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Changes in shipping fuel to hike up costs

Overheads are to jump substantially in 2020 with a global cap on sulphur levels applying to vessels – including car carriers

A shipping company warns there will be a major increase in charges because of a mandatory change in the type of fuel that can be used across the industry.

International Maritime Organisation (IMO) rules being adopted by 174 member states – of which New Zealand is one – mean there will be a global cap on sulphur in marine fuel from January 1, 2020.

There are likely to be severe knock-on effects for many industries, including automotive, because of the costs involved.

The enforced use of low-sulphur fuel, which is vastly more expensive and in short supply compared to “bunker” fuel currently used, means operators of all ships – including pure car carriers – will have to pass on

price increases to customers.

The regulatory change has been reconfirmed by the IMO as going ahead on schedule despite continuing concerns as to whether sufficient quantities of compliant fuel will be available.

not exceeding 0.5 per cent – down from the current maximum of 3.5 per cent.

Low-sulphur fuel costs about 50 per cent more than bunker fuel, which is also known as residual fuel oil. It is most commonly used by vessels within ECAs in North America and north-west Europe with a sulphur content of 0.1 per cent or less.

Hans Corporaal, group general manager at Armacup Maritime Services, told Autofile: “We need to do more research in terms of IMO 2020, which is the agreement

the majority of countries must comply with and use low-sulphur fuel in international waters.

“At the moment, bunker fuel has high sulphur levels and is a side product from the oil-refinery process. It’s literally bottom of the barrel with lower grades being asphalt. What



A pure car carrier with its unloaded vehicles dockside at Ports of Auckland

The worldwide sulphur cap is required under amendments to the Marpol Convention, which was agreed a decade ago.

They require all ships trading outside emission control areas (ECAs), which are near coastlines, to use fuel with a sulphur content



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Agency tackles Takata recall



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From shop floor to boss

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GUEST EDITORIAL

It's time to throw the book at them

Greig Epps says enforcing existing law is better than bringing in new legislation

Obviously, when we refer to "them", we mean the "bad guys".

Most dealers are law-abiding and try their best to comply with a vast range of legal requirements. They are good corporate citizens, paying wages and taxes, and doing their best to run good, ethical businesses.

But some aren't so conscientious and push the limits. It could be a mix of being unaware or a calculated strategy.

And here lies the problem – low enforcement levels mean perpetrators often get away with it. Others around them see their activities and in the absence of any visible controls they may be tempted to follow the same practices. Poor practice can become common place.

In the vehicle sales space, an example of this can be found in a recent decision against a dealer, who was using the phrase "as is, where is" to avoid Consumer Guarantees Act obligations.

Such use isn't that unusual. It's surprisingly common how often dealers have called our offices seeking clarification about whether the phrase can indeed be used for that purpose.

Obviously, it can't. But the mere fact they have called suggests they may have been so influenced by practices occurring around them and have started to question their own understandings.

The law needs to be seen to be enforced, otherwise it loses effect.

Often someone in government



GREIG EPPS
Motor Trade Association

will eventually spot a problem and make the call for a review of legislation. In many cases, adequate laws already exist. But rather than move to apply greater enforcement action, it often seems the preferred option is to draft new laws. And so the cycle repeats itself.

This scenario is playing out to some extent with yet another review of the Credit Contracts and Consumer Finance Act. It came into effect in 2004 and the latest review is the third attempt to get it right.

The current problem is there are many people who are being "preyed upon" by unscrupulous lenders, but rather than focus on boosting enforcement across the problem area the government is again going down the track of looking to tighten the laws.

A downside of regulatory change is that it takes time to complete and sometimes new laws result in unintended consequences.

An example of this is where some commentators are now saying that efforts to tighten the lending rules during the prior review served to restrict access for people with poor credit profiles, and unintentionally pushed those borrowers toward the high-risk and high-cost part of the market.

Why not enforce the existing laws with a focus on the unscrupulous sector? After all, the mainstream credit market is not littered with complaints or stories of abuse, and – needless to say – similar criticisms about a lack of visible enforcement are also evident in the repair and service sectors. ☺



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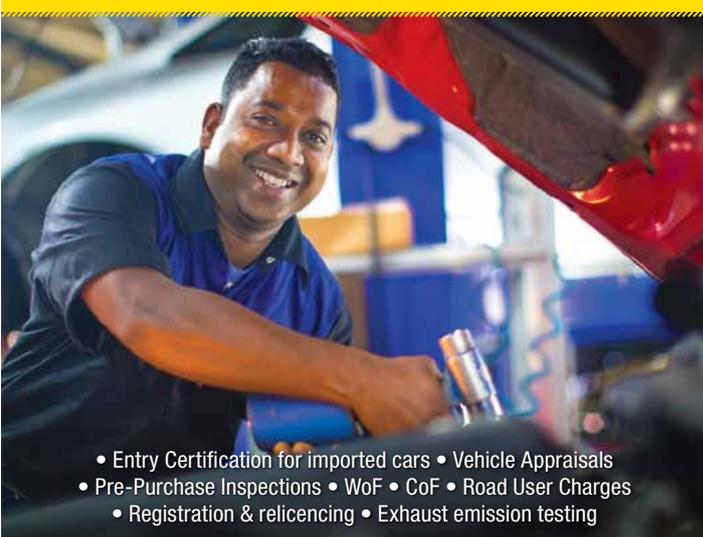
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we burn in ships cannot be put into diesel cars, for example.”

Corporaal notes 0.1 per cent low-sulphur fuel currently trades at about US\$200 a tonne more than standard bunker fuel, but is unavailable in the vast quantities that will be required post January 1, 2020.

“At this point in time, we have no idea what the impact on the fuel market will be,” he adds.

One of the bottom lines is that importers of new and used motor vehicles will have higher shipping fees to build into their business models – in addition to the extra cost of protecting New Zealand’s border from biosecurity threats.

All of this will be on top of higher compliance costs caused by the import health standard in the wake of the stink-bug crisis.

“IMO 2020 is definitely going ahead and January 2020’s not far away,” says Corporaal. “If something is, let’s say, four years away, it’s not so urgent.

“But this is only 17 months



An Armacup vessel berthed at Ports of Auckland

from happening. If there’s no plan in place by mid-2019, we all will have a challenge.

“Ultimately, costs will have to come out of the cargo side because shipping companies cannot absorb them. When low-sulphur fuel is required to be used, a number of countries, including New Zealand, may be unable to supply it.”

The new rules won’t make bunker-fuel production dry up. Instead, refiners may blend each barrel with about three of lower sulphur – principally gasoil

or middle distillate, which is essentially automotive diesel.

That will require about two million barrels of lower-sulphur fuel a day more. It’s unclear if the world’s refiners can shift so fast.

A small percentage of ships are expected to run on liquefied natural gas (LNG), which has only recently made in-roads in the marine market.

Replacing bunker fuel with LNG may reduce sulphur and nitrogen-oxide emissions by 90-95 per cent and carbon-dioxide emissions by 20-25 per cent, but supply

facilities are thin on the ground.

While zero-emissions technologies, such as hydrogen fuel cells and battery-electric systems, are powering ferries and research vessels, they aren’t yet ready to be deployed on the massive scale of ocean-going freighters.

Another option to using low-sulphur fuel is for shipping companies to have scrubbers installed in their vessels to hit the 0.5 per cent target. These use water to wash exhaust gases from on-board systems to remove sulphur dioxide.

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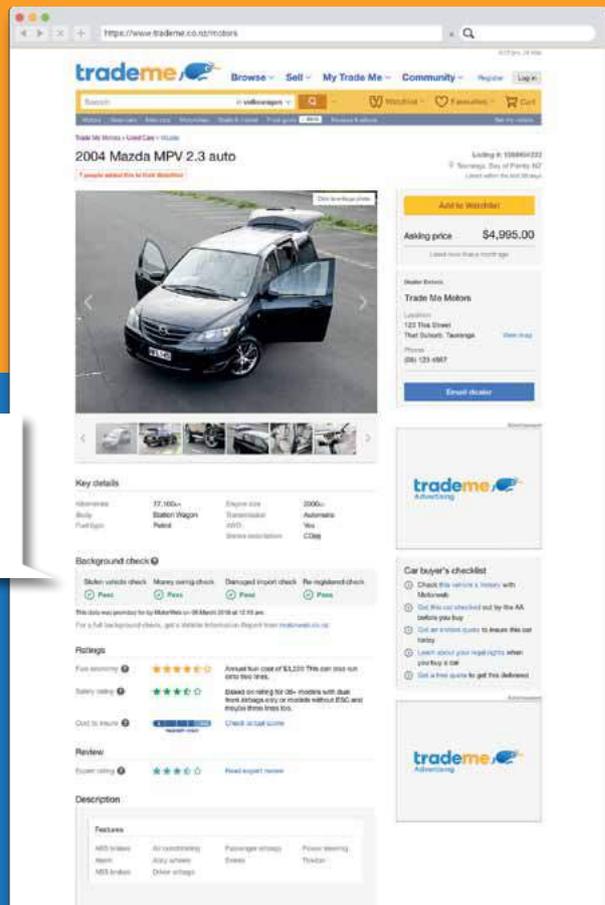
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◀ While potentially cost-effective, it seems unlikely. There isn't capacity for more than a fraction of the 60,000-strong global fleet to be retrofitted by 2020.

"This machinery would have to be added to ships' existing exhaust systems," explains Corporaal.

"However, a scrubber could cost anywhere between US\$2 million and US\$7m to fit, and you're talking about thousands of ships worldwide. Then you need have the infrastructure to install all of them.

"Either way, the operating costs of vessels will increase substantially."

THE BIGGER PICTURE

As of now, shipping companies have no silver bullet for complying with 2020's limits.

In a nutshell, the IMO has set them and the refinery industry the challenge of producing and sourcing enough fuel needed by 2020 when the 0.5 per cent sulphur cap begins.

The International Chamber of Shipping (ICS) believes companies will need to start buying compliant fuels months in advance, but no-one knows what types will be available, at what price and specification or in what quantity.

If oil prices remain at about

About sulphur

The reason sulphur is important isn't because the planet is running short of it. In fact, there's enough in the world's fossil-fuel deposits to feed demand for more than 7,000 years.

The problem is there's too much. Atmospheric levels of sulphur dioxide have been falling since the early 1980s when fears around acid rain, asthma and heart disease resulted in coal-fired plants installing scrubbers to remove the pollutant from stacks.

For years, cargo ships have been powered by about four million barrels a day of bunker fuel.

The 2020 deadline for sulphur content of less than 0.5 per cent is an issue because almost two-thirds of the world's crude oil has at least 0.5 per cent sulphur.

Vehicles dockside at Ports of Auckland



US\$70 a barrel in 2020, the differential between low-sulphur fuel and the current cost of residuals may spike by up to US\$400 a tonne.

Peter Hinchliffe, secretary-general of the ICS, says there's no possibility the legal date of implementation of January 2020 can be postponed. "It is important shipping companies and charterers proceed with planning without delay."

The IMO will have no authority to enforce 2020's sulphur cap. That task will fall to flag states – countries to which vessels are registered. Uncertainties remain about how, and how well, authorities will inspect and monitor ships' fuel usage. However, in general, ships caught breaking the rules will risk steep fines, damage to their reputations and potential loss of insurance coverage.

EXTRA TARGETS AHEAD

The IMO is taking long-term action to reduce another form of emissions – greenhouse gases.

In April, the United Nations agency adopted a deal to curb carbon emissions from ships by at least 50 per cent below 2008 levels by 2050.

The non-binding agreement is expected to spur more investment in clean-ship technologies, including fuel cells, biofuels and advanced sail designs.

But even if the global fleet switched to liquefied natural gas, for example, the industry would fall short of its CO2 targets by 350 million tonnes. It would need extra measures, such as efficiency gains,

and carbon capture and storage.

Maritime regulators began discussing ships' exhaust fumes in 1973 at the first Marpol – short for "marine pollution" – Convention.

It wasn't until 1997 that the IMO adopted Annex VI, which established limits on sulphur oxide and nitrogen-oxide emissions from ocean-going vessels. Eight years later, those limits entered into force with a 3.5 per cent sulphur cap set for 2012 and 2020's 0.5 per cent limit.

EXTRA FEES FOR FUEL

Meanwhile, the NZ Shippers' Council (NZSC) is concerned about announcements by Maersk among others about a global emergency bunker surcharge due to climbing fuel costs.

It notes the Global Shippers' Forum has issued a statement, which says: "Few operators in other transport sectors would risk imposing such short-term surcharges because of likely strong reaction from customers."

The forum says carriers need to provide transparency on such fees and explain why they are warranted in addition to existing surcharge mechanisms.

Higher costs are hurting carriers with bunker costs increasing by 20-30 per cent since the start of 2018.

"There should be a more sustainable mechanism to respond to fuel-price fluctuations," says Joanna Murray, of the NZSC.

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Agency tackles recall issues

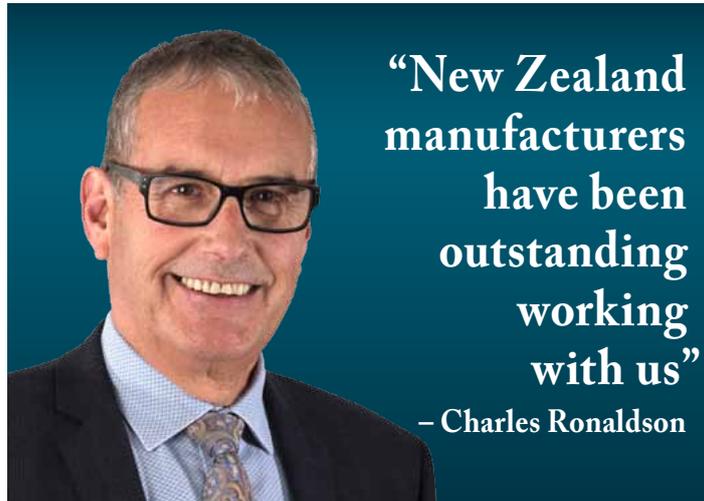
The NZTA is considering using the warrant of fitness (WOF) regime to ban flag vehicles that haven't had their alpha-type Takata airbag systems rectified under the mandatory recall process.

The agency says the option could be enforced after the supplier has taken all possible measures to call-back affected cars.

It would basically involve the WOF or certificate of fitness (COF) being withheld until the owner has had the vehicle remedied.

The idea will, undoubtedly, be welcomed by many in the motor-vehicle industry, and is something some members and organisations have been campaigning for.

That's because, for various reasons, the number of registered owners responding in the past has slowed or stopped with 10-15 per cent of recalls outstanding.



However, it's generally anticipated that will change if the agency were to move forward with such a proposition when in-service vehicles are inspected.

Charles Ronaldson, general manager of customer design and delivery, says: "The NZTA is

considering the option of using the WOF and COF system to capture affected vehicles that haven't been remediated when the supplier has taken all reasonably practicable steps to recall the vehicle.

"And it would be seen as excellent customer service if workshops checked vehicles they are working on through the Rightcar website and advised their customers if they had affected vehicles."

Talking to Autofile, Ronaldson says withholding WOFs and COFs can be done manually on systems the NZTA already has operational – that's to say, block them from being issued until the recall has been carried out.

The tipping point for this would be when manufacturers have reached the threshold when their obligations under the call-back have been met.

"When it gets to that point, the status of the vehicle will be addressed," says Ronaldson.

"There are challenges worldwide with accessing the last remaining vehicles with open safety recalls to close them out.

"That's likely to be the case with this compulsory recall order also, which is why the agency is already considering options for capturing the last remaining vehicles.

"We would appreciate any assistance provided by the industry by way of advising owners with affected vehicles when the opportunity arises."

In addition to ban flagging vehicles at the WOF and COF stage, the agency has taken action to keep any fresh stock with banned airbags from entering the fleet.

"The import prohibition that applies to Takata's alpha airbags as a result of the compulsory recall order has been backed up by changes to the vehicle inspection requirements manual [VIRM] for used light-vehicle entry," says Ronaldson.

"These require vehicles with safety recalls for alpha-type airbag inflators to have been closed out before they can be approved for registration in New Zealand.

"The industry has been advised that a requirement to close out any safety recalls before an imported used vehicle can enter our fleet is to be phased in."

The next stage in this process will apply to calling back non-alpha Takata inflators before being expanded to all open safety recalls.

The measures being investigated by the NZTA will tackle concerns in some industry corners that more could have been done to prevent vehicles with alpha-type airbags from being complied and getting onto Kiwi roads in the first place.

Indeed, the Land Transport Rule – Vehicle Standards Compliance 2002 states imported vehicles, when they go through this process, have to meet the manufacturer's or original equipment manufacturer's requirements for safety to be certified.

In future, says Ronaldson, the NZTA will be looking at all sorts of recalls and having them closed out on all vehicles before they enter our national fleet.

As for the speed with which recalls on alpha-type Takata airbags have been closed out, there are a range of reasons why remedial work hasn't been able to be completed quickly.

These include the need to identify which vehicles were originally fitted with the dangerous inflators.

"Most manufacturers source components from various suppliers ▶



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A Takata driver-side airbag assembly

◀ and build specifications for individual vehicles need to be referenced to determine which are affected,” explains Ronaldson.

“Additionally, as some imported used vehicles that arrived in New Zealand were never available as new vehicles here, the local agents weren’t informed of safety recalls affecting them.

“Consequently, replacement components required for the recall are unavailable in New Zealand.

“The manufacturer’s database needs to be updated advising the vehicle is now in this country. That, in turn, triggers a process involving allocating replacement parts for shipping to the New Zealand agents to enable the recall to be actioned.

“The agents here will then contact the owner once replacement parts arrive. While they already have commitments

for dealing with recalls involving vehicles they have supplied, they recognise Takata’s alpha airbag inflators pose a greater risk than non-alpha inflators. When they can, they do give these priority.”

The process means the NZTA is, to a certain degree, reliant on marques providing the information it needs, such as registration or vehicle identification numbers of affected stock.

“The New Zealand manufacturers have been outstanding working with us,” stresses Ronaldson.

“With used imports, they’ve had to go back to their parent companies in Japan, for example, to get the information.

“It’s a difficult situation in that the same model may be built at the same plant on the same day, but individual cars may have different types of airbags in them.”

Anecdotally, some car dealers have told Autofile they believe some marques aren’t pulling their weight on remedial work for airbags – especially when it comes to used imports.

Ronaldson notes some are further through the recall process than others.

“However, some marques have significantly more vehicles affected than others and, at this stage, we’re comfortable all marques are fulfilling their obligations,” he says.

“Monthly reporting of progress is required by the compulsory recall order and this will be used to monitor the performance of suppliers.”

Suppliers need to complete all alpha-type airbag inflator recalls by December 31, 2019, and “industry advice at this time indicates this is achievable”. ☺

Searching online

One of the issues experienced by car dealers is being unable to reliably identify whether in-service vehicles have had their mandatory recalls closed out and can be traded.

There’s some good news on this front because the NZTA is working with the industry to provide a search facility on the Rightcar website that will enable them and the public to identify units with open Takata alpha-type airbag call-backs.

While there have been challenges with identifying used imports in New Zealand impacted by the compulsory recall, the site is being tested and is expected to be available this month.



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Tools for car importers online

Searches have been created online to help importers, dealers and the public on both sides of the Tasman to identify what vehicles are included in mandatory recalls for alpha-type Takata airbags.

The New Zealand government – through the Rightcar website – is introducing in-depth functions, while www.IsMyAirbagSafe.com.au went live in Australia last month.

On this side of the ditch, “tools for importers” can be found via a link on the home page of www.rightcar.govt.nz.

The section aims to help avoid people bringing in illegal stock from Japan by identifying vehicles at auction that cannot cross our border unless recalls have been resolved.

From May 1, recalled vehicles in Japan needed to have alpha airbags and some other Takata systems fixed to pass inspection. From May 31, those unremedied became banned imports here.

Rightcar’s tools are based on recalls listed by the Ministry of Land, Infrastructure, Transport and Tourism (MLITT) in Japan for importers to check chassis numbers or lists of recalled stock. In practice, affected cars should only be imported if they have passed their shaken after May 1.

Importers here must confirm all safety recalls have been resolved

before a vehicle is exported, according to the Rightcar website.

