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'More robust' system needed for inspections

The NZTA has extended the timeframe of review into entry certification and tackling supply-chain conflicts of interest

The deadline for industry views on policy changes to regulate parts of the supply chain for used imported vehicles has been pushed out.

The consultation period for the NZTA's review, which is called "managing the integrity of vehicle certification inspection", has been extended from November 30 to February 20.

It is part of a wider investigation into regulatory compliance "to create a more robust system".

The agency says the deadline extension "follows feedback more time is needed for detailed submissions to be given on the effect changes may have on business".

The review comes hot on the heels of chief executive Fergus Gammie announcing the NZTA will act on possible conflicts of interest in regards to its service providers.

The agency issued the statement after formal warning letters over potential conflict issues were sent to JEVIC NZ and VINZ in August. Its concerns stem



Fergus Gammie, chief executive of the NZTA

from Japan-based Optimus Group owning both companies.

As reported by Autofile in November, Gammie believes the issues involved are "serious" with the agency now carrying out the review "to establish what changes are required to prevent similar situations".

The agency's operational policy states vehicles entering New Zealand must be checked, certified, registered and licensed before they can be used on-road as part of the entry-certification process,

while its approach in assessing conflicts of interest are set out in the document.

"At the time the policy was created, some integration of the used-vehicle supply chain was anticipated and taken into account, but not to the extent that has subsequently occurred," states the agency. "This means one business could potentially be responsible for some or all parts of the entry-certification process."

The NZTA's proposed policy changes include:

- ▶ Clarifying how "conflict of interest" is defined.
- ▶ Tightening controls for appointing entry-certification inspectors and organisations for used vehicles to avoid such conflicts.
- ▶ Ensuring inspectors and organisations have an ongoing duty to inform the agency about conflicts of interest that arise.

There are also two proposed "global" changes. The first is current

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GUEST EDITORIAL

Research and tests key to future wins

Simon McManus argues polarised opinions hamper the debate about transport issues

With so much news about electric cars, flying taxis, autonomous vehicles and emerging modes of mobility, such as electric scooters, it's hard not to get excited by the future of transport.

However, opinions across the motor-vehicle sector, transport planning and infrastructure differ widely.

And because there's so much at stake, we need to be wary of decisions being impacted by poorly informed media opinions and those with purely commercial agendas. While well-meaning, such views can have a disastrous effect on society.

In technology circles, "vapourware" describes imaginary or in-development technology, software or hardware concepts not yet ready to purchase and that may never see the light of day.

The vehicle industry has always had its fair share of exciting, futuristic concepts. Just think of those on display at motor shows – either sleek or beautiful capturing the imagination, or just plain absurd.

They provide press-release fodder, which makes for entertaining reading as we look ahead along the road of transport disruption, but this vapourware often clouds our decision-making regarding future outcomes.

At Intelligent Transport Systems New Zealand (ITSNZ), our mission is to promote the development and adoption of sustainable, efficient and safe solutions.

Our organisation now encompasses advanced paradigm shifts, such as mobility as a service,



SIMON McMANUS
Executive officer, ITSNZ

shared-mobility solutions, and technologies that help infrastructure management and transport planning achieve better outcomes.

Decision-makers regularly face areas in which transport is being disrupted by technology

and new business models. At the same time, we all have to respond with urgency to important challenges, such as the climbing road toll, climate change and social equality. It's a perfect storm.

There has never been a greater need for bold decisions based on conversation grounded in fact. What adds to the difficulty of this is new technology and business models tend to be thin on the ground when it comes to proof of concept or real-world trials.

In vehicles already on the road, we're seeing level-two to three autonomous functionality. Yet drivers don't know the limitations, nor are testing facilities and staff equipped to inspect all new hardware and software.

A key message to come back from the 2018 ITS World Congress in Copenhagen is there's no shortage of exciting ideas, but that testing and research is critical.

New Zealand has a part to play. We're well-positioned to do so, and it's good to see crucial research, testing and trials getting under way.

We must support those who have worked hard to test ideas and concepts, and to encourage them to share outcomes so we can move towards better transport solutions for people and planet. ☺

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policy refers to “real or perceived” conflicts. The NZTA wants to remove these references because the new definition of “conflict of interest” captures “actual, potential and perceived”. The second is replacing references to its “access and use” group with “transport agency” staff.

