iveco	3	0	300.0	0.3%	21	0.4%
Others	19	23	-17.4	1.9%	137	2.3%
Total	999	1,129	-11.5	100.0%	5,880	100.0%

Used Commercial Sales by Model - June 2018

MAKE	MODEL	JUN'18	JUN'17	+/- %	JUN'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Hiace	355	423	-16.1	35.5%	1,973	33.6%
Nissan	Caravan	60	82	-26.8	6.0%	384	6.5%
Mazda	Bongo	53	51	3.9	5.3%	294	5.0%
Toyota	Regius	40	32	25.0	4.0%	190	3.2%
Nissan	NV200	38	49	-22.4	3.8%	254	4.3%
Isuzu	Elf	29	33	-12.1	2.9%	193	3.3%
Nissan	Vanette	29	28	3.6	2.9%	150	2.6%
Toyota	Dyna	27	29	-6.9	2.7%	197	3.4%
Nissan	NV350	27	11	145.5	2.7%	181	3.1%
Nissan	Atlas	23	17	35.3	2.3%	126	2.1%
Hino	Dutro	19	7	171.4	1.9%	95	1.6%
Fiat	Ducato	18	8	125.0	1.8%	80	1.4%
Isuzu	Forward	18	18	0.0	1.8%	84	1.4%
Toyota	Toyoace	17	21	-19.0	1.7%	92	1.6%
Mitsubishi	Canter	14	22	-36.4	1.4%	96	1.6%
Ford	Ranger	14	18	-22.2	1.4%	92	1.6%
Hino	Ranger	11	9	22.2	1.1%	92	1.6%
Ford	Transit	10	16	-37.5	1.0%	58	1.0%
Mazda	BT-50	9	6	50.0	0.9%	27	0.5%
Toyota	Delica	7	5	40.0	0.7%	34	0.6%
Others		181	244	-25.8	18.1%	1,188	20.2%
Total		999	1,129	-11.5	100.0%	5,880	100.0%

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New car stock hits record high

The amount of new stock sitting at dealerships is the highest on record despite a significant drop in the amount of new cars arriving in the country during June.

There were 10,263 new passenger vehicles imported last month for a 16 per cent decrease on May's 12,273 units, but only down by two per cent on the same month of last year.

Registrations of new cars during June totalled 9,725 units, which was an increase of 4.9 per cent on May's 9,275, but down by 4.5 per cent on June 2017.

When taking into account new car imports during June minus registrations, there were 538 units unsold, which boosted the amount of stock on-hand to 77,022 – the biggest level on record.

That total is 15 per cent higher

than June 2017's 66,972 units, but only 0.7 per cent higher than May's 76,484.

However, June's daily average sales remains high, sitting at 298 – two units higher than the same month of last year and only one unit lower than May.

Year to date, 58,932 new cars have been imported into New Zealand, while 53,111 cars have been registered leaving a variance of 5,821.

Matthew Wales, general manager of Andrew Simms, says the company's new Mitsubishi dealership in Botany, which opened at the start of April, has made a strong start. The company sells eight brands including Kia, Haval and Great Wall. He says utes have essentially become passenger cars as far as buyers are concerned.

"Any ute is as good as a decent

car for a great price," says Wales.

"They are such refined vehicles. It's not like driving a truck.

"We concentrate on private buyers with Great Wall, but Haval has the most sales with SUVs across the whole range. Buyers want high-spec SUVs.

"Mid-sized SUVs and utes are our best-sellers. Sedans have dropped off while the Lancer is going well."

Cherie Watkins, of Grant Johnstone Motors in Rotorua, says the city has become a central shopping hub for the region's many retirees, who either live there or within a short commute.

During the past six months, new car sales have experienced big gains compared to the same period during 2017.

In January 2018, registrations were up by 87.3 per cent on the same month of 2017, February was

up by 80.7 per cent, March by 65.9 per cent, April by 31.2 per cent and May by 101.1 per cent. They rose in June by 47.4 per cent with 140 sales compared to 95 in June 2017.

"Auckland and Tauranga are too expensive for many retirees so they've move to Rotorua, Tokoroa or Putaruru or they live close by," says Watkins.

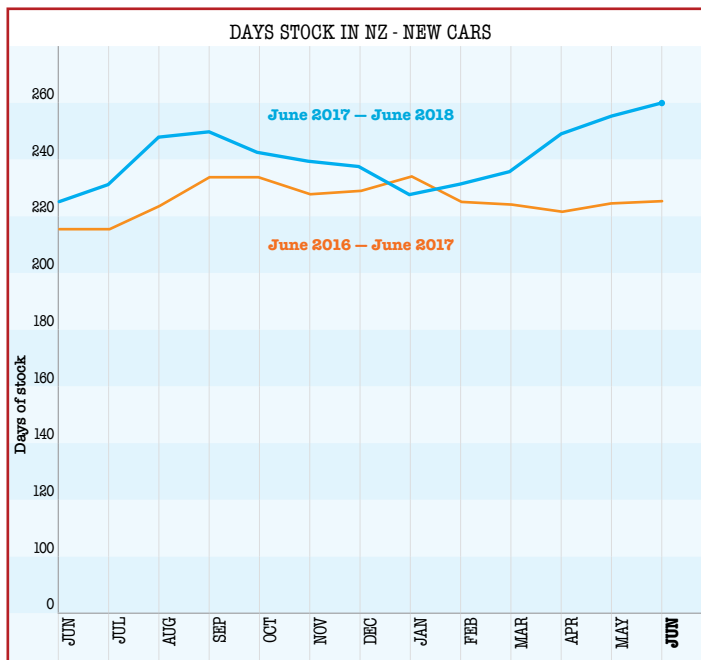
"Retirees are trading in their older cars for new smaller cars that suit their needs better. We have done well in that market.