“If you import a vehicle with airbags removed, you will not be able to sell it for some time,” it warns. “Replacements for non-New Zealand vehicles will only be available once parts have been sourced.”

Rightcar’s facility enables importers to search up to at least 1,000 chassis numbers in one hit with guidance options.

Option one is “do not import” – irrespective of information from the MLITT or Japan Automobile Service Promotion Association (JASPA) – because it will be damage flagged on export and subject to forfeit here.

“Avoid” is option two. Importers should repeat the search using single-chassis numbers when the outcome has been “avoid” and search www.jaspa.or.jp/portals/recallsearch/index.html for outstanding call-backs. If a recall isn’t closed out, the vehicle will be exported damage flagged.

The third option is “check” for non-alpha recalls. Importers should repeat the search and compare with JASPA’s website. With outstanding recalls, the importer should get this done before export or be responsible for airbag costs in New Zealand.

The Rightcar site states: “This is the best information



A Takata passenger side airbag assembly and inflator

available to the NZTA at this time and may be expanded or amended at a later date.”

For some marques, the JASPA website may not list deregistered vehicles, so an option is to contact marques’ call centres in Japan.

BMW, Daihatsu, Honda, Isuzu, Lexus, Mazda, Mitsubishi, Nissan, Subaru and Toyota all have outstanding recalls.

Vehicles already in New Zealand and subject to compulsory airbag recalls can also be searched via a separate function. This tool supports BMW, Honda, Lexus, Mazda, Subaru and Toyota’s call-backs, but will be updated as

further details become available.

The conditions of April 4’s mandatory recall mean affected cars cannot be legally sold by dealers. The distributor in New Zealand will contact owners when replacement parts are available to close out recalls.

Meanwhile, Australians are being advised to check if they have faulty inflators in their cars as part of the compulsory recall, says the Federal Chamber of Automotive Industries.

An advertising campaign urges people to visit the industry-backed website www.IsMyAirbagSafe.com.au to check registration plates.

About 1.6 million vehicles have Takata airbag inflators fitted that currently, or in the future, will need replacing.

The urgency attached to the recall has resulted in attempts to contact owners multiple times – often as many as five or six times via mail and by other contact methods, such as SMS and phone calls.

The industry has so far replaced airbag inflators in almost half of the 3.05m units affected.

The global shortage of parts means some vehicles have had interim fixes. These parts pose no immediate risk, but will need replacing before they are six years old. Visit www.autofile.co.nz for the full story. ☺

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Concerns over bug rules delay

The Ministry of Primary Industries (MPI) is backing its revised import health standard (IHS) for new and used vehicles crossing the border – and action taken by the automotive industry – to prevent future biosecurity crises.

The updated regulations cover the cleaning and treatment of stock in the country of export to ensure they are pest-free before arriving in New Zealand.

They are also aimed at making sure imports of vehicles and the supply chain do not grind to a halt when the next stink-bug season starts on September 1, which is what happened earlier this year.

The new IHS focuses on extra systems in overseas jurisdictions, such as Japan, which have established colonies of brown marmorated stink bugs (BMSBs).

In addition, there will be more inspections and audits of vessels while an MPI public-awareness campaign about the bugs will continue.

The director-general for the MPI released the provisional IHS to submitters on July 25. If there are no requests for an independent review, it will become final and formally issued on August 9.

However, there are concerns delays to the IHS may leave the automotive industry under considerable pressure in implementing biosecurity measures before the next BMSB season.

"The MPI is very aware of the IHS implementation's timing issues," a spokesman told Autofile.

"It is working closely with shipping lines, importers,



Government biosecurity posters in Johnsonville Shopping Centre, Wellington. Photos: Darren Wiltshire

exporters and vehicle associations to ensure they are ready to comply and work through any concerns or issues.

"The MPI has been reviewing all relevant documents relating to the IHS to ensure the correct process has been followed and biosecurity risks have been appropriately assessed. Having completed this process, the MPI issued the provisional standard."

The IHS process has faced

various delays in reaching this stage, including the postponement of a deadline at the request of the Japanese government.

Information about that hasn't been forthcoming because "the MPI considers all government-to-government correspondence to be confidential and commercially sensitive".

Other issues coming under the ministry's remit may have come into play. One is the infection of mycoplasma bovis

in the country's dairy herd, necessitating a second round of milk testing nationwide.

Another is a ruling made by the high court on June 24, which holds the government responsible for PSA – the kiwifruit vine disease – getting into New Zealand.

David Vinsen, chief executive of VIA (Imported Motor Vehicle Industry Association), says:

"We are disappointed with the amount of time it's taking to get

Approval for systems

The Motor Industry Association (MIA) has welcomed a proposal in the final draft of the IHS despatched to submitters before final adoption.

Some countries – the US and 15 in Europe – have been placed in schedule three of the regulations, which means they are "actionable BMSB countries".

The expanded list means distributors in those export markets are now allowed to apply for an approved system for risk management when it comes to stink bugs.

For the new-vehicle sector, exporters from Japan need to have approved systems in place. If not, all vehicles will need to be treated from September 1.

In regards to schedule-three

countries, manufacturers can also apply for an approved system as they can do so for Japan. Again, without an approved system vehicles must be treated.

David Crawford, chief executive officer of the MIA, told Autofile: "All of this means treatment can be commensurate with the risk and treatment is no longer the default system, so the ministry has done something fairly innovative with this.

"This is a significant improvement to the IHS requirements and has been welcomed by the industry.

"We have gone out to all of our heavy and light-vehicle members to inform them of these changes. We are urging any who have to do so to get in their applications now." ☺



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◀ the IHS finalised running down to the September 1 deadline for the next stink-bug season.

“The revisions to the IHS are still going through consultation. The closer to the deadline we get, there’s less and less time to prepare.”

He says the MPI is going ahead carefully on the legal, scientific and pragmatic front to ensure it gets in right.

“We can understand the reasons why the ministry is doing this, but it makes it tight for border-inspection companies to invest in systems to meet MPI requirements,” Vinsen adds.

“These companies have been investing significant sums of money in Japan on treatment and inspection procedures in the expectation of what’s in the new IHS, but without certainty.

“However, we are going to ensure we don’t get stink bugs in the country and import nothing that’s a biosecurity risk.”

Other preventative measures in the IHS include storage and loading requirements for cargo, and using traps on vessels.

The MPI says heat treatment is likely to be the preferred treatment on vehicles from Japan because fumigation with sulfuryl fluoride and methyl bromide is restricted there.

There have been talks about implementing other systems, such as freezing, but the ministry would require sufficient scientific evidence for this to be considered.

Figures released to Autofile show the MPI intercepted 2,569 bugs at the border during the past stink-bug season, which ran from September 2017 to April 2018. That was a 260 per cent hike on the previous season, so the threat is increasing.

Hitch-hiking bugs have been



found here in the past, but there has been no sign of a wider population. “There’s currently no established stink-bug population in New Zealand,” according to the ministry.

The MPI has been running a campaign to get the public involved in watching out for BMSBs, which hibernate inside

when it’s cold, “so if there are any bugs, that’s where they could be found.”

A spokesman adds: “Our summer campaign to get people looking out for the pest was successful. It generated 931 calls to our 0800 pest line, which was more than double last year’s campaign.

“In addition, it attracted more than 30,500 visitors to Biosecurity NZ’s website – 12,500 more than last year – to find out more about the BMSB.

“We are keeping momentum with public awareness going over the winter with our new advertising campaign, which is being run in conjunction with partners of the government industry agreement.

“The focus is on getting the public to keep an eye out for any sign of infestation in their homes during the colder months.” ☺

Information is key

It seems that just as one issue gets sorted out, the next one comes along, says Patrick Moore, managing director of Checka.

“The stink-bug problem and alpha-type Takata airbag recalls are two issues that have created havoc this year alone,” he says.

“And while the industry is showing a great deal of resilience in dealing with these issues, there’s no doubt that keeping up with regulatory change – let alone left-field threats, such as stink bugs – is costing.”

Since starting Checka in 2009, the struggle to keep up with industry regulations, compliance changes and recall updates continue to be issues for dealerships, and Moore is looking to provide “more” for the industry through his online vehicle-reporting service.

Checka was born from an idea driven by the industry for an online vehicle-reporting service that would be easier to use, more cost-effective and provide all the information needed to support dealer purchases and sales.



Patrick Moore, centre, Checka’s founder and managing director, with John Schaffer, left, business development, and software engineer Kyle McCarthy

“Since we started, we’ve kept abreast of what the industry needs through our Checka Dealer Forum made up of Checka Business Account members,” explains Moore. “They have enjoyed enhancements we provide on a regular basis to make their jobs easier in response to their insights and feedback.”

The forum provides a channel for Moore to understand what’s important to the industry – not only what’s changing, but what impact changes will have on dealerships’ ability to respond or keep up. As a result, Checka evolves to meet their needs.

“It’s a great way for us to stay connected and

be responsive. As a result, our Business Account members know they can rely on us to have their backs. We continue to be driven by the industry.”

Through the forum, issues were raised around keeping on top of regulation changes, compliance requirements and recalls so Checka responded. Vehicle reports now include automatic checks for recalls and defect alerts. Checka has added these functions without any increase to pricing.

“We value the forum’s input given it drives our development direction,” says Moore. “We give back by providing the industry with cost-effective reports that cover all their needs, free of extra cost.”

Thanks to the Dealer Forum, Checka has solved an industry headache.

“Apart from including the recall and defect warnings on reports, we’ve also taken the opportunity to update our website to make it easier for customers to check vehicles,” says Moore. “And as our Dealer Forum continues to tell us what it needs, we’ll keep delivering. It’s a win-win for all.”

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NEWS in brief

Online finance product now available for traders

Trade Me Motors launched its dealership finance tool on August 1. It says many dealers offer finance to consumers when they purchase a vehicle on the site and it wants to help them advertise that.

The feature means traders can display the weekly instalment, term, deposit and interest rate on listings. Buyers can calculate weekly payments by adjusting the term length and deposit using the calculation tool on listings with finance options.

"We're committed to creating great products that help dealers with everyday sales, and think this is a great tool for buyers and sellers," says Alan Clark, head of Trade Me Motors.



Diamond marque adding some extra sparkle

Mitsubishi Motors NZ franchises are set to sport fresh looks after its parent company revealed a global rebrand last month.

Daniel Cook, chief operating officer, says: "The new layout aids customer navigation and ensures vehicles are presented as highlights of dealerships."

Elements include black exterior signage with red accents and dynamic angles, and black and red entrance gates.

Inside each dealership, there will be a lounge area and electric-vehicle zone, while the drive-through service area boasts views so clients can see what's going on.

New Zealand's first new-look premises should be completed by the end of this year with momentum picking up in 2019.

Off-roader safety pressure on government

The Motor Industry Association is lobbying for mandatory safety rules adopted for ATVs and small utilities.

It has called on Iain Lees-Galloway, Minister for Workplace Relations and Safety, to mandate, in workplaces, the compulsory use of helmets on ATVs or side-by-side utilities, and ban under-16s from full-size ATVs and passengers from single-seaters.

It's also requesting the compulsory use of seatbelts when fitted by the manufacturer on side-by-side vehicles.

Home detention for so-called 'justice campaigner'

Dermot Nottingham has been sentenced on five charges of criminal harassment and two charges of breaching suppression orders.

Nottingham, often labelled as a self-styled justice campaigner, is known for his past odometer-tampering allegations and penned Car Wars published in 1998.

Judge J Down handed down 12 months' home detention and 100 hours' community work in Auckland District Court on July 26 after a jury trial.

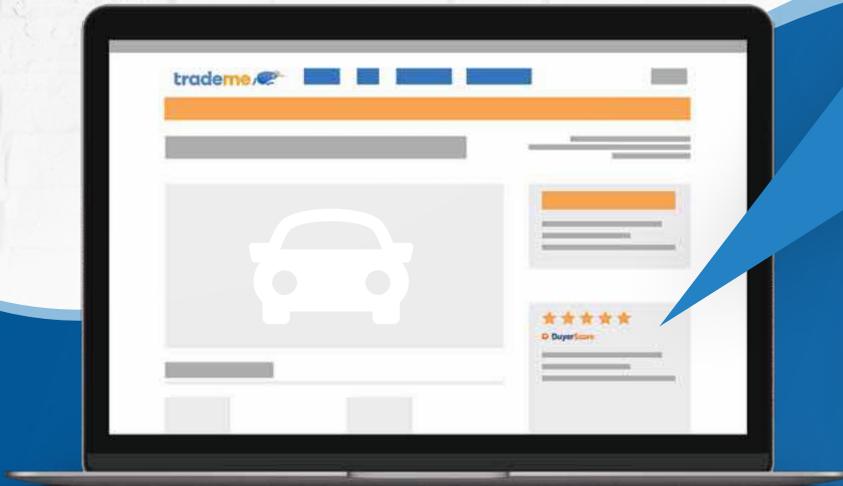
Man to reappear in court on deception charges

Richard Mark Wallace, who has pleaded not guilty to 13 counts of obtaining by deception, will reappear in Auckland District Court on December 6.

Wallace – also known as George Auckland – was arrested in April last year following complaints by car buyers using Trade Me listings. His case appeared on Police Ten-7 on April 6. ☹



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BuyerScore

'Moderate growth' in vehicles

Motor Trade Finance (MTF) Ltd is expecting its rapid expansion to drop back in the near future as the market tightens.

The prediction comes on the back of positive half-yearly results with sales jumping by 21.6 per cent compared to the same period of 2017/18 and profitability increasing.

MTF's underlying profit after tax increased by 13.5 per cent to \$4.2 million in the six months to March 31 when stacked up against \$3.7m in the previous corresponding period.

Profits before commission and fair-value movement rose by 10.1 per cent to \$26m due to continued sales growth in 2017 and 2018's first half.

Chairman Stephen Higgs says recent international events have created uncertainty in global

markets, which translates into increasing costs of credit.

"Locally, inflation remains subdued as the heat comes out of housing markets, migration slows and we adjust to the new government," he explains.

"The growth MTF has experienced in recent times is unprecedented. While we expect to continue to grow, we anticipate this to slow significantly over coming months."

Higgs believes the company will need to think differently to sustain recent success. "Historically, strength has come from our co-operative ethos and extensive network of franchises.

"Everyone has accepted vehicle ownership and consumer behaviour is changing. What's unknown is how this will manifest in demand for financial services.



Stephen Higgs



Glen Todd

"The MTF model can be applied to different markets, not just dealers and franchises. To achieve growth aspirations, we will look for opportunities outside traditional markets where businesses can leverage off our platforms and funding to sell products."

Glen Todd, chief executive officer, told Autofile plans for future growth are in their early stages.

"The motor-vehicle industry will be disrupted over the next five to 10 years with autonomous vehicles, ride-sharing and significant technological advances impacting on ownership models and standard customer contracts.

"We're looking at other ways to use our good distribution platform and may expand the type of assets we can lend on."

For example, if MTF has a good customer with a number of vehicle loans whose business needs generators or hoists for a workshop, it may provide finance on certain types of assets.

In its six-monthly report, MTF reports its franchise network remains its strongest performer with sales up by one-quarter to \$48.9m.

Finance for new and used vehicles has shown moderate growth with motorcycles dropping back.

Total amounts paid to shareholder originators increased by 10.9 per cent to \$36m. Expenses increased by \$1.3m to \$10.5m due to taking on extra staff during a period of sustained growth.

Todd says: "We've been engaging with customers to better understand how and why they interact with MTF with the goal of creating better experiences, and transferring these into sustained growth by building loyalty and retention.

"The same approach will be applied to originators where we aim to build preference for MTF by providing them with the best tools and systems to engage their customers." ☺

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Record for imports

The value of imported passenger vehicles reached a record \$1.5 billion in the June 2018 quarter, according to Statistics NZ.

It is the highest value since its reporting series began in September 1993 with the previous high coming in the March 2017 quarter.

The value of all passenger vehicles crossing the border jumped by 18 per cent, or \$226 million, in the June 2018 quarter compared to the previous quarter.

"Following the discovery

of stink bugs on four vehicle carriers in February, we saw two record values for car imports in April and May," says Dave Adair, acting manager for international statistics.

"This June quarter had the highest value for car imports on record despite a lower value in the month of June."

Vehicles, parts and accessories fell by \$14m in June when compared with the same month in 2017, while imported cars recorded a decrease of \$45m.

Visit www.autofile.co.nz for more on this story. ☺

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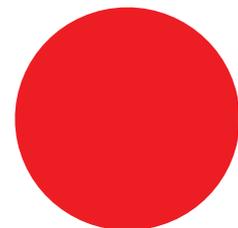
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NEWS in brief

Uncertain future for major brands' UK investment

The Society of Motor Manufacturers and Traders is "increasingly concerned" about the UK's prospects after leaving the EU.

The odds of a "no deal" exit are narrowing meaning the UK would move to World Trade Organisation terms.

This will mean tariffs of up to 10 per cent in UK-EU trade in cars and parts, which would only be partly mitigated by short-run stockpiling given "just in time" manufacturing techniques and integrated cross-border supply chains.

About 80 per cent of cars made in UK are exported. Key decisions by the likes of Nissan, Honda and Tata on investing in new models, engines and componentry are hanging in the balance. Visit www.autofile.co.nz for latest statistics on the UK car market.

Flags fly at half-mast after charismatic boss dies

Sergio Marchionne, the chief executive officer who saved Fiat and Chrysler from near-certain failure, died last month after complications from surgery at the age of 66.

Flags flew at half-mast at Fiat Chrysler Automobiles headquarters in Turin and a minute's silence was observed at parliament in Rome.

Marchionne, pictured, built dysfunctional companies into the world's seventh-largest car maker. The Italian-Canadian revived Fiat and was chosen by the US government to save Chrysler from bankruptcy protection.

Mike Manley, the 54-year-old British former boss of the Jeep and Ram brands, has taken the helm.



Japanese company driving ahead with fuel cells

Toyota is pushing forward with fuel-cell vehicles (FCVs) as the solution to zero-emissions transport.

The company has unveiled its second-generation hydrogen fuel-cell truck and has pledged to ramp up production of the Mirai, pictured.



It says there will be price drops on its FCVs as it shifts from limited to mass production, reduces expensive materials components and makes systems more compact. Toyota currently makes 6.5 Mirais by hand daily or about 3,000 units annually.

Reduction in pollution at manufacturing bases

Ford has hit its self-set target of cutting manufacturing emissions eight years ahead of schedule.

In 2010, the company announced its bid to reduce carbon-dioxide emissions from global operations by 30 per cent per vehicle produced by 2025.

Achieving this has resulted in a drop of more than 3.4 million tonnes from 2010-17. This is equivalent to greenhouse gas emissions from about 728,000 cars being driven for one year.

Ford cut its footprint through energy and efficiency changes at facilities, such as installing more than 100,000 LED light fixtures and updating paint operations. ☺

Pay-outs unlikely from airbag deal

A global settlement of about US\$850 million to motor-vehicle brands that had life-threatening Takata airbags installed into their products is unlikely to have any legal benefits for owners of used cars imported into New Zealand and recalled.

The restitution fund established in America is for original equipment manufacturers (OEMs) that bought systems with inflators made with phase-stabilised ammonium nitrate (PSAN) propellant – regardless of jurisdiction of sale.

These are the same inflators installed in what are known alpha-type systems here and make up Takata's first-generation airbags.

Notices have been sent to more than 50 marques globally that might be eligible for compensation after buying these systems.

There has been discussion across the industry in New Zealand that this money could – or should – be used to pay for remedial work on vehicles affected by Takata recalls here.

However, Kit Wilkerson, policy analyst and adviser at VIA (the Imported Motor Vehicle Industry Association), says using the restitution fund to infer certain parties have been paid out and should fix issues with airbags already here doesn't necessarily stack up.

"Nothing in the global settlement reached in the US says car manufacturers now have to go and remedy the problem," he told Autofile.

"The payment is for pain and suffering. Of course, the primary pain and suffering they are feeling is so many jurisdictions are demanding remediation.

"While not explicitly stated, it seems logical, to me at least, this remediation would have flow-on effects – that it would be used to address problems caused by OEMs selling these vehicles globally to consumers and the supply chain."