The agency stresses entry certification is an important part of ensuring New Zealand has a safe land-transport system “the public can have confidence in”.

After consultation closes, feedback will be considered by its board and a final decision made with the date of effect to follow “soon after”.

CONFLICTS OF INTEREST

Part of the NZTA’s operational policy covers applying principles for appointing inspectors and organisations to different inspection and certification activities to prevent any “real or perceived conflicts”.

It also lays down category conditions to maintain service



WOFs, COFs, entry certification and border inspection are among services NZTA principles to monitor inspectors and providers apply to

integrity, and monitor external performance so variations in outcomes are mitigated.

The proposed changes include avoiding potential harms from conflicts of interest and unnecessary variations so “minimum standards are met in the interests of public safety”.

The amended clause will state: “A conflict means a situation where an applicant is or could be influenced, or perceived to be at risk of being influenced, by a financial, professional or personal interest. For the avoidance of doubt, [this] includes an actual or potential conflict or situation that may give rise to the appearance of a conflict.”

In regards to transparency, border-inspecting organisations, used-vehicle inspectors and entry certifiers have to disclose financial or professional interests in selling, importing, repairing or modifying vehicles, and specify how conflicts will be managed.

That will change to applicants being “subject to a duty to promptly disclose any interest” and satisfying the NZTA how any conflicts will be managed – including after applications have been granted.

Another change is those applying to carry out used entry certification will have to show “functional separation” between this and other inspection, repair and maintenance activities, such as warrants and certificates of fitness (WOFs and COFs). The existing wording states “a high degree of separation” must exist.

What will remain unchanged is the entry certifier – including parent and subsidiary organisations – cannot have ownership or financial interest in vehicles being entry-certified unless a transparent and robust system is in place to negate any conflict of interest, and ensure each vehicle is accurately assessed.

CROSSING THE BORDER

An extensive new policy clause will cover conflicts of interest arising from applications to certify used vehicles.

The NZTA says this activity plays a critical role in ensuring only safe vehicles enter the fleet, and promotes public confidence in the process as “part of an effective, efficient and safe land-transport system”.

If an applicant, or anyone who effectively controls the applicant, has a relationship with any other party that gives rise to a conflict concerning the applicant

providing entry certification, the NZTA must either:

- ▶ Decline the application if the conflict arises because either party provides border-inspection services or has any ownership interest in respect of used vehicles that would be certified by the applicant.
- ▶ If the application doesn’t involve a conflict and a key inspection service cannot be provided otherwise, the applicant will reduce or mitigate any risks to an acceptable level.

Effective control includes any shareholding in the applicant, common directors, ultimate holding company, beneficial entitlement to or interest in an applicant, the right to exercise any voting power at a meeting and any close personal relationship with the applicant.

“In weighing considerations to reach a decision about whether to decline or approve an application, agency staff may have regard to any requirements and conditions of performance of used-vehicle entry certification, which may be imposed,” says the NZTA.

SCOPE OF REVIEW

The purpose of the operational policy is to provide a framework for the NZTA to evaluate and appoint inspecting organisations and inspectors, and “manage the integrity of services”.

In addition, the guidance will “ensure our service-delivery processes allow customers to benefit from a competitive market without compromising safety”.

Principles to evaluate, appoint and monitor organisations and inspectors apply to WOFs, COFs, light-vehicle repair inspection and certification, low-volume vehicle specialists, entry certification, heavy-vehicle engineering certification including local manufacture and modification, alternative fuel certification and border inspection.

The NZTA manages its policies in this case through the Land Transport Act, Land Transport Rule: Vehicle Standards Compliance and Land Transport (Ordering a Vehicle off the Road) Notice. ▶

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Section two of the rule sets out the application criteria for inspectors and inspecting organisations. The agency aims to work with them in an "open and transparent way to achieve high standards".

It adds: "A policy framework is required to provide a level playing field for all to compete on price and service while not compromising standards."

The agency appoints applicants to different categories to avoid potential harms from conflicts of interest, and applies conditions to maintain service integrity. It monitors work to avoid outcome variations and ensure standards are met.

"Contextual factors giving rise to conflicts vary between categories and may vary between providers," it says. "In some situations, a conflict may be grounds for declining an application."