"We get a lot of repeat business and are often selling to our fourth generation of customers. It's our business to look after them and 95 per cent of our customers come here to get their cars serviced.

"A lot of people live here and work in Tauranga, so late-model Suzukis are popular because they are very fuel efficient." ☺

Dealer stock of new cars in New Zealand

	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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
Jan '18	8,086	10,798	-2,712	68,489	299	229
Feb '18	8,043	7,415	628	69,117	298	232
Mar '18	9,999	9,050	949	70,066	297	236
Apr '18	10,268	6,848	3,420	73,486	297	248
May '18	12,273	9,275	2,998	76,484	299	256
June '18	10,263	9,725	538	77,022	298	259
Year to date	58,932	53,111	5,821			
Change on last month	-16%	4.9%		0.7%		
Change on June 2017	-2%	-4.5%		15.0%		
	LESS IMPORTED	LESS SOLD		MORE STOCK		



Call to 'stand by products'

An importer of used vehicles from Japan isn't purchasing stock in Japan unless their alpha-type Takata airbags have been remedied.

Greg Hedgepeth, chief executive officer of Turners Group NZ Ltd, says the company has alerted its buyers to avoid cars that may be affected by the mandatory recall issued by the government.

"We feel like we're reasonably prepared, but the situation isn't ideal," he says. "We've had to put additional measures in place to be sure we don't end up with cars we cannot sell. We will look at trade-ins on a case-by-case basis on our ability to get the vehicle fixed."

Hedgepeth told Autofile distributors have taken different approaches between imported new cars and those imported by used dealers.

"First we had the stink-bug issue, then the recall", although both issues have failed to hit the company's bottom line.

He notes the situation with airbag call-backs will continue for as long as it takes for distributors to repair affected systems.

The ability to get parts, and willingness to deal with all cars no matter what channel they have come into New Zealand through, will hopefully see distributors standing by their products, "but we have no idea how long this will take".

Hedgepeth says consumers are always complacent about getting recall repairs completed with uptake very low.

He suggests vehicles with outstanding call-back notices could be denied warrants of fitness. "People don't pay attention to recalls unless there

are deaths in the local market."

As for the recent petrol price hike, he says most modern vehicles are reasonably fuel-efficient, especially ex-lease cars. "We will adjust buying to meet any change in demand."

Meanwhile, Todd Hunter – Hedgepeth's counterpart at Turners Automotive Group Ltd – reports the automotive sector expanded over the 2017/18 financial year with sales of second-hand vehicles in line with previous years as trade-in, damaged and end-of-life stock jumped by 11 per cent.

Hunter adds ex-overseas registrations are starting to return to normal levels as vehicles hit the market after Customs delays.

As for last month's statistics, June saw the highest amount of used imported stock sitting unsold on dealers' yards or in storage

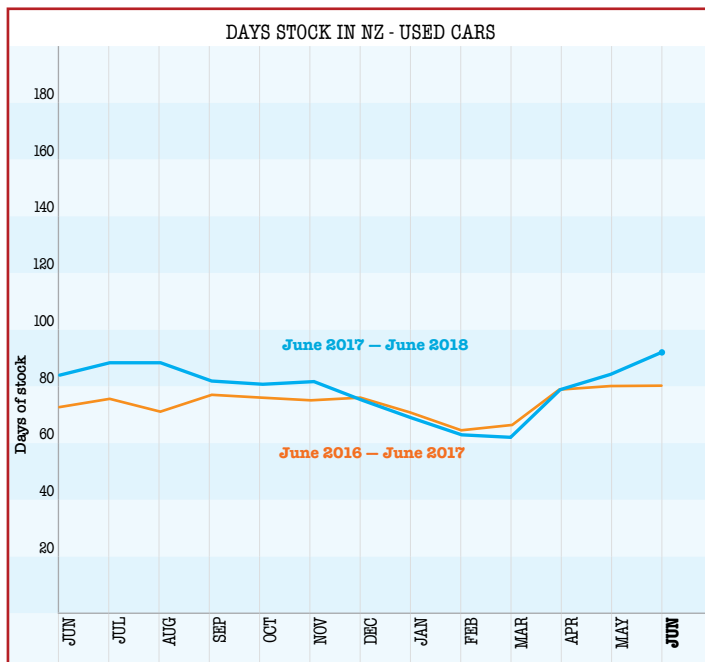
facilities since records began.

There were 16,272 used cars imported last month – up by 4.8 per cent on the same month of last year and up by 5.1 per cent on May's 15,484 units.

Average daily sales have slipped to 439, which is still eight units higher than June 2017, but significantly lower than January's high of 456.

Registrations of used passenger vehicles took a tumble last month. There were 12,651 units sold – down by 5.2 per cent on the same month of last year and 5.7 per cent lower than May's 13,420 units.

That left a variance of 3,621 stock units, which pushed the amount of unsold imported used stock up by 6.2 per cent on June 2017 and by 9.9 per cent on May to 40,187 units – or three months' supply. ☹



Dealer stock of used cars in New Zealand

	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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
Jan '18	10,479	13,719	-3,240	31,362	456	69
Feb '18	9,525	12,048	-2,523	28,839	455	63
Mar '18	10,924	11,841	-917	27,922	448	62
Apr '18	17,473	10,893	6,580	34,502	444	78
May '18	15,484	13,420	2,064	36,566	441	83
June '18	16,272	12,651	3,621	40,187	439	92
Year to date	80,157	74,572	5,585			
Change on last month	5.1%	-5.7%		9.9%		
Change on June 2017	4.8%	-5.2%		6.2%		
	<small>MORE IMPORTED</small>	<small>LESS SOLD</small>		<small>MORE STOCK</small>		

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