Wilkerson adds if new-vehicle

distributors in New Zealand say they have no money to fix the problem, it could be responded to by Takata having already paid out.

"However, money is likely to be paid to the parent company in the US or Japan, so we don't know if processes are in place for local distributors to get some of that in compensation, but we can hope."

Wilkerson says Kris Faafoi, Minister of Commerce and Consumer Affairs, has indicated he will have one-on-one chats with parties not taking responsibility for the recalls or contributing to the solution.

"He's talking about a government-to-government approach, so I assume he may crack down on OEMs. We've had indications it's likely to cost \$100 to \$150 per vehicle to rectify affected vehicles already in the fleet. If we say 300,000 vehicles are affected – we simply don't know how many are – that's up to a \$6 million budget that's needed."

While OEMs have been paid for pain and suffering on a global scale because of issues Takata's airbags have created, "they cannot tell the government they cannot do the work because it costs too much".

Wilkerson explains: "It comes back to the way consumer law is written in New Zealand with the importer construed to be the manufacturer. If we cannot get the parts from the OEMs, what does that mean to us?"

"The pain and suffering is part of compensation costs agreed between Takata and the OEMs. The fact this was done in the US jurisdiction is irrelevant in that all parties have agreed to global restitution. What this means for the likes of New Zealand distributors, we don't know."

A separate restitution fund of US\$125m has been set up for people and families who suffer personal injury or wrongful death as the result of defective airbag inflators. ☹

Software update for batteries

Nissan NZ has been provided with software so lithium-ion battery controllers (LBCs) in 30kWh Leafs in this country can be updated.

The news comes as a relief to the electric-vehicle community – dealers and owners alike – after the marque received the thumbs-up from its parent company in Japan to go ahead.

The charge for the work to be carried out on the affected cars is fixed at \$100 plus GST because they are used imports and were not sold as new by the company.

The software upgrade is needed because the distance to empty displayed on instruments on the first-generation 30kWh model is lower than the actual range.

After the remedial work is completed, an accurate representation of the battery capacity and range will be provided.

Managing director John Manley says Nissan NZ is aware of the concerns of some owners of these Leafs regarding battery state of health.

“As the 30kWh Leaf wasn’t sold by Nissan NZ, we have no local technical information relating to this vehicle specification and have consulted with our parent company in Japan to determine an appropriate response,” he says. “Through this process, Nissan NZ can advise of the availability of a software upgrade.”

If owners believe their cars may be displaying incorrect capacity and range readings, Leaf-certified dealers can reprogram the LBC to correct the calculation for the driving range and battery capacity gauge indicators.

“It’s important owners have an appointment before bringing vehicles for service. Detailed



A 2016 30kWh Nissan Leaf

instructions have been sent to Leaf-certified dealers.”

Before August 2’s announcement, which was exclusively revealed on www.autofile.co.nz, an electric-car specialist had linked up with an engineering company to offer software updates on 30kWh Leafs.

GVI Electric teamed up with Walter Larason, of Christchurch-based EVs Enhanced, to update battery management systems.

“The response has been overwhelming,” says Hayden Johnston, GVI Electric’s general

manager. “We’ve been prioritising updates to 30kWh Leaf owners rather than dealers to bring customers up to date first.”

It took weeks of research to complete work on the firmware patch and verifying that it was going to cause no system issues.

“I’ve done a huge amount of testing and I’m confident with the upgrade,” says Larason. “We stand by our work. If I had any concerns about it, I wouldn’t risk it.”

“We haven’t been charging huge amounts and there are easier ways to make a dollar. All of the feedback has been fantastic.”

“However, everyone has been saying the same thing – and that’s Nissan NZ should be supporting its product and making the update available.”

This is what the company has now done. Visit www.autofile.co.nz for more on this story. ☺

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Feeling the need for speed

Alternative power systems and the inexorable march of artificial intelligence are major themes at most motor shows, but there's one event that always lives up to its name.

The Goodwood Festival of Speed celebrated its 25th anniversary last month by providing an inebriating mix of glamorous cars and motorsport stars.

About 200,000 visitors to Sussex, England, got up close and personal with more than 600 vehicles, and one name synonymous with the event – Brabham – revealed its

latest toy for the rich and famous.

The BT62, pictured above, is powered by a 5.4-litre naturally aspirated V8 for 552kW of power and 667Nm of torque. With a dry weight of 972kg, its carbon-fibre body and aerodynamic package delivers more than 1,200kg of downforce.

It's mid-engined with power driven to the rear wheels via a rear-mounted race-specification transmission.

Global production will be limited to 70 units to mark the 70 years since Sir Jack Brabham launched his career in Australia in 1948.

The BT62 comes with a price-tag of about NZ\$1.96 million plus taxes and before options with the Celebration or Signature series each accounting for 35 units.

The Celebration series pays homage to Brabham's 35 Grand Prix victories over 35 years in Formula 1. Each BT62 will be presented in honour of a specific win with the colours and race number of the victorious car.

The Signature series will give owners a chance to work with Brabham's designers to configure a unique vehicle to depict any other moment in the driver's history or specify a car with their own hallmark.

Options include a full visual carbon-fibre pack, extra carbon-fibre seat shell for a passenger and configuration as left or right-hand drive.

TRUE TO HERITAGE

There was some exciting news from Toyota as the Supra made its world debut in prototype form.

It says the production version will be faithful to its heritage with a front-mounted, in-line six-cylinder engine and rear-wheel drive.

Many fans believe the name evokes the power, performance and handling that defined a succession of coupes from 1978 to 2002.

"The Supra is an iconic Japanese sports car," says Neeraj Lala, general manager of product and new-vehicle sales at Toyota NZ.

"The production car is closely aligned to the original concept, so the design and styling is exceptional. We've already had customers offering to pay deposits to secure the first ones, such is the hype."

The prototype, created by Toyota Gazoo Racing, features bodywork in lightweight composite materials, lowered suspension, racing wheels and cockpit kitted out to competition standards. The Supra is expected to hit the market in the first half of 2019.

PRICEY TEAMWORK

Nissan's GT-R50 by Italdesign is the first collaboration between the marque and the design and engineering company.

The prototype at Goodwood may become the blueprint for a limited run of 50 hand-built units priced from about \$1.56m.

Italdesign developed, engineered and built the car. Design features include a power bulge on the bonnet, stretched LED headlights, a lowered roofline and "samurai blade" cooling outlets behind the front wheels.

Two different carbon-fibre finishes feature across the centre

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The prototype Supra launches from the start of Goodwood's 1.87km track



Nissan's GT-R50 by Italdesign



Aston Martin's DBS Superleggera kicks up some dust



The driverless Robocar



McLaren's 600LT

console, instrument panel and door linings. The seats boast black alcantara and Italian leather.

Drawing on the GT3 racing experience, Nismo has enhanced the hand-assembled 3.8-litre V6 VR38DETT engine for about 500kW of power and 780Nm of torque.

A revised Bilstein suspension damping system and upgraded Brembo braking system help handle the extra power.

INTEGRATED CONTROL

The Levante GTS Twin Turbo V8 – sibling of the top-of-the line Levante Trofeo – proved to be a show-stopper for Maserati.

It maintains the V90 architecture of the 3.8-litre unit in the Quattroporte GTS, but has been re-engineered to work with the Q4 intelligent all-wheel-drive system.

The retuned V8 – assembled by Ferrari in Maranello – delivers 404kW at 6,250rpm and 730Nm peak torque from 2,500-5,000rpm. It needs 4.2 seconds to reach 100kph while its top speed is 292kph.

All Ghiblis, Quattroportes and Levantes have adopted the redesigned gearshift lever introduced in the Levante Trofeo, which features a more intuitive shift pattern, shorter travel and improved operation.

ON DYNAMIC DEBUT

Aston Martin's new flagship Super GT, the DBS Superleggera, made its first public appearance at Goodwood. Not only was it on static display, it was driven up the 1.87km hill.

It has a top speed of 356kph,

530kW of power and 900Nm of torque thanks to its twin-turbo V12.

SAVING ON WEIGHT

The quickest, most powerful and most track-focused – yet road legal – Sports Series McLaren has been unveiled.

The 600LT's 3.8-litre twin-turbocharged V8 packs a punch with 441kW of power at 7,500rpm and maximum torque of 620Nm from 5,500-6,500rpm. This results in a 0-100kph dash time of 2.9 seconds, 0-200kph in 8.2 seconds and a top speed of 328kph.

It has the hallmarks of a McLaren "longtail", including an extended front splitter, lengthened rear diffuser, fixed rear wing and elongated silhouette.

The bodywork optimises aerodynamics by working with the flat carbon-fibre floor to produce 100kg of downforce at 250kph for more grip and high-speed stability.

The extensive use of carbon fibre – including for the monocoque chassis that's 25 per cent stiffer than a comparable aluminium chassis and for aerodynamic features – and lightweight materials in the cockpit, helps the car to achieve a dry weight of 1,247kg.

The 600LT has lighter and stiffer suspension components from the 720S, and forged aluminium double wishbones and uprights – not only improving dynamics, but reducing weight by 10.2kg.

Production of the coupé will begin in October and last for about 12 months. Its availability will be limited with prices starting at around \$362,600.

DRIVERLESS RACING

History was made at Goodwood when Roborace's Robocar became the first autonomous vehicle to complete the hill climb.

Sensors around the vehicle give it a 360-degree vision of its environs so it can localise its position, and detect drivable surfaces and objects using deep neural networks. The top speed of the Robocar was limited to 120kph

throughout the exhibition run.

The Robocar was designed by Daniel Simon, an automotive futurist known for his work on Hollywood films such as Tron: Legacy.

It's powered by four 135kW electric motors to drive each wheel for combined output of at least 373kW. An on-board computer processes data including inputs from light detection and ranging, radar and GPS. Ⓞ

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Electric vehicles going forward

Forty-two per cent of Brits are unsure if you can put an electric vehicle (EV) through a car wash, according to the Go Ultra Low campaign in the UK. And 89 per cent don't know EVs are faster – much faster – off the line when you put your foot down.

Ignorance of EVs' benefits is one reason a group of New Zealand "early adopters" have got together to share data and real-life experiences of running them.

Owners have enrolled more than 1,000 EVs with Flip The Fleet, a "citizen science" project building a database of monthly records read from dashboards and scanning apps.

The past month's distance travelled, fuel efficiency measured as km/kWh, costs of maintenance and repairs, charging cycles, battery condition and lots more are stored against the basics of the model, year of manufacture, cost, where it's based and whether it's used mainly around town or on the highway.

Within milliseconds of uploading data at the end of each month, each owner can get online reports of their EV's costs savings compared to equivalent petrol vehicles and calculations of emissions avoided.

The software benchmarks their car's benefits and costs against other electric models, or owners can set data filters to compare regions, or monitor how the vehicle is trending between years and seasons.

The idea is to allow the real experts about EVs, current owners, to figure out a bigger picture of how well they go in Kiwi conditions rather than just relying on their own car's performance. It's a collaboration by EV owners for

future owners of EVs.

Flip The Fleet's software is fast and easy to operate. Participants can upload monthly statistics in two, five or 10 minutes depending on whether they choose a low, medium or super-tech option. The result has been more than 47,000 data points so far for our scientists to analyse.

Participation is voluntary, and the project is supported financially by the government by its Low Emission Vehicle Contestable Fund and Curious Minds portfolios. That ensures information is interpreted independently of commercial interests.

People are rightly wary of new technology, especially something like a motor vehicle, which is expensive and crucial for our lifestyles and businesses.

So, who do you trust to make the right decision about whether to buy an EV or not? This is the



Henrik Moller, co-founder, Flip The Fleet

reason why Dima Ivanov, a business benchmarking specialist, statistician Daniel Myall and myself, a sustainability scientist, created and run Flip The Fleet.

All three of us own Nissan Leafs and love them as much as any EV owner, but we also believe in using reliable information for smart decision-making.

It's clear EV technology is not yet well-enough developed to meet every family's or business' needs.

Where EVs' current functionality and range meets the owner's use case, they are brilliant for comfort, safety, the environment and saving money. Conventional vehicle technology is also improving rapidly – modern cars are more efficient, safer, quieter and need less maintenance than those built five years ago.

Some well-meaning owners of electric cars, the "EVangelists", may exaggerate their benefits by

comparing a relatively new EV's performance with that of an old petrol car it replaced. Similarly, some dealers and media commentators exaggerate the limitations of EVs, and perpetuate myths to promote business as usual.

Flip The Fleet will explore the benefits and limitations of EVs in New Zealand in Autofile over coming months. We're determined to say it like it is, warts and all. We'll cover repairs and maintenance costs, a market watch, calculation of dollars saved in fuelling EVs and snippets of social research done alongside EV monitoring to explore how owners feel about them.

For example, in April we learned about one-half of owners bought EVs mainly for environmental reasons and around one-third because of low running costs. Others were attracted mainly by EVs' comfortable and quiet ride, smart technology or fast pick-up. Some of us release the "inner bogan" in us when buying electric.

We expect the reasons why people switch will change as EVs become more mainstream, cost less and full-charge ranges match what petrol tanks can deliver.

Some pundits predict 50 plug-in models will be available in New Zealand by 2020, including SUVs, light commercials, trucks and campervans. EVs are coming, whether we are ready or not.

Henrik Moller is a retired sustainability scientist and co-founder of Flip The Fleet. More information on EVs is available on discussion and resources pages of www.flipthefleet.org. Queries can be emailed to wecan@flipthefleet.org

Reasons for powering up

Fifty-two per cent of people surveyed by Flip The Fleet cited green credentials for buying a battery EV, with the next most popular reason being low running costs on 35 per cent.

Smart technology came third with eight per cent,

followed by quiet and comfortable on four per cent, and fast pick-up with one per cent. Visit <https://flipthefleet.org/2018/1-click-survey-18/> for more details.

Live EV listings on Trade Me:

+14%

Compared to last month

+71%

Compared to prior year

New EV listings on Trade Me:

+13%

Compared to last month

+72%

Compared to prior year

EV watchlists on Trade Me:

+3%

Compared to last month

+71%

Compared to prior year

Huge growth in Kiwi market

Electric vehicles (EVs) are ever-growing in popularity globally, and their increase in sales in New Zealand over the past five years has been phenomenal.

The EV fleet stood at 9,241 units last month compared to 206 in July 2013 – an increase of 4,386 per cent.

There has also been a 117 per cent jump from 4,252 sales in July 2017, according to Ministry of Transport data.

Used pure EVs account for 5,114 units in the fleet, followed by new on 1,678. Next up are new light plug-in hybrids on 1,616, used plug-ins with 740 and heavy EVs on 93.

However, it's the split between buyer types that marks a difference compared to the market for vehicles with internal combustion engines.

Pure EVs are more popular with 4,394 private buyers compared to business registrations on 1,459. Others – mostly local and national

government – come in at 544. That means 68.7 per cent of EV buyers are individuals compared to 22.8 per cent being owned by companies.

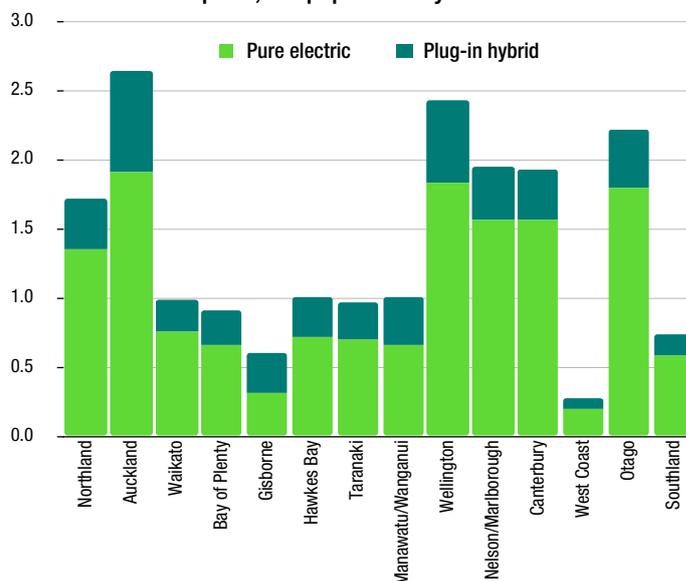
The gap is tighter with plug-ins. Private buyers account for 1,222 – or 55.1 per cent – with businesses close behind on 950 and 42.9 per cent.

Michelle Herlihy, a Drive Electric board member and country leader for Custom Fleet, says EVs have captured the attention of big corporates, government agencies and small operators. "For some, they fit with sustainability values of the business."

However, switching is still conversational for many with available models "not suitable for everyone – the more selection customers have, the more they feel they're making an informed choice".

Herlihy adds: "Chief financial officers are interested in efficiencies EVs offer, including lower running and servicing costs, which is really positive."

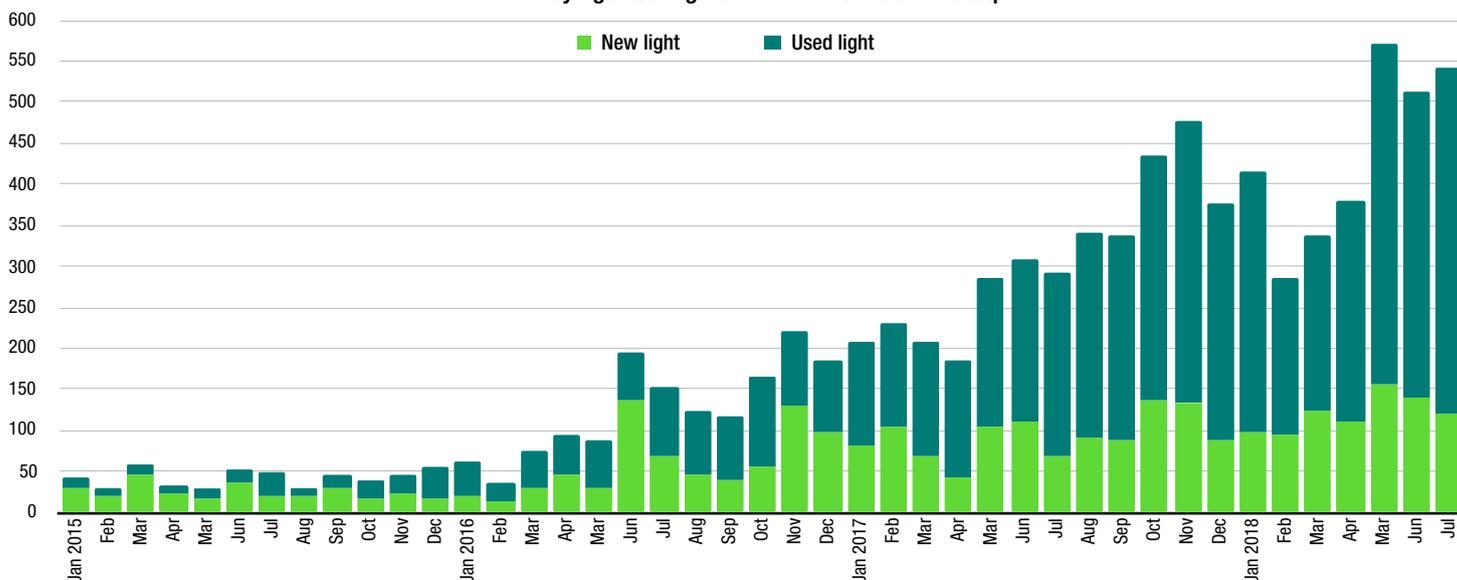
EVs per 1,000 population by owner location



Light EV ownership				
	Pure electric		Plug-in hybrid	
Individual	4,738	69.8%	1,307	55.5%
Company	1,509	22.2%	1,005	42.7%
Other	545	8.0%	44	1.8%

"Other" owners are typically central, regional or local government

Monthly light EV registrations - new and used import



Top 5 EV models listed on Trade Me this month:

- Nissan Leaf
- Nissan e-NV200
- BMW i3
- Hyundai IONIQ
- Toyota Prius

Average listing price for the month:

\$24,000

Eye on EVs



* Figures as per the end of July 2018

From shop floor to being boss

Two qualities – “purpose and ambition” – have propelled Warren Brown from a junior position at Mitsubishi Motors New Zealand (MMNZ) to president and chief executive officer.