"When weighing up conflicts of interest between inspection and certification services – and other functions related to the importation, maintenance, service, operation and sale of vehicles – the agency's fundamental principles are transparency, separation, codes of conduct and monitoring."

"Because used vehicles have their own histories relating to maintenance, usage, accidents and component replacement, the agency requires greater assurance any interest in selling or importing vehicles held by border inspectors or certifiers will not compromise standards."

"Organisations applying to carry out border inspections will be required to demonstrate how [these] functions will be separated from other services that might otherwise be carried out by the inspection organisation."

"[Those] applying to carry out used light-vehicle entry certification will be required to demonstrate functional separation will exist between entry-certification and other activities."

REACTION OF INDUSTRY

The Motor Trade Association (MTA) believes the NZTA's current focus needs to be on the way it ensures competent vehicle inspections are being performed.



The Motor Trade Association owns 40 per cent of VTNZ

Greig Epps, advocacy and strategy manager, says consultation on parts of the agency's policy relating to conflicts of interests fail to cover bigger industry questions.

"The NZTA doesn't appear to have a very robust audit system in place," he told Autofile. "This review should look to place greater emphasis on enforcement, not just tightening language around conflicts."

"The core problem with inspecting organisations that have come under scrutiny recently isn't their management of these conflicts of interest, but the way in which the agency has overseen the quality of inspections."

"Given the government's commitment to introducing a Vision Zero road-safety approach, we are proposing in our submission that the agency needs to look at its whole policy in this context."

The MTA retains 40 per cent ownership of VTNZ through DEKRA NZ, which is jointly owned with German company DEKRA.

Epps doesn't see a conflict of interest here as the MTA has no financial interest in vehicles being inspected. He stresses the enforcement process needs to come under the spotlight with a focus on the ongoing development of inspectors to ensure they stay at the top of their game.

He notes VTNZ has around 80 sites nationwide and the MTA has about 1,800 members carrying out WOF inspections.

"That's a small part of a small part of the issue as are other organisations that have been in the news about possible conflicts of interest," says Epps. "The real issue is how the inspectors have been inspected."

"The NZTA is taking a battering at the moment. The MTA wants to work with it to improve the inspection regime and not just beat down on it."

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association) says: "We are down the middle on this issue."

"We support competition in an open market with the rider that we don't want to see a race to the bottom in terms of price-cutting because the ultimate result can be service providers going out of business."

VIA sees the NZTA as having a regulatory role to ensure no conflicts of interest – or perceived ones – exist or arise, and understands and acknowledges both sides of the situation in this matter.

"We believe businesses should be able to make their own commercial arrangements so


business models work," adds Vinsen.

"That said, there are some concerns about international business-to-consumer supply models unless there is a New Zealand-domiciled business that can supply the necessary provisions of the Consumer Guarantees Act."

David Crawford, chief executive officer of the Motor Industry Association, recalls the last time compliance systems were reviewed about four years ago, it was about involving more organisations in doing this work and providing greater choice around service providers.

"It's something we supported because we didn't like having just


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four service providers," he explains. "We also recognised the need for new processes to provide for separation due to conflicts of interest.

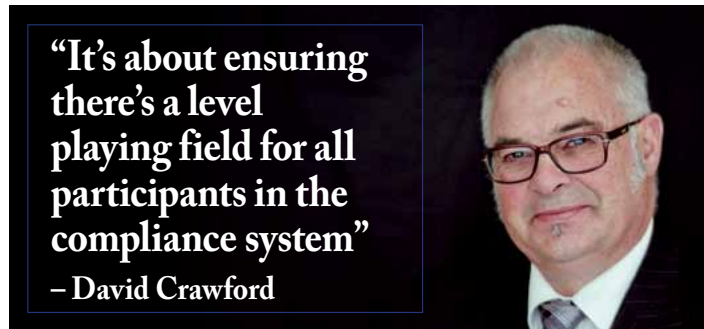
"We have confidence in the present arrangements, but there should be adequate separation between those providing border inspections and those undertaking compliance – WOFs and COFs – in New Zealand.

"The MIA accepts there's a need for better clarification of what constitutes a material conflict of interest and when a perceived conflict needs to be addressed."

Crawford adds a robust inspection system is required with entry certification and questions if a company completing compliance should also doing certification.