“That mindset has been good not only in business, but in life,” he says. “A bit of resilience along the way also helps.

“I’m a car guy so it’s easy to be passionate about this industry and I think I’m the strongest advocate for our brand. I’m proud of my role, but I’m one small part of the machinery. I work with a talented team and, in my view, the country’s best dealers.”

Brown started at Todd Motors, which owned the New Zealand Mitsubishi franchise, in 1987 straight out of Paraparaumu College. He saw the job for the advertising department in the local paper and thought it would be a good fit.

“It’s one of those stories where I started out almost sweeping to running the company. My title was junior advertising controller and, over three decades, I was fortunate enough to be given the opportunity to lead the business.”

Brown was attracted by the combination of working in advertising and the automotive industry in that first job.

“Back then, most people in the Wellington region had some connection to Todd Motors – they either worked there, had worked there or knew someone who knew someone who did. Even my mother worked there for a while.

“Three months after starting work there, it became MMNZ. There was something like 1,500 staff when I started in 1987. The assembly line stopped in 1997. Back then it was a



Warren Brown was appointed chief executive officer of Mitsubishi Motors NZ in 2017

manufacturing-led business.”

When Brown returned to MMNZ six years later, there were around 60 staff, and it had evolved into a sales and marketing business. He departed as business development manager and went back as national fleet sales manager.

“We had a team of three in 2003 and started growing the company with a focus on and investment in fleet,” he told *Autofile*. “Now we have seven in our sales team.

“We didn’t have an overly sophisticated plan because we had an exceptional product. Our focus was on presenting it to as many customers as possible. We stepped up direct contact with customers and helped dealers focus on fleet in their respective territories.

“When I was fortunate enough to become general manager of sales and marketing after the global financial crisis [GFC], we had a significant restructure and many

colleagues got a step up. It was a challenging time for business, but equally exciting too.

“Back in 2010, we bravely put up a goal of 10,000 sales. We had just come off a year of selling 3,500, so we had a lot of ground to cover and knocked that goal off last year with 11,600 units.

“It’s the old cliché – we had to do the basics well. The most important thing we did was show dealers we had a clear vision and plan, and that got their support. That was the difference.”

Brown, a board member for the past five years, was appointed to the top job in October 2017 after working for the company for more than 22 years.

The first Kiwi to hold the top job since the GFC, he describes his role in the brand’s recent resurgence as a career highlight.

“We have ambitious plans to grow in New Zealand with our mid-

term goal being a market share of 10 per cent. We’re fifth in the market and have our sights set on fourth. We would like to be third in the near future. If we achieve that 10 per cent, we’ll be third.”

Brown hasn’t always worked for MMNZ, however. He left in 1995 to join Toyota Finance and then Toyota NZ.

“I learnt a lot from Toyota,” he recalls. “Its way of doing business broadened my experience and was a valuable part of my career.

“I also worked for Telecom. Two years in an unrelated industry enabled me to develop a different perspective. I benefitted from stepping outside automotive for that period. It helped broaden my strengths and views on business, but I was pleased to come back.”

Work has resulted in Brown travelling extensively. So far in 2018, he has visited Japan, Australia and the US, and will go to Thailand later ▶

Soft spot for muscle cars



Brown’s two Buicks

Warren Brown’s first car was a late-1970s Toyota Corolla SR Coupe.

“The day after I turned 15, I got my car, motorbike and firearms licences. I was 16 when I bought the Coupe. It had more fibreglass than a surfboard. Cars of that era

were full of rust – well, those I could afford anyway.”

He likes all Mitsubishis, of course, but a favourite is 1973’s GTO. “In today’s fleet, the Outlander PHEV is fantastic. It epitomises everything we excel at – SUV, all-wheel drive and electric.”

Brown admits to having a soft spot for late-1960s, early-1970s

American muscle cars, which “were made in an era before the fuel wars in the US when they restricted horsepower”.

He owns two 1970 Buicks – a GS Stage 1 Skylark, “a 7.7-litre monster”, and a Skylark convertible, as well as a 1969 Ford F100. “They’re cool. I enjoy the rawness of cars from that era.”

◀ this year for a product event.

He flies to Japan – a country he finds fascinating – about three times a year. “It has 126 million people who go about their business in a courteous and professional way.

“I’ve done occasional sightseeing trips with dealers and enjoyed those, but most visits are to our head office and manufacturing plants. Being at the bottom of the world, you find you have to travel to places rather than people travelling to see you.”

As to the industry’s future, Brown, who is married with five children aged 10 to 22, says technology has had the biggest impact on it since the late 1980s.

“Technology is evolving rapidly. There’s talk about the development of autonomous vehicles. It’s real and very much on the horizon. Personally, I still want to steer the car I drive and be in control of it.

“Kiwis are early adopters of new technology and I’m sure we’ll be one of the first in the world to embrace driverless cars.



One of Warren Brown’s favourite Mitsubishi is the 1973 GTO. This one is on display in the foyer of his head office



Brown in 1990 when in charge of prize cars for game show Sale Of The Century

“There has been plenty of interest in electric vehicles and plug-in hybrids. Right now, I think plug-ins are the best solution for New Zealand, but that will inevitably evolve.

“The good news is Mitsubishi is a pioneer of electric cars and plug-in hybrids, and will stay at the front of the pack when it comes to those technologies.

“We are part of the Nissan-Renault Alliance, which gives us significant brains when it comes to research and development. We will benefit from being a partner of that alliance. Our future is reassured and we have some new models coming soon.”

Looking back, the marque has been part of New Zealand’s motoring landscape for 50 years and has had a “rollercoaster ride” when it comes to popularity – although the past eight years have seen consecutive year-on-year growth.

Brown says many people have stories to tell about their favourite

Mitsubishi, “especially as it was the number-one brand during the 1970s and ‘80s”.

“It can be summed up by saying it has had some iconic vehicles, such as the Mirage, Cordia and Pajero. Most Kiwi families have a connection to the marque. Everyone has a Mirage story or knows someone in their family who owned one.

“The brand is a pioneer of new product. The Mirage was the leader of hatchbacks. The Pajero was the first Japanese full-sized SUV and the Outlander PHEV is the world’s first plug-in hybrid. One of our strengths is innovation.” ☺

NEW franchise opportunities!

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Mitsubishi Motors NZ continues to drive success on all fronts. Tracking strongly towards a ninth consecutive year of growth, we are looking to add more forward-thinking dealers to our award-winning network.

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Daniel Cook - Chief Operating Officer
dcook@mmnz.co.nz



Buyers are ready to purchase

How ready to buy are customers who visit your dealership? The answer is, more ready than ever before.

Over the past few years, the online experience and information available for people thinking about purchasing vehicles has continually improved.

There's more and better quality photos, better descriptions, in-depth information, better search tools and multiple sources that aid their research.

Their time online is now most definitely more than what's spent on the ground at dealerships, and traders have listened and evolved – albeit slowly – to deliver information and experiences online that customers can make decisions from.

This growing need for enhanced, deeper online experiences will continue to evolve so dealers can't just sit back complacently, but I'll cover that off in a future article.

What dealers need to understand and accept is when that customer makes contact with your dealership and walks into your business to look at a vehicle today, they are extremely ready to buy – more so than ever before in the history of car buying.

When they have narrowed all their research down to just a couple of cars to view and choose from, they are right at the end of their purchasing cycle.

However, it's easy for dealers to be unaware of this and start treating them like they are at the beginning, back in the old days when they would look at

five, 10, 15 different vehicles across many yards while doing long walks along main roads dominated by dealerships.

No wonder the term tyre-kickers came about back then. The experience dealers had with customers then was right at the start of the purchasing cycle when their only form of research was scrolling through the classifieds in newspapers, Trade & Exchange and Autotrader – the 400+ page editions – that we all loved.

This process was long and hard compared to how fast it is these days to narrow the search online incredibly quickly, and not just see one photo of the car but 20.



MARK GREENFIELD
Motorcentral

Instead of one sentence, they can now read lengthy descriptions. On top of that, they can do their research about a dealership, and whether they feel it can be trusted and so on.

I've used some numbers in the table below for ease of getting this point across. They are purely hypothetical from my thoughts, but you'll get the picture.

Over the past two decades or so, dealers have also had their biggest emerging competitor come along and that's the private seller.

Don't get me wrong, private sales have always been around. However, it was much easier to

go a dealership and look at a selection of 50 vehicles at once rather than 50 individual private vehicles all over town, before the internet came along.

So don't treat your customers as if they're going about their car-buying business "back in the day" because the reality is they aren't. If you do, you will lose them to another dealer, or worse still a private seller who delivers them a better experience combined with a similar vehicle to the one you had.

Once customers visit your dealership, they are yours to win, so give them every reason to purchase from you.

In many cases it's the smallest things that can start reducing your chances of success, so it's important to view the experience through your customer's eyes, accept the things you can improve and – most importantly – do something about them.

The next phase in the evolution of the customer's buying journey will be another interesting one that we need to adapt and evolve with.

But as long as vehicles continue to be physically presented and delivered to clients at dealerships, areas such as presentation, customer service and experienced staff will play a pivotal role in your success in getting people buying from you the vehicle they came to buy.

Our dealer solutions team has tools and ideas that can help you understand your customers and your dealership's performance.

For more details, call us on 0800-623-687 or send an email to dealersolutions@motorcentral.co.nz.

Anecdotal changes in car buyers' behaviour

	20+ YEARS AGO	2018
Customers' purchasing cycle	60-90 days	20-30 days
Number of vehicles viewed	10-30 (physically)	100s-1,000s (online)
Number of dealerships visited	6+	2-3
Number of test drives	5-10	1-2
Probability of customer being ready to purchase when visiting a dealership	10-20%	90%



Online accessibility means customers will most probably be ready to purchase when they visit a dealership



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- ★ Learn where **potential opportunities** are being missed
- ★ **Let people know how great you are** with our built-in rating system (optional)

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Extending the boundaries of control

Intelligent transportation systems (ITS) are leading to many safety and efficiency innovations in the automotive industry. Equipped vehicles can use sensors, analytics and machine learning to inform and assist drivers.

Overall, ITS is seen by many as a silver bullet to fix traffic and transport woes – a way to accomplish more with less. While I have faith in our ability to revolutionise how we travel and achieve many of the promised benefits, there are serious risks to New Zealand and our industries.

One technology getting a significant amount of attention is the connected-vehicle model.

The idea is simple – such vehicles “talk” with infrastructure and even other vehicles to increase awareness of the environment. This enables many possibilities, which may include realising level-four or level-five automated vehicles, which is the capacity to be partially or fully “driverless”.

SO WHAT'S THE CATCH?

Many vehicle manufacturers, however, are looking to utilise the connected-vehicle model to further their own ends – all in the name of safety and convenience, of course.

They are developing a concept they call the “extended vehicle”.

In this model, the idea of a vehicle is expanded from including the physical vehicle, but also to the data it collects, which is sent to a manufacturer-controlled data centre.

Hence, the car of tomorrow is likely to begin at the physical bumper, but will also extend through virtual space as digital

data, which is all binary ones and zeros. Neither aspect of the vehicle will function without the other.

This would be a revision in how we're supposed to view these devices. They would be “edge devices”, each a data collection unit existing on the periphery of a massive internet-of-things analytics engine.

While this may sound like a fun, semantic exercise, it has real-world repercussions. One example is it can make many technologies in today's cars redundant and I'm particularly concerned with diagnostic ports.

Today, vehicle data can be collected on-board from ports that give repairers access. Marques want to remove that access and instead require repairers to access data directly from them. Let me repeat that differently. The manufacturer will soon be the only source of real-time diagnostic data.

International standards for implementing this technology are currently being finalised.

PROPRIETARY TECHNOLOGY

Manufacturers have been arguing that since they invested in technology enabling vehicles to generate data – and since they're ultimately responsible for ensuring their safety and integrity – they should fully control this data.

They are also making the case because they invested in this technology, any third party should pay for access. If you're not an



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Policy adviser and analyst
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approved third party, no access.

Try to imagine why this is a risk to any industry that directly competes with original equipment manufacturers (OEMs) supplying or repairing vehicles.

We sometimes have to pay significant fees

just to get marques to tell us what emissions standard a vehicle was manufactured to – if they agree to assist at all. That's a one-time fee to get a vehicle certified for compliance. What if they could charge that every time we needed to access diagnostic information?

In fact, we must question whether independent importers will even be able to get approval as a third party. We already know some marques refuse to provide data needed for certifying imports for compliance.

Quite simply, if a supplier cannot meet its obligations under consumer law, such as carrying out repairs, it's illegal for them to import the vehicle.

The OEMs argue this dynamic creates a level playing field since they invested in the technology to begin with, but I'm dubious that's ever possible when a single industry player can determine whether its competitors can operate and at what cost.

VOICES IN THE DEBATE

As mentioned earlier, standards for this technology are being finalised. The only group arguing for an open-data solution are after-

market associations in Europe.

It's likely that even if the marques compromise, it will only be an EU solution – similar to the right to repair, and RMI provisions in the Euro 5 and Euro 6 emissions standards, which New Zealand doesn't recognise.

What can we do to mitigate this risk to New Zealand's vehicle supply? One option is to participate in “extended vehicle” standards.

These are being developed by the International Standards Organisation under ISO/TC 22, the technical committee responsible for motor-vehicle standards – an area in which New Zealand has traditionally had no representation because we have no domestic car manufacturing.

With the dangers of not participating so evident, perhaps it's time to stand up and do so. On the other hand, even if this standard failed to be created, it's likely the agenda would be accomplished in a different, and perhaps an even less transparent, way.

Another option is to change how we view data. Personally, I believe society will eventually be forced to revisit privacy and data in general.

Our data is being turned back at us to guide our options. At some point, that influence might cross a line we didn't intend through a slow creep of coercion hidden by an illusionary abundance of choice.

Maybe the best option, instead of fighting the extended-vehicle concept, is to advocate for an extended-person idea where we always own data on us or that which we create – no matter who collects it. ☺



VIA
Imported Motor Vehicle Industry Association

Advocate ▪ Advise ▪ Connect

Lessons learnt in hard times

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), has described issues facing the industry so far this year as part of an “annus horribilis”, which has resulted in the organisation’s 30th anniversary celebrations being deferred until 2019.

Speaking to guests at VIA’s midwinter dinner in Auckland last month, Vinsen described the stink-bug crisis as the “deepest” the industry has had to deal with cash flows hammered, retention of skilled labour becoming problematic and balance sheets stretched to “twanging point”.

However, collaboration saw industry sectors and government departments dealing with the issue so “when fresh shipments started, we had the largest volume months ever, which put huge pressure on everything”.

Vinsen stressed: “There are still businesses under pressure. There have been tens of millions of dollars lost in shipping delays, additional ships and sailings, storage and seven weeks’ lost trading.

“It didn’t seem like it, but the exercise was in fact successful. It prevented the bugs from becoming established. We deserve to congratulate ourselves.”

A new import health standard will soon set requirements to ensure the industry is ready for the next stink-bug season, which starts on September 1.

“Border-inspection organisations are investing millions in developing treatment systems so we have the capacity needed. Costs are going to

increase, but that will be the price to ensure our biosecurity.”

Despite best efforts, slow progress had also been made in remedying problems with alpha-type Takata airbags. He said

“Costs are going to increase, but that will be the price to ensure biosecurity”

the government’s decision to make recalls mandatory aimed to prevent more affected stock entering the fleet and rework vehicles already here.

“We have constraints of lack of information, a moving target, shortage of parts and consumer apathy. There are almost 600,000 vehicles affected in New Zealand.”

Looking further ahead, tackling climate change is on the agenda and the industry needs to prepare

for challenges that may bring.

Julie Anne Genter, Associate Minister for Transport, has said the government wants to focus on the transport sector as New Zealand aims to achieve its share of the Paris Agreement’s goals.

Transport accounts for about 20 per cent of the nation’s greenhouse gas emissions and the only way to reduce them is to cut fuel consumed.

Vinsen highlighted two strands of possible government action. One is modal shift – public transport, cycling, walking, and car-pooling and sharing.

“Then there’s vehicles. The government is determined to improve the average fuel efficiency of those entering the fleet. The intention is to influence choice at two levels – demand, by influencing purchasers’ choices by a feebate scheme, and supply, by influencing vehicles offered for sale.”



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Industry movers

KAY HART has become Ford's president and chief executive for Australasia. She has replaced Graeme Wickman, who has left after 20 years.

The 40-year-old, who started her career in Ford NZ's marketing team in 1998, was most recently global BEV manager, distribution and digital experience.

She now reports to Peter Fleet, Ford's group vice-president and president for Asia-Pacific.

Her previous positions include marketing manager of advanced consumer experience innovations, such as FordPass – the marque's one-stop app that delivers solutions to help people get the most out of vehicle ownership.



KAROL ABRASOWICZ-MADEJ has been appointed managing director of BMW Group NZ.

He starts on September 1 and comes to this country with more than 16 years' experience in various roles with the marque. He is currently responsible for dealer network development at BMW Group Japan.

Departing managing director Florian Renndorfer is returning to Munich at the end of August to take over the lead of worldwide sales development and sales steering for BMW Motorrad.



DON ATKINSON has become chief operating officer for UDC Finance.

The promotion comes after seven years managing the company's dealer businesses.

Atkinson returned to UDC in 2008 as head of risk before moving to lead its dealer and investment channels.



KEITH SHAW has been promoted to dealer principal at West Auckland Nissan.

He has taken over from Mike Esson, and comes from a background in sales and service spanning 34 years.

For the past 11 years, he was new-vehicle sales manager at North Harbour Mazda.



HAYDEN WASHINGTON has been appointed general sales manager for Armstrong Prestige Dunedin, Mercedes-Benz and Jaguar Land Rover.

Washington has been in the sales industry for 12 years. He worked in the automotive sector in Brisbane for the past eight years.



LAWRENCE PROFFIT has assumed the role of general manager – dealer at UDC Finance.

He moves from his national sales manager – motor vehicle role, and previously held various sales and operational management positions over a 15-year period with UDC.



JASON ROBB has been appointed used-vehicle sales manager at South Auckland Motors. The role also covers trade-ins for all branches including Pukekohe, Botany, Auckland Airport and Takanini.

Robb has several years' experience with franchise dealers in Northland and was most recently working for Autotrader.



NZ labour market report

WHEN YOU'RE GROWING

your team, finding the right hire quickly is crucial for long-term success.

Before you start your search to find your superstar, it's a great idea to take some time to sit down, plan and think about what it is you're looking for in terms of:

- ▶ Attributes.
- ▶ Skills.
- ▶ Capability and experience.

Simply posting an advert and waiting for the applications to roll in can be a very counter-productive way of recruiting good people.

On the flipside, putting a plan in place is crucial to the quality of your recruitment process and building a strong team.

We find in our industry that businesses that don't plan their recruitment processes find it an arduous task and can make some poor decisions in appointing someone.

Recruitment is one of the most important processes that needs to be focussed on to get right. The cost that comes along with a wrong hire can be extremely damaging to a business. You want to make sure you get it right first time.

Before you start your recruitment process, take the time to understand your business and what makes you unique, such as your culture and values – these are things that candidates look for in a company. This may sound airy-fairy but – like selling cars – people buy from people.

By understanding your business better, you're able to get a good understanding of the things that make your business tick and what you're about. In a crowded market, you need to stand out and be a place people want to be a part of.

Remember, recruitment is a two-way process. When you meet candidates, look at fit, attitude and their ability to contribute to the dynamic for your team and business. You can find the most skilled



Will Allan, Hello Monday

and experienced person, but they must fit into the company's culture and live its values.

Before starting any recruitment campaign, the most important document is the job or position description.

Why? It's the base document for setting your new person and existing staff up for success. Your performance reviews, coaching discussions, business key performances indicators and job advert all start from here.

Many automotive companies either don't have job descriptions, or haven't kept them current or relevant.

It's a crucial document that needs to be updated at least once year and ideally around performance reviews because that's the best time to reflect on things and agree on what your people are there to do.

Also, job descriptions are extremely important when you have an employment issue, such as performance management or if you need to restructure.