"Whether vehicles comply at the border from the country of origin and then comply at entry certification are vastly different. It's about ensuring there's a level playing field for all participants in the compliance system."

While JEVIC NZ and VINZ's



arrangements have been high profile leading into this review, Crawford notes they aren't the only companies operating in this space with common parent-ownership models.

The MIA has no view on whether such set-ups are appropriate other than the rules need to apply evenly to all service providers – and it's up to each one to demonstrate to the NZTA their operations meet the test of mitigating conflicts of interest.

"Any conflict or risk, real or perceived, needs to be managed to ensure vehicles entering the fleet meet required standards and the public needs to have confidence standards are being

reached," stresses Crawford.

"When a border-inspection organisation, inspection agent and shipping agent have a joint owner, it needs to be ensured short-cuts aren't and cannot be taken. We're not saying short-cuts have been or are being taken.

"But it requires open and transparent governance by the NZTA on all providers to achieve a robust and defensible compliance system. Certification needs to be managed with suitable separation from WOFs and COFs.

"The proposed changes, which have been carefully crafted by lawyers, are supported by the MIA

as a step in the right direction. They are better than what we have because they're more explicit. They were originally more open to interpretation and this could have led to a wider range of outcomes.

"The NZTA is narrowing down what's required and including more detail. It has to be managed properly when a company is vertically integrated. The review is explicit on managing this and similar situations."

Fergus Gammie, the agency's chief executive, stresses: "We are undertaking a review of our approach to conflicts of interest to ensure it aligns with our focus on safety.

"Existing policies have been identified by the board as an area of serious concern. The board has tasked the agency's management team with implementing a new approach, noting conflicts of interest are unacceptable in modern business practice."

The NZTA told Autofile it will make no further comment on the review until it's completed. ☺




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God save 'New Zealand'

What's in a name? Quite a lot, according to the NZ Motoring Writers' Guild.

But not enough for the Commerce Commission to get its knickers in a twist about what organisations call car of the year awards, let alone the use of "New Zealand".

Here's the deal. In 2012, the AA teamed up with the guild to jointly stage the NZ Car of the Year Awards, which the latter says it started 30 years ago.

The guild then informed the AA in December 2017 it "wouldn't be continuing with the agreement".

Before last year's final, sources tell Autofile the guild may have requested there be 11 finalists whereas in the past there were 10, which was the number the AA wanted to stick to.

Getting an extra car into Auckland's Viaduct Centre, where the final was held, would have been logistically more challenging. And why change a winning formula?

This year, the AA has teamed up with NZME Publishing instead to launch

the AA Driven New Zealand Car of the Year Awards.

"New Zealand" being in title prompted the guild – whose president is Richard Edwards, managing editor of Auto Media Group – to take umbrage. Correspondence between the guild and AA ensued.

Dissatisfied with the response from the AA, which quite rightly believes you can't copyright "New Zealand", the guild complained to the commission that legislation had been flouted.

"We didn't consider there to be a breach of the Fair Trading Act to pursue the matter," says a commission spokesman. "We considered the intellectual property concerns may be better suited to private action between the parties."

The guild is now contemplating its next move and the Subaru Forester took out its crown this year.

Meanwhile, Autofile has obtained letters between the two parties on the issue – visit www.autofile.co.nz. ☺

Trade Me faces takeover offers

A second buy-out offer for Trade Me has been received from a US-based private-equity firm.

Hellman & Friedman is willing to pay \$2.56 billion, which equates to \$6.45 a share. This trumps an earlier indicative bid of \$2.54b from Apax Partners.

The latter has offered \$6.40 a share, has its headquarters in the UK and is also a private-equity company.

Trade Me has advised Apax of the competing proposal, but has decided it will also engage with Hellman & Friedman on the latest bid, which is subject to certain conditions.

"Apax is undertaking due diligence on an exclusive basis following its preliminary, non-binding, indicative proposal was announced on November 21," says Trade Me in a statement released to the NZX on December 5.

"This exclusivity is subject to a 'fiduciary carve-out' that allows Trade Me to engage with third parties on unsolicited proposals.

"The board has decided it's in the interests of Trade Me and consistent with its fiduciary obligations to also engage with Hellman & Friedman on the new proposal.

"The board notes there's no certainty either proposal will result in an offer, or any other transaction, for Trade Me."