The job description is often requested or needs to be referred to in these situations. If it's out of date and no longer relevant, it can make things tricky for you as an employer or manager because you have no reference point.

When your candidates come to interview for your role, it's powerful to give them an updated job description because it shows you care about your business and you are prepared.

This also sets the expectation to the candidate about the role and how your business operates – how many times have you heard someone say, "it's not in my job description".

So transform your business and people by getting job descriptions updated and in place now, and set expectations early on. ☺

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

Training staff should be priority

Where do you put training on your list of business priorities? Who should you invest your training budget into? Yourself and your staff? How do you choose which training course to sign up to?

The motor industry is changing, and changing fast with new technology, compliance and regulations. So how do you conduct business and keep abreast of the changes?

As a business, you have to stay up to date across complicated legislation and compliance with little help from the legislators.

The ongoing development of after-market products has seen these products improving and changing consistently.

It's important to keep up to date with what to use and what not to use. Cheap isn't always the best

option. When was the last time your groomer went on a training course?

Legislation – are you across this? Do you know what's coming up? Do you know what you need to do? What you may need to change in the near future? Do you know what legislation is coming that has the potential to change your business?

Are your staff saying the right things to your customers? Is your business manager presenting all of the products all of the time? Are you sure? How do you know? Do you use disclaimers each customer has to sign?

Protecta Insurance believes training is critical and we continually invest in our staff to ensure we're ready for any opportunities or



TONY HEADLAND
General manager
Protecta Insurance

legislative changes.

We are members of the Financial Services Federation and have worked closely with it, and the Insurance Council of New Zealand and Ministry of Business, Innovation and Employment, to try to

ensure any legislation changes that will affect the automotive industry are fair and reasonable.

The benefit of spending this time and effort is that we're able to have some influence over the changes to legislation and share our knowledge with our customers to ensure their ongoing compliance with these changes.

It is important for you to be up to date, but it's even more important you are ahead of the game and preparing for the changes.

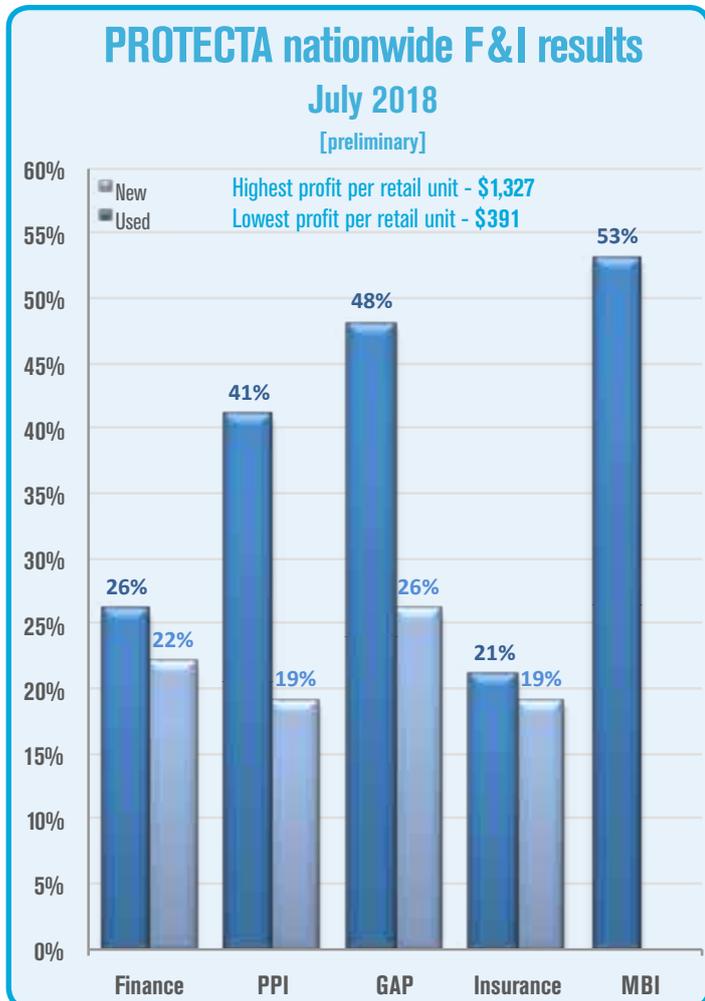
I agree there are some things you can't plan for, but there are plenty that you can.

You need to be able to rely on and trust your suppliers or trainers that they are looking after the best interests of your business and customers.

It's very important to take your clients through your sales process with confidence and efficiency. Remember – a happy customer will tell three to five people, but an unhappy one will tell between 15 and 20 people.

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The month that was... August

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August 6, 2004

Enforcement under way

The long-awaited crackdown on unregistered motor-vehicle traders was about to start and dealers were being encouraged to “dob in” illegal sellers.

Any unregistered traders yet to be uncovered were expected to be found out by a system to be implemented that week, according to Shane Keohane, of the Ministry of Economic Development (MED).

It involved cross-referencing Customs and Land Transport Safety Authority data to pick off anyone who had imported more than three vehicles and weren't registered as traders.

The move came after an attack on the MED by Steve Beston, of Macau Motors. He told Autofile the “total commitment to enforcement” promised by the ministry had thus far not been delivered.

“The ruthlessness with which the MED pursues easily targeted legitimate businesses for minor advertising infringements is well-documented,” said Beston.

“Yet, after high-level assurances, it cannot show any results against thousands of vehicles illegally imported every month.” He estimated up to 60,000 units a year were being imported by non-registered traders.



August 26, 2005

'Fight it hard, please'

The government was considering an age limit for used imports, but dealers were divided on whether to welcome or condemn such regulation.

Initial responses to a members survey by the Independent Motor Vehicle Dealers' Association showed plenty of strong opinion and division of about two-and-a-half to one in opposition, according to David Vinsen, who added dealers had strong opinions.

“People are absolutely opposed or definitely in favour,” he said. “We asked people to circle a number between one and 10 to indicate their strength of opinion, and one guy wrote in 11.”

Some dealers were concerned the age limit would see poorer models of newer cars filling the cap in supply, while others were worried there were already too many low-quality vehicles coming in.

“Then there's the principle – New Zealand's about free trade, not government protectionism,” said Vinsen. “The issue is on the political agenda, driven by the Kyoto Protocol and the green movement. It's not just being pushed by the Motor Industry Association.”



August 25, 2006

Rationalisation to reduce traders

“Tough trading conditions will bring rationalisation to the car sales market, with 20 per cent of importers and traders unlikely to survive.”

That was what Graham Roberts, Turners Auctions' chief executive, told investors and media gathered for the company's half-year profit announcement.

His comment came on the back Turners' profits for the six months after tax falling by 22 per cent on the same period of the previous year to \$2.33 million. The conditions were the falling dollar and low demand for used imports.

“Only the stronger importers with the lowest-cost supply chains will survive in this environment,” warned Roberts.

While not wanting to predict numbers, David Vinsen, chief executive of the Independent Motor Vehicle Dealers' Association, agreed there would be some rationalisation in the industry.

“Sales are down by that amount, but whether you can translate that into dealership closures is uncertain,” he said.



August 3, 1998

Auction model changes face of business

A way of buying used imports under trial in New Zealand was considered the first in what could be a wave of new methods to fundamentally change the automotive industry.

A major Japanese corporation, Sumitomo, was the majority shareholder in a dealer-only and Auckland-based operation linked to Aucnet, the leading electronic auctioneer in Japan.

The local company, Aucsat, was headed by former dealer and Motor Vehicle Dealers' Institute president David Vinsen.

The system allowed dealers to bid on cars sold via electronic auction in Japan. Computer screens set up in the Auckland office showed the sale in progress. A joystick allowed the dealer to participate by making bids.

However, Turners Auctions' chief executive officer Jeff Wesley said he didn't believe the system would work here.

He added overseas evidence showed dealers would only buy super-late models, usually less than two years old, because of the potential for damage, while the six-week waiting time between purchase and arrival was a barrier.



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Celebration for milestone

Well-known personalities in the used-imports industry have been recognised for being loyal supporters of a company over the years.

Swords were presented to seven Nichibo customers at its 30th anniversary celebration to recognise their long-term association with the business.

"There are a few people we want to pay tribute to and present Japanese ceremonial samurai swords, which mark loyalty, honour and respect, to," said director Robert Young.

They included Gary Milne of Drive Town in Panmure, Mike Elliott of Motor One in Penrose and Neil Blackford of Summit Motor Company in Te Aroha for 15 years' service.

Bryan McKenzie of BMM Imports in Lower Hutt, Rod Milner of Rod Milner Motors in Greenlane, Peter (PJ) Johnston of



Nobu Yamanaka with Peter Johnston



Robert Young, director of Nichibo NZ

GVI in Penrose and Trevor Lee of Trevor Lee Autos in Tauranga were acknowledged for 20 years.

Hidemi Daikyu, who has worked at Nichibo's head office for 26 years and has arranged the shipping of more than 500,000 cars, was recognised as being a great asset to the team.

Managing director Nobu Yamanaka was visibly moved by Johnston, who thanked him for his generosity and support over the years.

"We're fortunate to have a solid partner in Japan," said Johnston. "When it got tough, Nobu stood by us all and told us to keep trading. He was dead right."

In his speech, Yamanaka said: "We've been striving to serve the New Zealand public with our customers for many years."

He told the crowd in Auckland on July 27 that he and Young decided to go into business together while sitting on a car bonnet at an auction yard. "Since

2002, Robert actually took over the 'Mr Nichibo' title from me."

Young, who joined the company about 16 years ago, thought that car was a Toyota Camry.

"Over the past 30, years the Japanese import industry has experienced ups and downs. I'm convinced whoever coined the phrase 'change is the only constant' was talking about our industry."

Visit www.autofile.co.nz for more on the speeches. ☺

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SPEED DIARY

- 11 Aug**
BTCC - Rockingham, UK
DTM - Brands Hatch
NASCAR Xfinity Series - Mid-Ohio, USA
- 12 Aug**
MotoGP - Red Bull Ring, Spielberg, Austria
NASCAR Cup Series - Michigan, USA
DTM - Brands Hatch
- 16 - 19 Aug**
WRC - Rallye Deutschland, Germany
- 17 Aug**
NASCAR Xfinity Series - Bristol Motor Speedway, USA
- 18 Aug**
NASCAR Cup Series - Bristol, Tennessee, USA
European Le Mans Series - Silverstone
- 18 - 19 Aug**
F3 European Championship - Silverstone
- 19 Aug**
IndyCar - Pocono Raceway, USA
TCR Europe Series - Assen, Netherlands
- 24 - 26 Aug**
Australian Supercars - Tailem Bend, SA
MotoGP - Silverstone GP
- 25 Aug**
IndyCar - Madison, USA
NASCAR Xfinity Series - Road America, USA
DTM - Misano, Italy
- 25 - 26 Aug**
Formula 2 - Spa-Francorchamps, Belgium
GP3 Series - Spa-Francorchamps, Belgium
F3 European Championship - Misano, Italy
- 26 Aug**
Formula One - Spa-Francorchamps, Belgium
BTCC - Knockhill, UK
DTM - Misano, Italy
- 31 Aug**
Isle of Man TT Lightweight - Isle of Man
- 1 Sep**
Formula One Qualifying - Monza, Italy
NASCAR Xfinity Series - Darlington, USA
- 1 - 2 Sep**
Formula 2 Championship - Monza, Italy
GP3 Series - Monza, Italy
World Rallycross Championship - Loheac, France
RX2 International Rallycross Series - Loheac, France
- 2 Sep**
Formula One - Monza, Italy
NASCAR Cup Series - Darlington, USA
IndyCar - Portland Raceway, USA

Touring car bid across ditch

A series of up to eight race meetings is proposed for the Australian debut of the international touring car racing (TCR) category, which is now taking over the World Touring Car Championship.

TCR has been the subject of talks between manufacturers and Motorsport New Zealand during the opening round of this year's summer series.

The consensus around the table at the time was nothing would happen in this country unless Australia made a success of the new category for two-wheel-drive touring cars running turbocharged two-litre engines.

There are already races and series for TCR cars in many parts of Asia.

With the promoter Australian



The touring car racing (TCR) category was first introduced in 2014 and is now employed by a multitude of series worldwide

Racing Group (ARG) now revealing its plans for a series in 2019, many in New Zealand will be watching closely.

The Confederation of Australian Motorsport has revealed ARG is its preferred bidder. It's backed by a consortium of businessmen enthusiasts, and headed by Matt Braid, former Volvo Cars Australia

boss and Supercars number two.

Most European, Japanese and Korean brands are represented in TCR.

Second-hand cars in good condition cost between \$80,000 and \$140,000 – the latter a comprehensive package based around an Audi RS3 including a complete pit and garage equipment set-up. ☺

Teenagers shine during boot camp

Feilding's Callum Crawley has topped the points table at the New Zealand Elite Motorsport Academy's annual training camp in Dunedin.

Second in a close-fought assessment was Peter Vodanovich, 17, of Auckland, with 15-year-old Billy Frazer, of Pukekohe, third.

All three are part of a group of eight young drivers participating in this year's academy.

It is run by MotorSport NZ's scholarship trust in conjunction with the Otago Academy of Sport and the Human Performance Centre at University of Otago's school of physical education.

The class of 2018 are the 15th



From left, Peter Vodanovich, Callum Crawley and Billy Frazer

group to go through the academy with its year-long programme.

It aims to help participants learn an array of skills and techniques to aid their mental and physical fitness as motorsport competitors, as well as the sponsorship, marketing, nutrition and media skills needed to succeed in the sport.

The academy has propelled dozens of young Kiwis onto international careers and has been hailed by FIA's Jean Todt as the most successful of its kind in the world.

Crawley, who is 17, secured his first national title in the summer by winning the 2017/18 NZ Formula First Championship. ☺



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Rallying rocks Raana's world

He rocked the world of off-road racing in the mid-2000s when he jumped codes with a winch challenge-style V8 Nissan Safari he called Big Black, instantly carving a name as one of the true hard-chargers in that spectacular sport.

Then he brought a new design philosophy to the unlimited race-truck class with a V8 four-wheel-drive Nissan Titan and won the iconic Woodhill 100 twice on the trot. He was the first "truck" class driver to win the race in its 30-plus year history.

Raana Horan has an insatiable need to go faster. Next, he made the jump across the ditch and shook up Aussie off-road racing with a V8 two-seater race car.

In 2017, though, he made his rallying debut here in New Zealand and liked it. Of course, a podium on your first event would tend to colour your impression of the sport.

"Rallying is the ultimate for me," says Horan. "I still love off-road racing and there are definitely skills that cross over, but this is just full-on adrenalin."

"I really clicked with the Evo and we invested a bit in getting it how I wanted it, so now I think I'm ready to step up."

Running a Mitsubishi Evo 9, Horan has been one of the finds of the New Zealand Rally Championship this season and now he is stepping up to a full-on R5 Skoda Fabia.

Not just any Skoda, but the



Raana Horan in his Nissan Titan at the Woodhill 100. Photo: Mark Baker

factory-spec car that won the Asia-Pacific Rally Championship (APRC) last year with Gaurav Gill at the wheel.

Horan says he looked at local AP4+ cars, but decided to opt for the Skoda because it was already sorted in winning form.

"I decided a while ago that the R5 was the better concept for me because I didn't want to go through building a car and sorting teething troubles."

Discussing the way forward with three-time national rally champion Neil Allport, Horan decided the APRC winner was the best option.

"There are a lot of late-model cars available and that made more sense than buying a new vehicle. This one's ex-Skoda Motorsport."

The vehicle arrived in late July from Australia, where it had also been run in one rally by Eli Evans.



Horan gives an interview after round five of the Australian Off Road Racing Championship

"Rallying is the ultimate for me. This is just full-on adrenalin"

Horan's Skoda is the second R5 to hit New Zealand shores. Last year, Allport brought in a pre-loved Ford Fiesta for "arrive and drive" lease opportunities.

Allport says the slightly greater cost of an R5 is offset by the improved reliability. On internet sales sites, very late-model R5-spec cars are going for about \$260,000 with comprehensive spares packages. ☺



The ex-Skoda Motorsport Fabia R5 of Gaurav Gill will be Horan's new steed



Horan in action at this year's Rally Otago

Tribunal satisfied car dealer had faults repaired within reasonable timeframe

Background

Mandeep Dhaliwal purchased a 2012 Toyota Prius from Icar Auto NZ Ltd for \$12,830 on November 8, 2017.

The vehicle had a pre-existing fault with its fuel gauge and a leaking shock absorber.

Icar Auto promptly repaired the shock absorber, but twice unsuccessfully attempted to fix the fuel gauge.

During one of those repairs, the dealer's repairer failed to properly reconnect the fuel system, which caused a leak.

After the car broke down on November 19, Dhaliwal rejected it and applied to the tribunal to uphold that rejection.

Icar Auto said Dhaliwal wasn't entitled to reject the vehicle. It submitted the fuel-gauge issue was difficult to diagnose, but it had eventually repaired the fault.

The case

Dhaliwal first noticed the problem with the fuel gauge when he tried to put fuel in the car.

He said the gauge showed low fuel levels, but when he attempted to put fuel in he found the Prius was nearly full.

Dhaliwal also noticed the right-rear shock absorber was leaking so he contacted Icar Auto, which had the vehicle repaired by Kiwi Motors Services on November 9.

It replaced the fuel sender and repaired wiring loops in the circuit between the fuel pump and instrument cluster. It also fixed the shock absorber.

However, the repairer didn't correctly reassemble the fuel system, which caused a leak, so Dhaliwal returned the car for more repair work.

But the fuel-gauge fault remained and, on November 19, the vehicle broke down while being driven on State Highway 16.

Dhaliwal decided to reject the car because he believed the gauge issue had caused the breakdown.

Icar Auto refused to accept the rejection and instead asked ABC Compliance Centre to remedy the situation.

Andy Ando, of ABC Compliance, said the fault was initially misdiagnosed. He repaired the dashboard cluster and the problem was rectified.

Dhaliwal claimed he was entitled to reject the car under the CGA because the trader failed to repair the fault within a reasonable time.

He said he had given Icar Auto a reasonable opportunity to diagnose and repair the fault.

Under the CGA, a buyer may reject a car if it has a fault that amounts to a failure of substantial character.

The tribunal had to decide if the vehicle's faults were such that a reasonable consumer – fully acquainted with the true nature and extent of the problems – would not have purchased the Prius.

It noted the suspension leak was quickly repaired and the fault with the fuel gauge, although difficult to diagnose, was relatively minor and didn't justify rejection.

The tribunal's assessor said

a faulty fuel gauge wouldn't cause the car to break down unless it ran out of petrol. He thought the breakdown might have been caused by an underlying, undiagnosed issue with the battery-charging system.

The tribunal noted that if such a fault was proven to exist, Dhaliwal was entitled to make a further claim to seek a remedy under the CGA.

The finding

The tribunal was satisfied the faults with the fuel gauge and shock absorber breached the acceptable quality guarantee in section six of the CGA.

The problem with the shock absorber was sufficient to have caused the Prius to fail a warrant of fitness inspection and the faulty gauge meant the buyer couldn't determine the car's fuel level.

The tribunal was satisfied that a reasonable consumer wouldn't expect those faults to occur in a vehicle of that price, age and mileage so shortly after purchase.

However, it was ruled that neither fault was a failure of substantial character as defined by the CGA.

Dhaliwal was entitled to reject the Prius under the act's terms if, having been required to remedy the fuel-gauge fault, Icar Auto hadn't succeeded in doing so within a reasonable time.

He first asked Icar Auto to rectify the fault on November 9, but it wasn't remedied until mid-December when it was repaired by ABC Compliance.

The case: The buyer discovered his Prius' fuel gauge had malfunctioned. He rejected the car because he said the trader hadn't fixed the fault within a reasonable time. The trader said the problem was difficult to diagnose, but it had eventually repaired the vehicle.

The decision: The tribunal found the faults were not of substantial character under the Consumer Guarantees Act (CGA). The trader had repaired them, so the buyer wasn't entitled to reject the car.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Despite the delay in repairing the fault, the tribunal wasn't satisfied Icar Auto had failed to repair the gauge within a reasonable time. It acknowledged Dhaliwal's frustration at the delay in repairing the fault.