Hellman & Friedman, which operates out of San Francisco is private-equity fund manager focusing on large-scale equity deals.

Last year, it was one of several bidders for Australian publisher Fairfax Media Group and its online real-estate listings unit Domain.

In regards to the Apax offer, Trade Me informed the NZX on November 21: "The board advises shareholders they don't need to take any action in relation to the indicative proposal, and shouldn't do so without assessing all available information and also

seeking professional advice."

Apax is an "independent global partnership" focused solely on long-term investment in growth companies. Funds advised by it typically invest in technology, telcos, health care and consumer businesses valued from \$1.7-\$8.4b, which puts Trade Me in its sweet spot.

Its companies employ more than 150,000 people in businesses that at the end of 2016 generated combined revenues of about \$31b.

Shares in Trade Me jumped by 18 per cent, or by 96 cents, to \$6.06 after the first offer was revealed to the NZX – the highest they have ever traded at. The Apax offer valued the company at \$2.5b – about \$500 million more than its share-market value when trading closed on November 20.

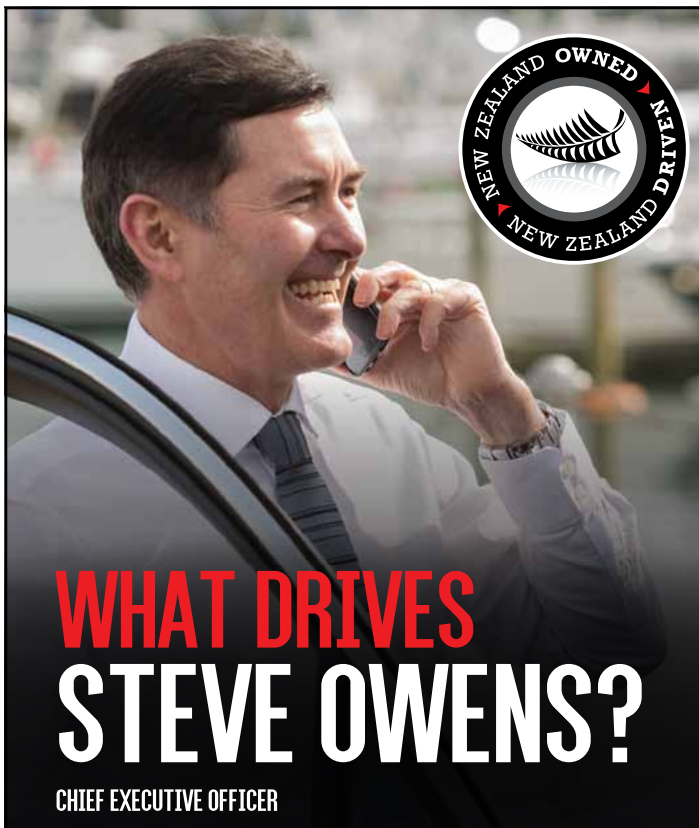
Founded by Wellingtonian Sam Morgan and previously owned by Fairfax Media, Trade Me was initially floated on the NZX after raising \$363.5m at \$2.70 a share.

In 2017/18, its financial performance continued to be strong. It grew revenue by just under seven per cent year on year to \$250.4m. Earnings before interest, tax, depreciation and amortisation rose by 6.2 per cent to \$163.8m and net profit went up by 2.3 per cent to \$96.6m.

"The board and management always take the long-term view when investing your money," chairman David Kirk told shareholders at last month's annual general meeting.

"The total regular dividend payment for 2018 was 19.6 cents per share, an increase of six per cent on the previous year. In addition, the board decided to pay a special dividend of 22 cents per share in September."

Trade Me's chief executive officer, Jon Macdonald, announced in June he would step down at about the end of this year and a replacement has yet to be named. ☺



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Bid to boost response rates

The NZTA has started to contact people who have failed to have alpha-type Takata airbags in their vehicles remedied as part of a nationwide mandatory safety campaign.

Recalls have been completed for about 85 per cent of New Zealand-new vehicles and half of used imports, which means about 41 per cent are outstanding.

The Motor Industry Association (MIA) is now working with the transport agency, which is sending warning letters to owners contacted three or four times by marques.

"The percentage of NZ-new owners yet to take in their vehicles is small," says David Crawford, chief executive officer. "By using vehicle identification numbers [VINs], the NZTA is contacting them to say they may not get a warrant of fitness [WOF] unless remedial work is completed. As an aide to improve the understanding and importance of information in the government's letter, its contents have been written in several languages, so now we have to see if there's a boost in response rates."

If the government's letter has been sent and the owner still chooses to not complete the recall, the new-vehicle distributor has technically completed its

Mandatory Takata alpha airbag recalls

TYPE OF VEHICLE	TOTAL IN RECALL	COMPLETED	INTERIM FIX	REGISTERED	YET TO DO	REMAINING	COMPLETE
New Zealand-new	21,003	17,714	6,778	167	3,077	14.7%	85.3%
Used imported	63,608	29,264	116	2,558	31,631	49.7%	50.3%
Total mandatory	84,611	46,978	6,894	2,725	34,708	41%	59%

Voluntary Takata non-alpha airbag recalls

TYPE OF VEHICLE	TOTAL IN RECALL	COMPLETED	INTERIM FIX	REGISTERED	YET TO DO	REMAINING	COMPLETE
New Zealand-new	232,787	145,055	9,300	1,399	86,333	37.1%	62.9%
Used imported	283,712	80,673	3,174	3,692	196,717	69.3%	30.7%
Total voluntary	516,499	225,728	12,474	5,091	283,050	54.8%	45.2%

Source: MIA – November 22, 2018

obligations under the call-back process and it will be up to the NZTA to decide if unremedied vehicles get future WOFs.

"Marques have completed the process in different ways," says Crawford. "All distributors in the mandatory recall have eventually got required parts coming into the country. The availability of parts has increased during the process. We still don't have all of them for the voluntary recall, but generally supply has gone up."

"There has been a lot of work by many organisations, which has taken a lot of time. We've identified all vehicles covered by the mandatory recall, but the last thing we want is to come off the pedal now. This is why the NZTA letters for people to take vehicles in are so important."

Earlier in the year, the MIA concluded some people were failing to take the recalls seriously

and different government agencies weren't working together.

"Then Kris Faafoi, the Minister for Commerce and Consumer Affairs, scrutinised the process," Crawford told Autofile. "The result was the NZTA and Ministry of Business, Innovation and Employment, and the industry and government, working better together."

"Prior to the Takata recall, the only way a New Zealand distributor could assess if used-imported vehicles affected by the recall were in this country was to search the motor-vehicle register, which would show them when first sold here."

"This was too late in the recall so – with the NZTA's help – systems have been developed for distributors to capture relevant data at entry compliance. The marque could then check with its head office on recall status for vehicles' airbags."

"We're confident of having

identification processes in place for the government and industry to say there's a recall in place or not."

"It has taken several months' work, but we've done 85 per cent of NZ-new vehicles meaning about 3,000 still have to be remedied."

In addition to work done by the industry, Faafoi has been encouraging more owners to get cars remedied by stressing this is free no matter if bought privately, through a dealer, new or second-hand.

He says: "We have higher crash rates than we've seen before so it's important all vehicles have safe airbags. Consumers can check whether theirs are affected on www.rightcar.govt.nz and what to do if that's the case."

While main centres make up more than 21,000 of about 35,000 alpha airbags yet to be remedied, Faafoi is concerned some areas have high numbers needing attention. ☺

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Coping with high-tech disruption

Electric vehicles (EVs), autonomous vehicles and mobility as a service are likely to ultimately change the face of the automotive industry – with knock-on effects on car-ownership models, and finance and insurance (F&I).

That's the view of three players in the emerging technology space, who shared their perspectives on the future during a "road bumps" discussion at October's annual conference of the Financial Services Federation.

Autofile caught up with the panellists – Michael Cameron, Oscar Ellison and Dean Sheed – to discuss their ideas and recommendations.

Cameron is a lawyer and driver of legislative reform on autonomous vehicles, Ellison is founder and chief executive officer of Auckland-based peer-to-peer car-sharing company YourDrive, and Sheed is general



From left, Oscar Ellison, Michelle Herlihy, Custom Fleet's New Zealand country manager who hosted the session, Michael Cameron and Dean Sheed

manager of Audi NZ and a Drive Electric board member.

RECEPTIVE LAWS NEEDED

Achieving clarity and certainty around liability in the event of motoring accidents involving partially and fully autonomous

cars is going to be critically important as technology drives forward, says Cameron.