However, the adjudicator didn't agree the failed repairs gave rise to the right to reject the car because it accepted ABC Compliance's evidence that faults such as that were difficult to diagnose and repair, and could take more than one attempt to do so.

The tribunal's assessor agreed. He said there were many different components to a vehicle's fuel system and a fault with the fuel gauge could be easily misdiagnosed.

Although it took Icar Auto more than one month and three attempts to rectify the fault, the tribunal wasn't satisfied the dealer had failed to fix the fault within a reasonable timeframe.

Order

The buyer was entitled to no further remedy under the CGA because the trader had repaired the car's faults. ⊕



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Dealer came up with 'completely implausible explanation' for problem with vehicle

Background

Ian Matley purchased a 2006 Audi S4 for \$15,500 with an odometer reading of 188,387km from Performance and Prestige on May 5, 2017.

The vehicle had pre-existing damaged to its head gasket, which caused it to misfire and consume water.

During the five months following purchase, the car developed oil and water leaks, which required expensive repairs.

The buyer rejected the Audi. He alleged its faults amounted to a failure of a substantial character under the Consumer Guarantees Act (CGA) and he sought to recover his costs to repair it. He had driven the car about 4,500km during that time.

Performance and Prestige failed to appear at the hearing and offered no excuse to the tribunal for its non-attendance.

The case

About three days following purchase, a water pipe in the car's engine burst.

Performance and Prestige repaired the fault, but during the repairs it cut a 15cm by 15cm hole in the top of the vehicle's bonnet because it had broken the bonnet catch.

Despite promising to replace the bonnet, the trader failed to do so. Instead, it did a sub-standard patch up job on it.

The buyer noticed that the Audi continued to use a lot of water and, on July 24, he had the car assessed by Victoria Park Auto Services, which found that the radiator had a leak and replaced it.

However, the radiator replacement failed to resolve the vehicle's water-use issue.

On August 24, Victoria Park Auto Services found a leak above the auxiliary water pump, and repaired the leak by replacing the T- and Y-pipe connections.

In addition, the company found a significant oil leak from the rocker-cover gasket, which it fixed at the same time.

Matley also noticed that – soon after purchasing the car – its engine-management light was on.

He asked Performance and Prestige to investigate the matter and was told the light was on because he had changed the car's wheels.

The tribunal's assessor said at the hearing that the engine-management light could not possibly have been caused by Matley changing the vehicle's wheels. Also, the light continued to show on the dashboard.

Matley had the ignition coils replaced in an attempt to stop the engine misfiring, but the car continued to do so.

The Audi continued to use water. Matley said he put about one litre of water into the vehicle for every 100km driven.

In November, Victoria Park Auto Services performed a TK test on the car to find combustion gases in its cooling system.

The vehicle failed the test, which led the company to suspect that the Audi had a damaged head gasket.

The tribunal's assessor agreed with that diagnosis. He said a TK test was a reliable indicator of the

presence of head-gasket damage – as was the recurring misfire and continued water consumption.

He added a damaged head gasket allowed water to escape into the combustion chamber causing the engine to misfire.

Matley rejected the Audi. He claimed its faults amounted to a failure of a substantial character under the CGA.

This was because the damaged head gasket meant the car was unusable until it was repaired.

The tribunal's assessor said repairs would cost between \$3,000 and \$4,000.

The finding

The tribunal was satisfied the faults with the Audi breached the CGA's acceptable quality guarantee.

It ruled that although a reasonable purchaser of a nine-year-old, high-mileage car should have realistic expectations as to its durability, the tribunal was satisfied a reasonable consumer wouldn't expect a vehicle to have multiple water leaks, a significant oil leak and head-gasket damage so soon post-purchase.

The adjudicator said the problem with the head gasket amounted to a failure of a substantial character under the consumer legislation, so Matley was entitled to reject the Audi and obtain a refund of all amounts paid in respect of the vehicle.

It was also ruled the buyer was entitled to recover \$1,878 for the reasonable repairs performed on the car.

The case: Five months following purchase, the buyer discovered his high-mileage Audi S4 had multiple water leaks and pre-existing head-gasket damage, so he rejected the car. The trader repaired a broken water pipe in the vehicle's engine, but did not make reasonable efforts to rectify the car's other faults. The trader opted to not appear at the tribunal hearing.

The decision: The buyer's application was upheld with the dealer being ordered to pay him \$17,478 and hearing costs.

At: The Motor Vehicle Disputes Tribunal, Auckland.

The tribunal said Performance and Prestige should have performed a proper diagnosis of the engine-management fault rather than come up with a completely implausible explanation for it.

Under the Motor Vehicle Sales Act (MVSA), the tribunal may award costs against a party where that party either failed to participate in pre-hearing settlement discussions or, after receiving notice of the hearing, failed to attend without reasonable cause.

Performance and Prestige provided no excuse for its non-attendance at the hearing. Accordingly, Matley was entitled to recover his \$50 filing fee from the dealer.

Also under the MVSA, the tribunal ordered Performance and Prestige to pay the Ministry of Justice \$650 – the reasonable costs of the tribunal hearing.

Orders

The dealer was ordered to pay the buyer \$17,428, plus the \$50 hearing application fee and \$650 for hearing costs. The trader was told to uplift the vehicle from the buyer. ☺

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JAPAN	Moji	14 Jul	–	–	15 Aug
	Osaka	15 Jul	3 Aug	4 Aug	16 Aug
	Nagoya	16 Jul	4 Aug	–	17 Aug
	Yokohama	18 Jul	5 Aug	5 Aug	19 Aug
NZ	Auckland	4 Aug	18 Aug	20 Aug	6 Sep
	Wellington	8 Aug	3 Sep	3 Sep	10 Sep
	Lyttelton	7 Aug	1 Sep	1 Sep	9 Sep
	Nelson	12 Aug	16 Jun	16 Jun	14 Sep

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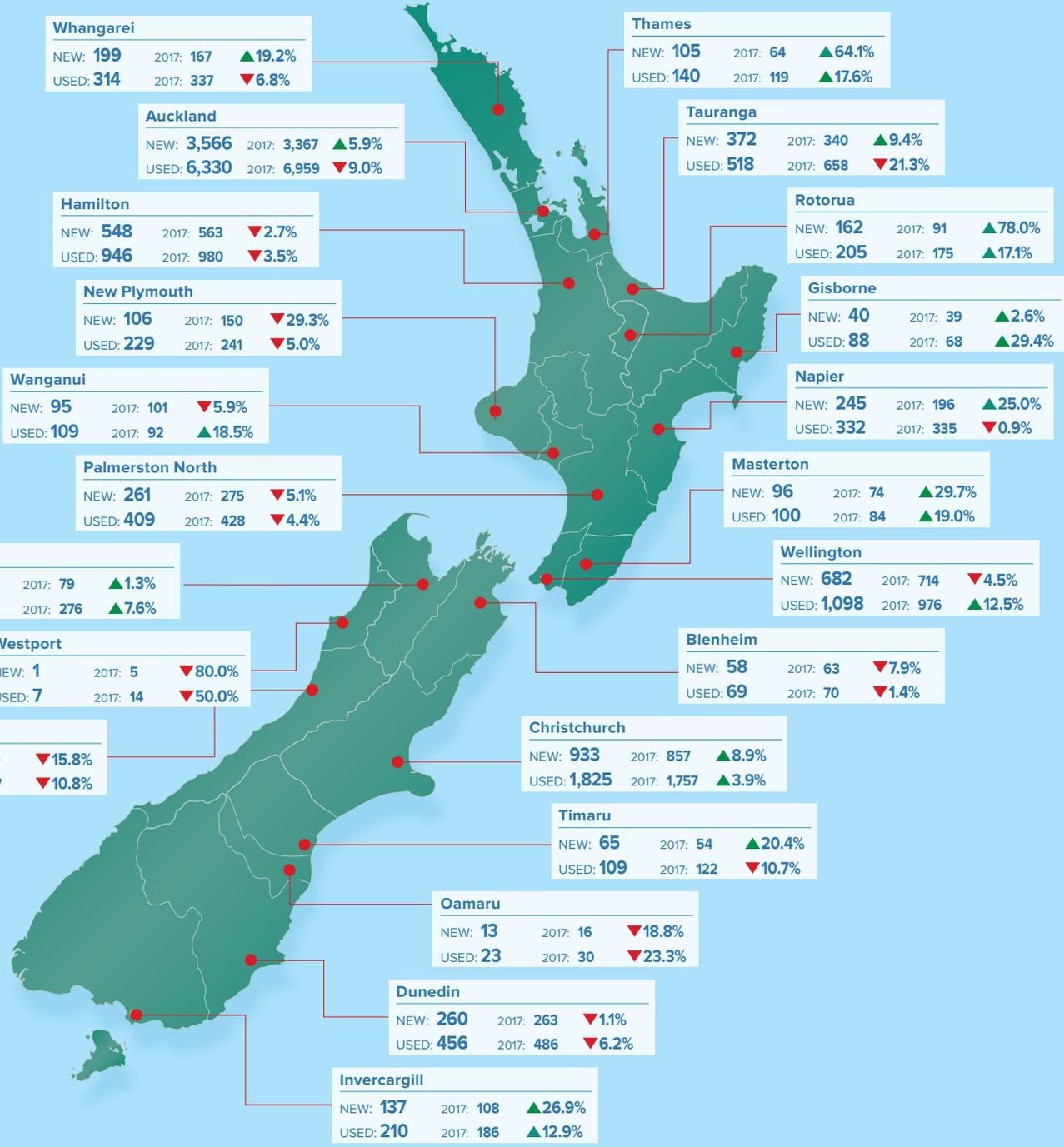
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Imported Passenger Vehicle Sales by Make - July 2018

MAKE	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	3,135	3,705	-15.4	22.6%	20,744	23.5%
Nissan	2,685	2,732	-1.7	19.4%	16,752	18.9%
Mazda	2,275	2,146	6.0	16.4%	14,400	16.3%
Honda	1,517	1,447	4.8	11.0%	9,042	10.2%
Subaru	781	687	13.7	5.6%	5,068	5.7%
Suzuki	745	746	-0.1	5.4%	4,755	5.4%
BMW	534	632	-15.5	3.9%	3,720	4.2%
Mitsubishi	532	515	3.3	3.8%	2,867	3.2%
Volkswagen	404	449	-10.0	2.9%	2,708	3.1%
Audi	301	271	11.1	2.2%	1,749	2.0%
Mercedes-Benz	229	295	-22.4	1.7%	1,611	1.8%
Lexus	88	103	-14.6	0.6%	625	0.7%
Ford	81	113	-28.3	0.6%	693	0.8%
Volvo	74	75	-1.3	0.5%	459	0.5%
Jaguar	52	36	44.4	0.4%	339	0.4%
Chevrolet	51	53	-3.8	0.4%	341	0.4%
Jeep	39	28	39.3	0.3%	195	0.2%
Land Rover	39	55	-29.1	0.3%	282	0.3%
Mini	37	42	-11.9	0.3%	228	0.3%
Dodge	31	26	19.2	0.2%	224	0.3%
Holden	31	59	-47.5	0.2%	259	0.3%
Porsche	24	32	-25.0	0.2%	158	0.2%
Chrysler	19	18	5.6	0.1%	127	0.1%
Hyundai	15	35	-57.1	0.1%	183	0.2%
Daihatsu	13	14	-7.1	0.1%	69	0.1%
Ferrari	11	4	175.0	0.1%	25	0.0%
Cadillac	8	4	100.0	0.1%	36	0.0%
Pontiac	7	3	133.3	0.1%	35	0.0%
Renault	7	15	-53.3	0.1%	70	0.1%
Alfa Romeo	5	5	0.0	0.0%	27	0.0%
Aston Martin	5	2	150.0	0.0%	10	0.0%
Kia	5	13	-61.5	0.0%	63	0.1%
Maserati	5	7	-28.6	0.0%	27	0.0%
Peugeot	5	13	-61.5	0.0%	115	0.1%
Smart	5	2	150.0	0.0%	36	0.0%
Others	52	48	8.3	0.4%	377	0.4%
Total	13,847	14,430	-4.0	100.0%	88,419	100.0%

Imported Passenger Vehicle Sales by Model - July 2018

MAKE	MODEL	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	Axela	696	676	3.0	5.0%	4,271	5.0%
Suzuki	Swift	624	626	-0.3	4.5%	4,012	4.7%
Nissan	Tiida	612	625	-2.1	4.4%	3,764	4.4%
Honda	Fit	582	500	16.4	4.2%	3,449	4.0%
Mazda	Demio	531	474	12.0	3.8%	3,422	4.0%
Toyota	Prius	410	297	38.0	3.0%	2,129	2.5%
Subaru	Legacy	381	340	12.1	2.8%	2,485	2.9%
Toyota	Wish	338	385	-12.2	2.4%	2,031	2.4%
Nissan	Leaf	333	154	116.2	2.4%	1,719	2.0%
Mitsubishi	Outlander	294	293	0.3	2.1%	1,603	1.9%
Mazda	Premacy	289	192	50.5	2.1%	1,592	1.9%
Mazda	Atenza	286	284	0.7	2.1%	1,869	2.2%
Toyota	Vitz	285	281	1.4	2.1%	1,861	2.2%
Volkswagen	Golf	267	277	-3.6	1.9%	1,723	2.0%
Nissan	Note	264	191	38.2	1.9%	1,374	1.6%
Nissan	Dualis	226	229	-1.3	1.6%	1,278	1.5%
Toyota	Corolla	203	213	-4.7	1.5%	1,237	1.4%
Toyota	Blade	198	147	34.7	1.4%	1,197	1.4%
Subaru	Impreza	196	158	24.1	1.4%	1,256	1.5%
Toyota	MarkX	188	310	-39.4	1.4%	1,499	1.7%
Honda	Stream	188	148	27.0	1.4%	1,055	1.2%
Honda	Skyline	174	148	17.6	1.3%	1,069	1.2%
Toyota	Auris	171	188	-9.0	1.2%	1,139	1.3%
Nissan	X-Trail	146	146	0.0	1.1%	845	1.0%
Mazda	Verisa	137	102	34.3	1.0%	798	0.9%
Honda	CRV	130	135	-3.7	0.9%	824	1.0%
Mazda	MPV	130	223	-41.7	0.9%	1,188	1.4%
Toyota	Aqua	126	25	404.0	0.9%	535	0.6%
Nissan	Bluebird	126	153	-17.6	0.9%	807	0.9%
Honda	Odyssey	122	188	-35.1	0.9%	905	1.1%
BMW	320i	107	116	-7.8	0.8%	739	0.9%
Toyota	Ractis	106	118	-10.2	0.8%	721	0.8%
Nissan	March	105	109	-3.7	0.8%	681	0.8%
Honda	Accord	103	114	-9.6	0.7%	651	0.8%
Honda	Civic	102	87	17.2	0.7%	585	0.7%
Others		4,671	5,778	-19.2	33.7%	32,106	36.3%
Total		13,847	14,430	-4.0	100.0%	88,419	100.0%



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Ramp inspection before shipping



Battery issues affecting sales

A dealer specialising in electric vehicles (EVs) says concerns about the state of health (SoH) of batteries, which has since proven to be unfounded, have impacted on the market.

Henry Schmidt, of Autolink Cars in Grey Lynn, Auckland, sells a range of models including Nissan Leafs.

"There has been some negative publicity about the 30kWh Leaf's battery deteriorating more than the 24kWh," he says.

"But the 30kWh is still better value for money with a range of 170km even if its battery is at 80 per cent SoH. However, the 30kWh Leaf has been slow-selling and concerns about the health of EV batteries have slowed the market."

Schmidt says consumers in European countries such as Norway, which has a bigger uptake of EVs compared to New Zealand, aren't concerned about the SoH of the 30kWh batteries.

"The public should be worried about how far they can travel. They can travel 170km – that's a 40km difference from the 24kWh. My wife drives a 30kWh Leaf and has no problems with it."

Schmidt notes there hasn't been a surge in fuel prices as experienced recently since 2013.

"There's lots of talk about the rise in petrol prices, but we haven't had an increase in sales.

"Petrol is not expensive enough yet, but when the price of fuel gets very high then people will come around. People do come in and talk to us about what EVs have to offer.

"If the price of petrol hits \$3 a litre, then it may be a different

story and we can meet an increase in demand for EVs.

"If the New Zealand dollar keeps dropping, the price of cars will have to go up as well but that is crystal-ball gazing. No one can tell me if the dollar is going to drop further. A stable currency does make it easier to do business, though.

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

Schmidt stresses vehicle prices are "very good value" at the moment.

"Most Japanese cars are reliable, but when you find how cheap it is to run EVs with free charging stations then people make the change."

He says older people with surplus money often end up buying electric cars, but recently he has been selling EVs to younger people studying at university and people commuting.

"They are buying a Leaf for

\$13,000 to move around Auckland and can charge their EVs for free," adds Schmidt. "They are being careful with their money."

As for registrations of used imported passenger vehicles in July, they came in at 13,847 for the highest month of 2018.

However, this was a decrease of four per cent – or by 583 units – when compared to 14,430 sales in July 2017.

Last month's total brought the year-to-date total to 88,419 registrations, which represented a drop of 6.3 per cent on 94,382 units sold during the first seven months of 2017.

The models ladder was topped by Mazda's Axela with 696 registrations, which was an increase of 20 units year on year. Suzuki's Swift came second on 624 followed by the Nissan Tiida on 612.

Honda's Fit was fourth with 582 units and Mazda's Demio rounded out the top five thanks to 531 registrations.

July's top-selling marque was Toyota with 3,135 units with second place going to Nissan on 2,685. Mazda with third with 2,275. Their year-to-date shares of the market are 23.5, 18.9 and 16.3 per cent respectively.

Jason Robb is used-vehicle sales manager at South Auckland Motors. He's based in Manukau, but covers branches Botany, Pukekohe, Auckland Airport and Takanini.

He describes business as being steady despite a slowdown during the school holidays.

Robb says: "They have finished and things are back to normal straight away, like someone flicked a switch. I wouldn't be surprised if we didn't do better than last year or match what we sold in July last year.

"If you have a good car and it's well-priced, it will sell. We sold a wide mix of cars last month, but you always want to be doing more.

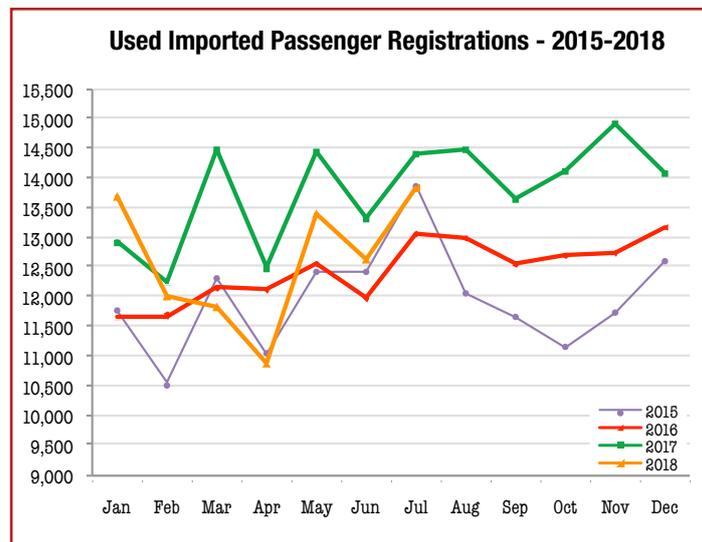
"Stock is a little bit down. We aim to do 60 units a month. The only issue we have is getting stock on the yard quick enough.

"If we trade on a Thursday, the vehicle may not be ready to sell until the following Friday, depending on what work needs to be done."

Robb notes there has been a small spike in trade-ins of large-engined vehicles, such as Falcons and Commodores.

This may be due to the increase in petrol prices from the government and Auckland Council adding extra taxes. However, he says the Mustang has been unaffected.

"People want quotes to trade in on a smaller car because of fuel tax," adds Robb. "But a lot of modern cars are very fuel-efficient." ☺



Minister tackles transport future

The impact of electrification and automation across the transport sector in coming years will be huge.