While current liability regimes find a negligent motorist liable for an accident, it's likely that once the need to drive a vehicle is removed, liability will shift to the manufacturer.

"Communication of the legislation will be crucial. We could scare a lot of companies that want to deploy their technology or invest in New Zealand because they might see it as an unfriendly move writing legislation that makes them liable. I would, however, argue that a law change is not unfriendly because the courts are going to hold manufacturers liable anyway, but it makes it clear and therefore allows manufacturers to plan."

Cameron, who won the 2016 Law Foundation's International Research Fellowship for his project on "realising the potential of driverless vehicles", sees the biggest risk for New Zealand as needing people to think the country is open for business and our laws are receptive to the deployment of driverless technology. However, it's unclear at the moment that is the case.

"We haven't written any laws to facilitate driverless vehicles, which is a good and bad thing. It's a good thing in a sense as some jurisdictions have changed their laws in a way that makes them less receptive to driverless vehicles."

Cameron points to the recent

driverless car law reform across the Tasman, which has attracted controversy due to its limiting nature.

"On top of everything else you have to do to get a vehicle on the road in Australia, you also need to get an application that asks questions on whether your driverless vehicle is safe to drive without a driver.

"If you make a bureaucrat decide whether something is safe or not, the safest thing for them to do is to say no. I think companies will be put off from even trying to put their vehicles on the road in Australia."

He believes our government needs to pass legislation that states autonomous vehicles do not need drivers to go on roads in New Zealand, accompanied by an explanation about how Kiwis will be kept safe, which would be through the NZTA exercising its back-end powers.

"I'm just really worried that we will miss the boat," adds Cameron. "Jobs are going to be destroyed no matter what we do, so whether we get some of the jobs that are created by autonomous vehicles is by no means certain. The best way to predict the future is to make it happen, rather than passively waiting for things to happen."

FINANCE KEY ENABLER

As new ownership scenarios play out, F&I companies will probably find themselves providing services to not only individual owners, but

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"Now is the time for the insurance and finance industries to immerse themselves in emerging technologies," says Sheed. "They don't need to become experts, but they need to understand what's coming."

"As we grow in levels of autonomy, cars will have sufficient technology in them for a serious reduction in crashes and eventually we won't have any more accidents."

"The insurance industry has to look to see where it adjusts premiums, and do its forecasting and assessments based on a sliding scale of autonomy – where we are today versus where we're going."

In terms of electric cars, Sheed believes the finance industry can help grow the number on New Zealand's roads. "It is an enabler for EVs to get a higher penetration in the marketplace because they are financing fleets and individuals. If it doesn't have its head around the technology, then the whole notion of EV numbers growing could be hindered."

"They are key enablers. The more they get on-board and the more they understand the topic, the better off we all will be."

New Zealand's 10,000th EV was registered in September, an achievement that puts the country ahead of the government's goal of 64,000 units by 2021. However, Sheed believes more can be done.

"Can we do better? Can we enable more EVs to come onto the market? For sure. There's a lot more the government can do, and there's more that businesses and private individuals can do."

"Some of it's something they can do today, but actually you need more choice in the market for consumers. More choice equates to more consumers who are willing to give them a go."

There are plenty of opportunities for the F&I industry in New Zealand as long as it moves with the times and adapts, opines Sheed.

"There's just some thinking required, some changes to current programmes. But there's nothing gargantuan there that should scare the insurance and finance industries. What is unique today will be mainstream at some point

in time. All we are doing is moving along that curve from being unique to being mainstream."

CATERING FOR NEEDS

Understanding consumer patterns around mobility and the technology that drives them will help the F&I industry adapt its responses accordingly, believes Ellison.

"The whole shared-mobility area fights against car ownership, which is what the insurance and finance sectors need to cater for," he told Autofile.

"The big headline number in New Zealand is 95 per cent – 95 per cent of the time vehicles sit around doing nothing and five per cent of the time we use them – so there's a huge inefficiency in the way we use them at the moment."

"Just 10 to 15 years ago, you had to own a vehicle to have freedom. But everyone now has a smartphone, so you can order an Uber whenever you want, jump online and grab a car through YourDrive, or scan an electric bike or scooter."

Ellison believes the F&I sector needs to be willing and nimble to change the way it views risk and supports emerging companies paving the way for New Zealanders to benefit from these technologies.