That was the view of Phil Twyford, Minister of Transport, who was the guest speaker at last month's midwinter dinner hosted by VIA (the Imported Motor Vehicle Industry Association).

"Kiwis love cars, but the way we use cars now, who owns them and how they're fuelled is changing," he said.

"Owning a car won't be the symbol of independence it was for our generation. Ride and car-sharing could change the way we think."

Twyford said the future would see less reliance on and fewer sales of cars as technology advances, and consumer patterns and government policy changed.

"Mobility as a service is a business model that will connect us to transport," he told VIA's guests. "It raises the possibility that for any journey we take we can call options on smartphones to decide on what mix of modes and services.

"These platforms will make it more convenient for travellers to connect with providers and people will no longer need to own private cars to live in cities."

Twyford noted the booming

uptake of electric vehicles (EVs).

"This will speed up as technology becomes cheaper and better, and manufacturers respond to demand.

"We want to time our run right so we can ride the wave that will deliver the reduction in emissions we know is possible through electrifying the personal vehicle fleet."

EVs also have a role in the bigger picture with transport responsible for 20 per cent of carbon emissions.

"If we're to become carbon neutral by 2050, transport offers one of the most promising opportunities to reduce emissions."

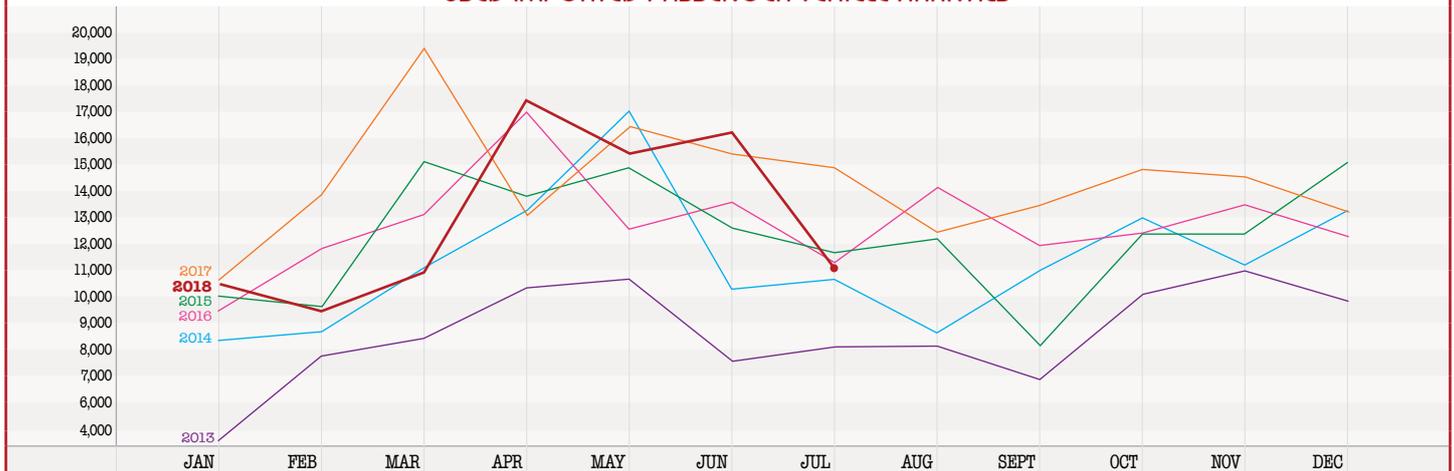
Twyford said his ministry had started a programme to understand

benefits and risks associated with automated vehicle technology, while the NZTA was working on ways new technology and business models could deliver benefits to the economy and motorists.

"As we reduce the age of our fleet, in-car safety technology has the potential to save lives and prevent serious injuries," he added. Visit www.autofile.co.nz for more on Twyford's speech.

As for July's statistics, the number of used cars imported into New Zealand came to 11,046. This was a decrease of 21.3 per cent compared to the 13,209 units that crossed the border in the same month of 2017.

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	JUL '18	JUL MRKT SHARE %	2018 TOTAL	TOTAL	% SHARE	2016 TOTAL	MRKT SHARE
Australia	435	360	375	335	392	340	326	3.0%	2,563	5,540	3.2%	5,151	3.4%
Great Britain	123	63	94	82	80	70	73	0.7%	585	2,173	1.3%	1,537	1.0%
Japan	9,681	7,014	10,020	18,775	14,755	15,642	10,390	94.1%	86,277	160,822	93.8%	143,080	93.7%
Singapore	132	111	95	124	129	99	123	1.1%	813	1,202	0.7%	1,231	0.8%
USA	80	102	99	104	98	89	104	0.9%	676	1,419	0.8%	1,275	0.8%
Other countries	28	36	89	18	30	32	30	0.3%	263	387	0.2%	438	0.3%
Total	10,479	7,686	10,772	19,438	15,484	16,272	11,046	100.0%	91,177	171,543	100.0%	152,712	100.0%



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Dealers stock up on trade-ins

The recall issues with Takata alpha-type airbags have not deterred dealers from buying trade-ins.

There were 14,998 cars sold by members of the public to traders last month – up by 15.9 per cent compared to 12,945 units during the same month of last year. It was also up by 11.7 per cent on June.

There was a spike in trade-in numbers in Thames – up by 224.7 per cent with 250 cars sold compared to 77 during July 2017 – while Greymouth saw trade-in numbers jump by 96 per cent with 49 units sold to dealers compared

to 25 in the same month of last year. Wanganui dealers bought 212 trade-ins, which was up by 82.8 per cent on July 2017's 116 units.

At the same time, there were 19,756 dealer-to-public sales in July, a healthy 11.2 per cent increase compared to 17,774 units in July 2017 and up by 2,509 on June.

The public-to-public category saw 45,190 units sold last month, a one per cent increase from July 2017 when 44,738 cars were sold.

Rotorua recorded the highest increase in dealer car sales with a 63.4 per cent rise during July with 451 sales compared to 276

units during the same month of last year.

Thames saw a jump of 50.2 per cent with 350 units compared to 233 in July 2017. It was followed by Wanganui with 298 units – up by 49 per cent on the same month of last year.

Andre Stevenson, of Optimum Motor Group in Whangarei, says the business has only been open for a few months, but sales have been ticking along even though there have been issues affecting supply.

He says it's been a tough start for the yard with industry being hit hard by one issue after another – stink bugs on ships delaying

the arrival of stock, dealers no longer being able to import used cars with engine sizes of more than two litres unless electronic stability control is installed and working, and selling vehicles with unremedied alpha-type Takata airbags being banned.

"It has been one thing after the other in a short space of time and this has had a big influence on how things have been going for all used dealers," Stevenson told Autofile.

"A lot of yards have closed, especially fly-by-nighters in Auckland, and even some dealers who have been around for a while."

SECONDHAND CAR SALES - July 2018

	DEALER TO PUBLIC				PUBLIC TO PUBLIC				PUBLIC TO DEALER			
	JUL '18	JUL '17	+/- %	MARKET SHARE	JUL '18	JUL '17	+/- %	JUL '18	JUL '17	+/- %		
Whangarei	675	660	2.3	3.42	2,149	2,013	6.8	275	327	-15.9		
Auckland	6,470	6,000	7.8	32.75	14,816	15,276	-3.0	5,814	5,242	10.9		
Hamilton	1,547	1,535	0.8	7.83	3,506	3,683	-4.8	1,190	1,135	4.8		
Thames	350	233	50.2	1.77	710	557	27.5	250	77	224.7		
Tauranga	980	957	2.4	4.96	2,145	2,273	-5.6	669	518	29.2		
Rotorua	451	276	63.4	2.28	1,132	884	28.1	128	111	15.3		
Gisborne	200	185	8.1	1.01	401	475	-15.6	88	69	27.5		
Napier	738	639	15.5	3.74	1,613	1,546	4.3	496	409	21.3		
New Plymouth	432	404	6.9	2.19	1,073	1,121	-4.3	213	212	0.5		
Wanganui	298	200	49.0	1.51	675	535	26.2	212	116	82.8		
Palmerston North	892	822	8.5	4.52	1,776	1,917	-7.4	965	666	44.9		
Masterton	254	181	40.3	1.29	524	430	21.9	118	99	19.2		
Wellington	1,790	1,533	16.8	9.06	3,343	3,158	5.9	1,180	1,014	16.4		
Nelson	337	308	9.4	1.71	1,096	1,022	7.2	251	227	10.6		
Blenheim	190	149	27.5	0.96	439	426	3.1	110	101	8.9		
Greymouth	69	74	-6.8	0.35	193	203	-4.9	49	25	96.0		
Westport	6	15	-60.0	0.03	30	88	-65.9	0	0	0.0		
Christchurch	2,432	2,237	8.7	12.31	5,526	5,370	2.9	2,031	1,754	15.8		
Timaru	234	197	18.8	1.18	589	569	3.5	128	117	9.4		
Oamaru	38	70	-45.7	0.19	145	193	-24.9	0	13	-1300.0		
Dunedin	846	690	22.6	4.28	2,116	1,967	7.6	511	431	18.6		
Invercargill	527	409	28.9	2.67	1,193	1,032	15.6	320	282	13.5		
NZ Total	19,756	17,774	11.2	100.00	45,190	44,738	1.0	14,998	12,945	15.9		

Vehicle Information Reports now include Takata airbag recall alerts*.

*Not all manufacturer data is available yet

New Passenger Vehicle Sales by Make - July 2018

MAKE	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	1,202	975	23.3	15.0%	9,950	16.3%
Mazda	817	811	0.7	10.2%	5,974	9.8%
Mitsubishi	604	592	2.0	7.5%	4,254	7.0%
Kia	555	569	-2.5	6.9%	4,214	6.9%
Suzuki	554	520	6.5	6.9%	3,972	6.5%
Holden	532	537	-0.9	6.6%	4,479	7.3%
Hyundai	505	391	29.2	6.3%	4,150	6.8%
Nissan	461	381	21.0	5.7%	2,540	4.2%
Honda	443	467	-5.1	5.5%	3,252	5.3%
Ford	404	444	-9.0	5.0%	3,391	5.5%
Subaru	362	292	24.0	4.5%	2,190	3.6%
Volkswagen	278	303	-8.3	3.5%	2,268	3.7%
Mercedes-Benz	190	167	13.8	2.4%	1,321	2.2%
Skoda	143	108	32.4	1.8%	967	1.6%
BMW	125	168	-25.6	1.6%	1,145	1.9%
Audi	123	169	-27.2	1.5%	1,192	1.9%
Land Rover	113	73	54.8	1.4%	664	1.1%
Peugeot	83	80	3.8	1.0%	596	1.0%
Lexus	67	59	13.6	0.8%	462	0.8%
Jeep	65	84	-22.6	0.8%	842	1.4%
SsangYong	60	72	-16.7	0.7%	428	0.7%
Haval	52	2	2,500.0	0.6%	303	0.5%
Volvo	50	29	72.4	0.6%	361	0.6%
Mini	45	54	-16.7	0.6%	425	0.7%
Jaguar	38	27	40.7	0.5%	229	0.4%
Isuzu	23	26	-11.5	0.3%	183	0.3%
Citroen	21	29	-27.6	0.3%	146	0.2%
Porsche	19	22	-13.6	0.2%	228	0.4%
Renault	17	21	-19.0	0.2%	153	0.3%
Seat	13	0	1,300.0	0.2%	81	0.1%
Tesla	13	20	-35.0	0.2%	160	0.3%
LDV	9	3	200.0	0.1%	44	0.1%
Alfa Romeo	8	18	-55.6	0.1%	67	0.1%
Maserati	7	9	-22.2	0.1%	76	0.1%
Yamaha	6	7	-14.3	0.1%	52	0.1%
Others	33	76	-56.6	0.4%	392	0.6%
Total	8,040	7,605	5.7	100.0%	61,151	100.0%

New Passenger Vehicle Sales by Model - July 2018

MAKE	MODEL	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	RAV4	336	258	30.2	4.2%	2,405	3.9%
Mazda	CX-5	314	309	1.6	3.9%	2,218	3.6%
Kia	Sportage	306	330	-7.3	3.8%	1,938	3.2%
Toyota	Corolla	291	265	9.8	3.6%	2,619	4.3%
Mitsubishi	ASX	271	119	127.7	3.4%	1,163	1.9%
Suzuki	Swift	260	162	60.5	3.2%	1,826	3.0%
Nissan	Qashqai	232	179	29.6	2.9%	1,250	2.0%
Mitsubishi	Outlander	191	279	-31.5	2.4%	1,368	2.2%
Toyota	Yaris	191	159	20.1	2.4%	977	1.6%
Holden	Captiva	178	100	78.0	2.2%	1,331	2.2%
Hyundai	Tucson	174	168	3.6	2.2%	1,089	1.8%
Nissan	X-Trail	170	155	9.7	2.1%	926	1.5%
Honda	Jazz	164	120	36.7	2.0%	1,177	1.9%
Volkswagen	Tiguan	145	152	-4.6	1.8%	1,043	1.7%
Honda	CRV	139	140	-0.7	1.7%	988	1.6%
Mazda	Mazda3	132	117	12.8	1.6%	1,144	1.9%
Subaru	Outback	132	111	18.9	1.6%	877	1.4%
Subaru	XV	122	56	117.9	1.5%	705	1.2%
Hyundai	Kona	121	0	12,100.0	1.5%	1,090	1.8%
Suzuki	Vitara	115	114	0.9	1.4%	723	1.2%
Ford	Escape	103	135	-23.7	1.3%	821	1.3%
Toyota	Highlander	101	120	-15.8	1.3%	1,488	2.4%
Mazda	CX-3	100	129	-22.5	1.2%	804	1.3%
Holden	Commodore	97	174	-44.3	1.2%	1,034	1.7%
Mitsubishi	Eclipse Cross	84	0	8,400.0	1.0%	921	1.5%
Ford	Focus	81	99	-18.2	1.0%	922	1.5%
Mazda	Mazda2	80	91	-12.1	1.0%	739	1.2%
Hyundai	i30	76	55	38.2	0.9%	271	0.4%
Mazda	CX-9	74	109	-32.1	0.9%	654	1.1%
Volkswagen	Golf	69	57	21.1	0.9%	614	1.0%
Mazda	CX-8	68	0	6,800.0	0.8%	118	0.2%
Honda	Civic	63	55	14.5	0.8%	408	0.7%
Honda	HR-V	62	135	-54.1	0.8%	584	1.0%
Kia	Sorento	60	55	9.1	0.7%	494	0.8%
Kia	Rio	59	105	-43.8	0.7%	591	1.0%
Others		2,879	2,993	-3.8	35.8%	23,831	39.0%
Total		8,040	7,605	5.7	100.0%	61,151	100.0%

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

LEADS



TEST DRIVES



Boost in sales of new cars

There were 8,040 new passenger vehicles and SUVs registered in July – up by 435 on the same month of last year for an increase of 5.7 per cent.

Last month's most popular model was Toyota's RAV4 with 336 registrations for a 30.2 per cent jump on July 2017's total of 258 to secure a monthly market share of 4.2 per cent. It holds a year-to-date 3.9 per cent share of the market thanks to 2,405 sales.

Second spot was claimed by the Mazda CX-5 with 314 units compared to 309 in July last year – an increase of 1.6 per cent. This represented a market share of 3.9 per cent for the month to bring its total so far in 2018 to 2,218 – or 3.6 per cent of all new car sales.

Kia's Sportage claimed third place last month with a market share of 3.8 per cent even though its sales dropped by 7.3 per cent from 330 to 306.

Toyota's Corolla came fourth with 291 registrations, but it leads the way with 2,619 sales this year and 4.3 per cent of the total market. Its sales last month increased by 3.6 per cent when compared to July 2017 when 265 units were sold.

The top five was rounded off by the Mitsubishi ASX with 271 sales, which was a staggering 127.7 per cent jump on 119 in the same month of last year. It has 2018 market share of 1.9 per cent thanks to 1,163 registrations.

Toyota topped the marques ladder last month with a 15 per cent market share and 1,202 units. Next up was Mazda with 10.2 per cent and 817 sales.

Mitsubishi came third with 7.5 per cent and 604 units.

In 2018's battle of the marques, Toyota has sold 9,950 units so far this year for a 15 per cent market share. Mazda is second on 5,974 and 9.8 per cent, with Mitsubishi is third on 4,254 and seven per cent.

David Hodge, managing director of Mazda NZ, says the marque continues to tap into Kiwis' love affair with SUVs by launching its first CX-8 seven-seater.

"We believe it will appeal to private buyers, but we also envisage fleets will find it an attractive proposition as an efficient and versatile vehicle," he says.

"Configurations mean the CX-8 can be used in a number of ways from carrying passengers through to practical luggage."

Meanwhile, the luxury sector is performing as expected with three German marques dominating the market.

Mercedes-Benz is leading the way with year-to-date sales of

1,321 units and a market share of 2.2 per cent. It's followed by Audi on 1,192 with BMW third on 1,145.

Despite being in fourth in this sector with 462 registrations and a market share of 0.8 per cent, Lexus has seen its best sales result ever in the Kiwi market this year. Last month, it registered 67 units, up by 13.6 per cent from 59 in July 2017.

"Our proposition as the major supplier of hybrid-electric luxury vehicles set us apart from our European rivals," says Paul Carroll, senior general manager of Lexus of NZ, who adds almost half of its sales are from self-charging models.

"There is avid demand for high-power output combined with excellent fuel economy and environmental benefits."

He says buyers' appetite for SUVs is "more rampant in the luxury sector than in the mass market" with such registrations making up about two-thirds of all Lexus registrations.

The mid-sized RX is the top seller with around 35 per cent of all the marque's sales with the compact NX and large LX not far behind.

"More people are experiencing the design, quality and cabin ambience, as well as the anxiety-free combination of an electric motor and a recharging petrol engine in hybrids," says Carroll. "Our only problem is getting enough supply from Japan."

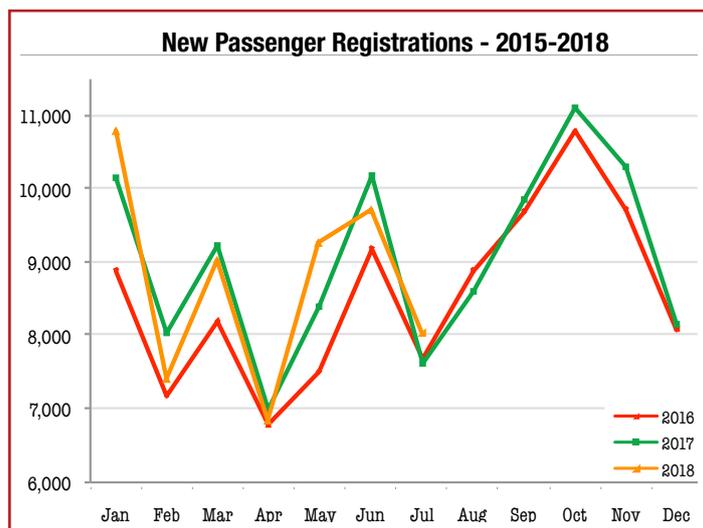
Lexus is also expanding its physical presence this year, with one dealership which opened in Hamilton in April and another due later this month.

As for the overall new-vehicle market, total registrations came in 12,324 last month, which was up by six per cent – or by 693 units – on July 2017, reports the Motor Industry Association. It was the second strongest month of July ever with the best being in 1984 with 13,983 sales.

David Crawford, chief executive officer, says: "Year to date, the market is up by 1.8 per cent, or by 1,621 units, compared to the first seven months of 2017."

"Despite there being several worrying signs the economy isn't as strong as it has been, combined with a significant drop in overall business confidence, new-vehicle sales have – for the time being – held steady."

Medium SUVs made up July's top segment with a market share of 18 per cent. This segment was followed by the pick-up and chassis cab four-by-fours with 15 per cent, and compact SUVs with 14 per cent. ☺



July 2018 (▲ vs June 2018)

SALES

- Web - Dealer ▲ 12.2%
- Repeat ▲ 26.5%
- Web - Classified ▲ 12.7%

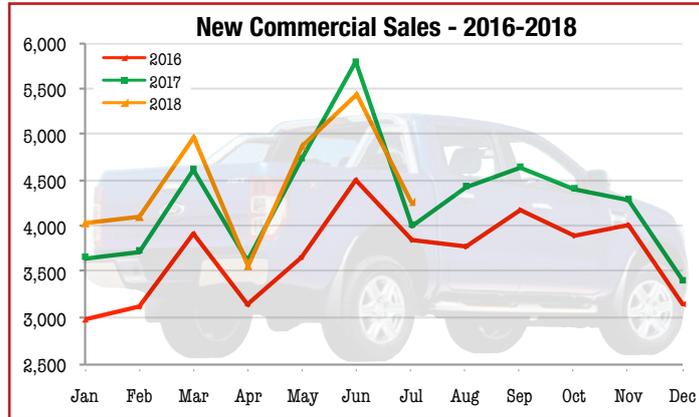
Solid growth for commercial sales

The registration of 4,283 new commercial vehicles during July represented an increase of 6.4 per cent – or 257 units – when compared to the same month in 2017.

The Ford Ranger continues to have a strong hold on its position as market leader with 674 registrations – up by 2.9 per cent on July last year when 655 units were sold.

Toyota's Hilux was second – up by 0.6 per cent with 658 units compared to 654 on the same month of 2017. It was followed by Holden's Colorado. It sold 408 units, which was up by 23.3 per cent.

Toyota was the top marque with 868 sales – up by 2.7 per cent compared to July 2017. Ford was next



on 799 units, which was down by 7.1 per cent, and Holden held onto third – up by 19.4 per cent to 418 units.

One new entrant to the market, which may shake up things a bit, is Ram with Roger Zagorski, managing

director of the Ateco Group, expecting big things from the 1500.

His company has been appointed sole importer and distributor for Australasia with the Walkinshaw Group remanufacturing

vehicles in Melbourne for sale here and across the ditch.

Zagorski says June's launch of the 1500 confirms the marque "as a significant player in the most dynamic part" of local markets "with benchmark products in each sector it competes in".

The range will see the marque's dealership network expand, although projections have yet to be revealed.

Ram aims to put top-spec dual-cab utes – such as the Ford Ranger Wildtrak, Volkswagen Amarok V6 and Mercedes-Benz X-Class Power – in its line of sight.

Lenn Kench, national project manager, says Kiwis are expected to buy 250 Rams in the coming year and another 450 by mid-2020. ☺

New Commercial Sales by Make - July 2018

MAKE	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	868	845	2.7	20.3%	6,106	19.5%
Ford	799	746	7.1	18.7%	6,563	20.9%
Holden	418	350	19.4	9.8%	2,901	9.3%
Mitsubishi	363	342	6.1	8.5%	2,633	8.4%
Isuzu	294	339	-13.3	6.9%	2,193	7.0%
Nissan	239	228	4.8	5.6%	2,321	7.4%
Mazda	186	206	-9.7	4.3%	1,218	3.9%
LDV	162	76	113.2	3.8%	1,166	3.7%
Volkswagen	161	143	12.6	3.8%	1,167	3.7%
Mercedes-Benz	135	148	-8.8	3.2%	605	1.9%
Fiat	71	72	-1.4	1.7%	501	1.6%
Hino	60	56	7.1	1.4%	408	1.3%
Fuso	59	66	-10.6	1.4%	506	1.6%
Hyundai	55	71	-22.5	1.3%	443	1.4%
BCI	53	15	253.3	1.2%	83	0.3%
Kenworth	45	13	246.2	1.1%	187	0.6%
DAF	34	20	70.0	0.8%	186	0.6%
Factory Built	34	4	750.0	0.8%	144	0.5%
UD Trucks	31	27	14.8	0.7%	149	0.5%
Iveco	28	20	40.0	0.7%	170	0.5%
Others	188	239	-21.3	4.4%	1,678	5.4%
Total	4,283	4,026	6.4	100.0%	31,328	100.0%

New Commercial Sales by Model - July 2018

MAKE	MODEL	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	Ranger	674	655	2.9	15.7%	5,845	18.7%
Toyota	Hilux	658	654	0.6	15.4%	4,596	14.7%
Holden	Colorado	408	331	23.3	9.5%	2,856	9.1%
Mitsubishi	Triton	363	342	6.1	8.5%	2,633	8.4%
Nissan	Navara	239	228	4.8	5.6%	2,321	7.4%
Isuzu	D-Max	207	209	-1.0	4.8%	1,506	4.8%
Mazda	BT-50	186	206	-9.7	4.3%	1,218	3.9%
Toyota	Hiace	178	169	5.3	4.2%	1,310	4.2%
Ford	Transit	125	90	38.9	2.9%	718	2.3%
Mercedes-Benz	Sprinter	114	135	-15.6	2.7%	355	1.1%
Volkswagen	Amarok	85	106	-19.8	2.0%	607	1.9%
LDV	V80	74	45	64.4	1.7%	363	1.2%
Fiat	Ducato	69	68	1.5	1.6%	498	1.6%
BCI	Cityrider	53	14	278.6	1.2%	82	0.3%
Hyundai	iLoad	53	64	-17.2	1.2%	426	1.4%
Volkswagen	T6	47	22	113.6	1.1%	287	0.9%
LDV	T60	47	0	4,700.0	1.1%	537	1.7%
Isuzu	N Series	37	42	-11.9	0.9%	249	0.8%
LDV	G10	36	31	16.1	0.8%	260	0.8%
Isuzu	F Series	33	53	-37.7	0.8%	267	0.9%
Others		597	562	6.2	13.9%	4,394	14.0%
Total		4,283	4,026	6.4	100.0%	31,328	100.0%



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Monthly registrations steady

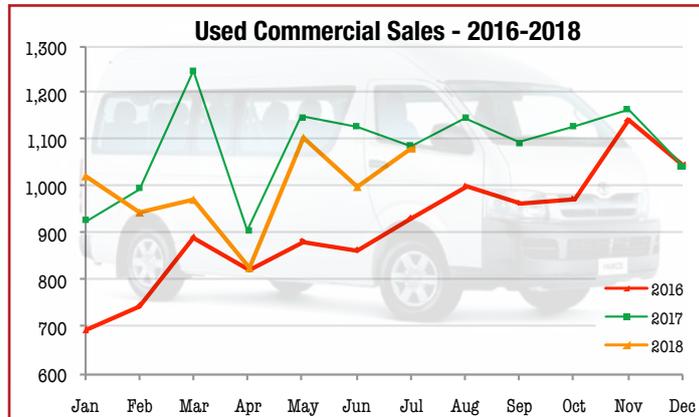
Sales of used imported commercial vehicles fell by only seven units, or 0.6 per cent, to 1,082 units in July compared to the same month of last year.

Year to date, the market has fallen back by 6.6 per cent – or 489 units – compared to the same period last year.

In terms of models, the Toyota Hiace led the way with 361 sales, Nissan's Caravan was second on 82 with Mazda's Bongo on 53 was in third place.

The Nissan NV200 was fourth with 48 and Fiat's Ducato fifth one unit behind.

Toyota topped the table on 477 units – a 10 per cent decrease compared to July 2017 – for a 44.1



per cent share of last month's market.

Nissan rose by three per cent to claim second on 240 units for a market share of 22.2 per cent. Next up was Mazda on 65 vehicles – down by 4.4 per cent

for six per cent of the market.

Year to date, Toyota holds a market share of 44 per cent thanks to 3,060 registrations. Nissan and Mazda hold 21.3 and 6.1 per cent respectively.

Jason Robb, used-vehicle sales manager at South Auckland Motors, says: "People are asking us to keep an eye out for the models they are looking for because quality commercials are often in short supply and the demand is always there.

"It's really important to make the most of every enquiry we get and keeping clients long term is good business for us.

"Utes are always popular. If I could multiply the number of used Rangers and BT50s we have, I would.

"And with the release of the facelifted Ranger and Raptor coinciding with each other [in October], and there will be good trades following on from that." ☺

Used Commercial Sales by Make - July 2018

MAKE	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	477	530	-10.0	44.1%	3,060	44.0%
Nissan	240	233	3.0	22.2%	1,480	21.3%
Mazda	65	68	-4.4	6.0%	424	6.1%
Isuzu	58	41	41.5	5.4%	396	5.7%
Fiat	47	3	1,466.7	4.3%	133	1.9%
Ford	39	49	-20.4	3.6%	289	4.2%
Mitsubishi	34	41	-17.1	3.1%	246	3.5%
Hino	24	41	-41.5	2.2%	238	3.4%
Holden	19	21	-9.5	1.8%	130	1.9%
Chevrolet	15	24	-37.5	1.4%	125	1.8%
Mercedes-Benz	10	5	100.0	0.9%	46	0.7%
Mitsubishi Fuso	9	5	80.0	0.8%	28	0.4%
Dodge	7	1	600.0	0.6%	42	0.6%
Daihatsu	6	3	100.0	0.6%	37	0.5%
GMC	4	1	300.0	0.4%	29	0.4%
Great Wall	4	1	300.0	0.4%	12	0.2%
Suzuki	4	2	100.0	0.4%	29	0.4%
DAF	3	0	2200.0	0.3%	18	0.3%
Hyundai	2	0	1800.0	0.2%	7	0.1%
Peugeot	2	1	100.0	0.2%	15	0.2%
Others	13	19	-31.6	1.2%	178	2.6%
Total	1,082	1,089	-0.6	100.0%	6,962	100.0%

Used Commercial Sales by Model - July 2018

MAKE	MODEL	JUL '18	JUL '17	+/- %	JUL '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Hiace	361	419	-13.8	33.4%	2,334	33.5%
Nissan	Caravan	82	71	15.5	7.6%	466	6.7%
Mazda	Bongo	53	59	-10.2	4.9%	347	5.0%
Nissan	NV200	48	45	6.7	4.4%	302	4.3%
Fiat	Ducato	47	3	1,466.7	4.3%	127	1.8%
Toyota	Regius	42	34	23.5	3.9%	232	3.3%
Isuzu	Elf	40	23	73.9	3.7%	233	3.3%
Toyota	Dyna	35	32	9.4	3.2%	232	3.3%
Nissan	NV350	35	28	25.0	3.2%	216	3.1%
Nissan	Vanette	29	31	-6.5	2.7%	179	2.6%
Nissan	Atlas	25	25	0.0	2.3%	151	2.2%
Toyota	Toyoace	20	12	66.7	1.8%	112	1.6%
Mitsubishi	Canter	17	20	-15.0	1.6%	113	1.6%
Nissan	Navara	12	18	-33.3	1.1%	62	0.9%
Toyota	Hilux	11	19	-42.1	1.0%	82	1.2%
Hino	Dutro	10	24	-58.3	0.9%	105	1.5%
Ford	Ranger	9	17	-47.1	0.8%	100	1.4%
Ford	Transit	9	11	-18.2	0.8%	67	1.0%
Holden	Commodore	8	9	-11.1	0.7%	53	0.8%
Hino	Ranger	8	14	-42.9	0.7%	100	1.4%
Others		181	175	3.4	16.7%	1,349	19.4%
Total		1,082	1,089	-0.6	100.0%	6,962	100.0%

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Stock reaches record high

New car stock has reached a new high by blitzing June's previous record by 3,463 units.

There were 11,503 new passenger vehicles imported during July. This was down by nine per cent on the same month of last year on 12,591, but up by 12 per cent on June's 10,263 units.

July's new import total was only 770 units short of May's 12-month high of 12,273 vehicles.

Registrations of new cars during July totalled 8,040 units, which was an increase of 5.7 per cent on July 2017's 7,605 sales, but was down by 17.3 per cent on June's 9,725 units.

When taking into account the total number of new car imports during July minus registrations, there was an increase in stock by 3,463 units, which led to stock on-hand rising to a new record high of 79,678.

That amount means there are 266 days of stock on-hand, or almost nine months' supply on dealers' yards or in storage.

The amount of stock on-hand is up by 4.5 per cent on June and by 10.7 per cent when compared to the same month of last year's 71,958 units.

Although there was a drop in registrations compared to June, July's daily average sales remained high at 299 – four units higher than the same month of last year and only one unit higher than June.

Year to date, 69,628 new cars have been imported into New Zealand, while 61,151 cars have been registered leaving a variance of 8,477.

John Manley, managing director of Nissan NZ, says the situation with the mandatory recall of vehicles fitted with alpha-type Takata airbags

is "going to go on and on".

He says: "It's in progress during the coming months as we get advice and components supplied to us from Japan. The recalls will obviously be staged. Basically, as information and components become available, we will issue recalls."

Manley adds there's no point in announcing all call-backs at once because "a flood of owners" would be going into dealerships at the same time.

Warren Brown, chief executive officer of Mitsubishi Motors NZ, says: "We have no cars with Takata's alpha-type airbags, but we do have cars fitted with other Takata airbags. We deal with recalls like any other manufacturer. It hasn't hurt consumer faith in the brand."

Warren Willmot, national sales and marketing for LDV New Zealand and SsangYong, says the dealerships

have been unaffected by the alpha-type airbag recall across both new and used vehicle stock.

Bill Taylor, dealer principal of Otorohanga Mitsubishi, says sales have slowed down recently.

"It seems to be because there is no confidence in the market," he told Autofile. "It can be hard to get a deal out of people."

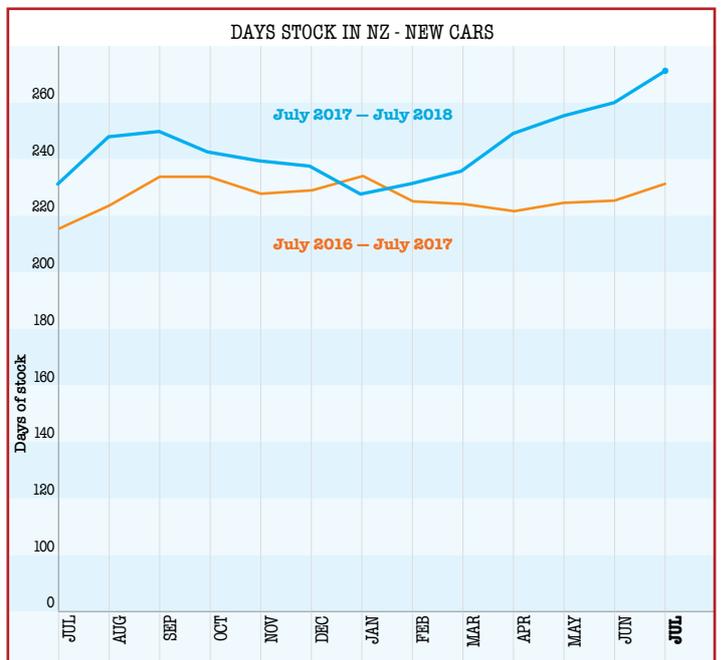
"We are following up leads after Fieldays and will get good results from that. We also get a lot of repeat business – you have to look after customers."

He says the ASX and Triton are popular in Otorohanga. "The Triton is our biggest seller. Sales of used cars are a bit slow unless you price them right. Trade-ins include Mitsubishi's and Holdens."

The dealership is checking all trade-ins for alpha-type airbags, but hasn't had any issues. ☺

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
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	7,281	7,415	-134	68,355	298	230
Mar '18	9,954	9,050	904	69,259	297	233
Apr '18	10,268	6,848	3,420	72,679	297	245
May '18	12,273	9,275	2,998	75,677	299	253
Jun '18	10,263	9,725	538	76,215	298	256
Jul '18	11,503	8,040	3,463	79,678	299	266
Year to date	69,628	61,151	8,477			
Change on last month	12%	-17.3%		4.5%		
Change on July 2017	-9%	5.7%		10.7%		
	<small>LESS IMPORTED</small>	<small>MORE SOLD</small>		<small>MORE STOCK</small>		



Ex-rentals may boost stock levels

Thousands of rental cars could end up in the used-vehicle market this year, according to an economics consultancy.

Demand hit a peak in the summer tourist season but with demand cooling in winter, rental companies are selling off old stock.

Infometrics reports the difference between rental registrations in summer compared to winter is widening.

For example, there was a 9,086-unit difference between peak registrations in 2012/13's summer and the following winter's low. This gap widened to the point that 12,432 more vehicles were registered as rentals in December 2016 than July 2017's off-peak low.

Given strong growth during the past summer season, it was estimated about 16,000 units would

leave the fleet by midwinter "either by being scrapped or – most likely – sold on the used-car market".

The growth in rental stock comes as little surprise given the number of tourists increasing by a similar amount over the past five years.

"As of January, rental cars registered was 56 per cent higher than in 2013, while tourist levels rose by 46 per cent over the same period," says Infometrics. "Visitor demand has been a strong push for fleet owners to increase stock. Furthermore, fluctuations in arrivals also affect fluctuations in the number of vehicles registered."

Looking ahead, demand for rentals may not expand as quickly as before. Growth in arrivals is expected to cool resulting growth in demand for rentals likely to be less.

Infometrics adds fluctuations in rental registrations may soften over

time because capacity constraints on accommodation availability in the peak season caps the number of tourists who can come here and rent cars.

However, there's a push to encourage visitors at off-peak times, which should help flatten out rental demand.

"Also, more rental companies are providing used vehicles, which suggests that – on average – units may stay in the rental fleet for longer.

"Although we're expecting more ex-rentals on the used-car market this year than ever, waning growth in visitor numbers – along with a flattening of demand peaks and lows – suggest the situation may improve over coming years."

As for last month's statistics, the amount of used stock sitting on dealers' yards fell by only 0.3 per cent when compared with July

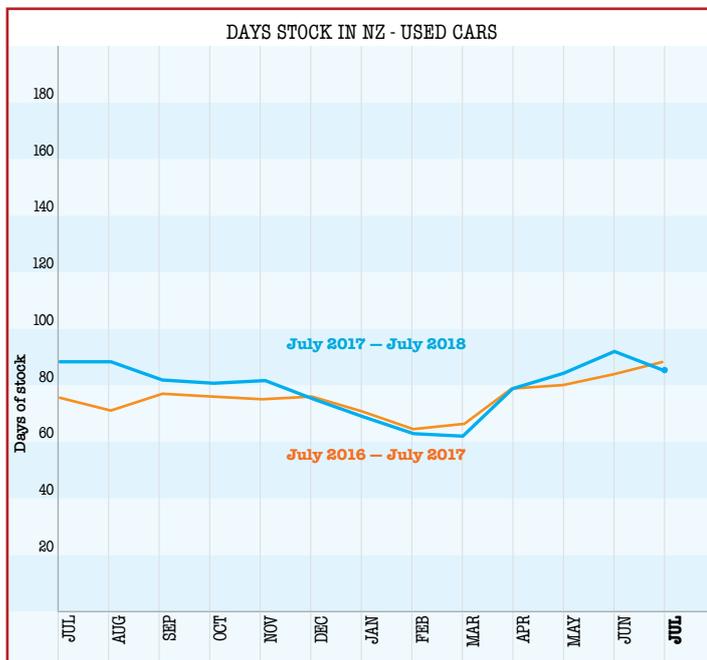
2017 but was down by seven per cent on June. It currently sits at 37,360 vehicles.

The decrease was due to a massive 32.1 per cent drop in the number of used passenger vehicles crossing the border in July compared to the previous month.

There were 11,046 units imported compared with June's total of 16,272, and used imports were down by 21.4 per cent when compared to July 2017's 14,055.

The stock decrease was also due to a 9.5 per cent increase in registrations – a total of 13,847 units – during July when compared with June's 12,651. However, registrations were down by four per cent on the same month of last year

Year to date, 91,177 used cars have entered the country and 88,419 units sold, resulting in a surplus of stock of 2,758 units. ☺



Dealer stock of used cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
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	7,686	12,048	-4,362	27,000	455	59
Mar '18	10,772	11,841	-1,069	25,931	448	58
Apr '18	19,438	10,893	8,545	34,476	444	78
May '18	15,484	13,420	2,064	36,540	441	83
Jun '18	16,272	12,651	3,621	40,161	439	91
Jul '18	11,046	13,847	-2,801	37,360	438	85
Year to date	91,177	88,419	2,758			
Change on last month	-32.1%	9.5%		-7.0%		
Change on July 2017	-21.4%	-4.0%		-0.3%		
	<small>LESS IMPORTED</small>	<small>LESS SOLD</small>		<small>LESS STOCK</small>		

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