"We have developed our own insurance policy for vehicles when they're in our scheme, so with our own model we use a commission from each sale to carry out roadside assists and cover the insurance aspect."

He recalls that initial discussions with insurance companies were quite difficult at first. "We had a lot of meetings when we were laughed out of the office due to our 'crazy idea' because they believed it would never work."

"We have found some insurance companies aren't that receptive. They should be doing more for emerging businesses because technology is allowing things to change in New Zealand. You don't forget people who have supported you, and being more open to these new models means more collaboration during times of disruption."

Visit www.autofile.co.nz to read more of Lucy Pink's interviews with the panellists. ☺

Tackling tech issues

Speakers and programme ideas are being sought for T-Tech19 being organised by Intelligent Transport Systems New Zealand (ITSNZ).



The conference, which is taking place in Christchurch from May 5-7, will feature presentations by thought-leaders, technology experts, academics and innovators. It's also a forum for updates and discussion on government policy, major projects and initiatives.

Simon McManus, executive officer of ITSNZ, says the organisation is calling for papers and presentation submissions on the themes for next year's event, which is often described as the country's leading conference to explore transport innovations, trends and research.

The closing date for submissions for papers and presentations is December 18. Subject matters are future transport and cities, sustainability, efficiency and beating climate change, and future

freight. Others are safety in cities and transport, and connectivity, cybersecurity, data and digital infrastructure.

Submissions will be judged by a panel of ITSNZ members with up to five papers selected along with five more presenters.

McManus, pictured, adds: "Once reviewed by the committee, selected submissions will automatically be added to a preliminary line-up and published as part of our programme." Visit <https://itsnz.org/t-tech19> conference to find out more. ☺



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IN BRIEF

Prosecution to seek three-year jail term for thefts

The ex-general manager of Central Motor Group has been found guilty of stealing more than \$140,000 from the Taupo dealership.

Stephanie Elmiger has been convicted on 225 charges covering 2013-16. Much of her offending related to transfers from accounts she controlled, credit-card transactions and payroll payment charges.

Judge Snell said her offending began shortly after she started at the Ford and Mazda franchise, and it became "increasingly bold and blatant as her sense of entitlement grew".

The prosecution will seek a sentence of about three years, while Elmiger's lawyer said she would sell her property to pay back what she stole. Visit www.autofile.co.nz to find out more.

Clarkson's 'tingling' in back of head leads to award

It seems fame has no bounds. Jeremy Clarkson now has his own car of the year award, which for 2018 has been bestowed on the Lamborghini Huracán Performante, pictured.



The ebullient presenter handed over the honour to Maurizio Reggiani, the marque's board director for research and development, at News Corp's London headquarters where the Sunday Times and Sun newspapers presented their inaugural motoring awards.

Clarkson, who regularly writes syndicated articles, says: "You get into it and don't know what it is that's tingling the back of your head, but think, 'this thing's good'. There's only been one car in the past 12 months where I've had that feeling."

Marque recalls cars due to electronic issue with engine

Toyota NZ is calling back 169 hybrids because their fail-safe mode may result in the engine stalling.

It follows the company recalling 2.4 million hybrid-electric cars, mostly Priuses, worldwide to remedy the defect, which increases the risk of crashes. The call-back in the US includes various Prius models built from 2009-14.

A spokesman for Toyota NZ says: "This is a precautionary recall due to the possibility, that in the event of an internal component failure, the hybrid system could shut down instead of going into fail-safe mode."

Swift ratification needed to avoid adverse outcomes

The Japan Automobile Manufacturers' Association has welcomed the agreement on the UK withdrawing from the EU.

It hopes ratification by the UK parliament and EU member states is swift to avoid the adverse consequences a "no-deal Brexit" would have for corporate activities and consumers.

Chairman Akio Toyoda says: "Free trade between the two based on regulatory harmony will be needed to maintain the automotive sector's competitiveness in the UK and EU. We hope clarity will emerge in regard to the relationship as soon as possible after the start of the transition on March 29, 2019."

Dates announced for bigger show at more venues

The 46th Tokyo Motor Show will be held from October 24 to November 4, 2019, primarily at Big Sight in the city's Ariake district.

It will be open to the public for a longer period and expanded to include more nearby venues, such as the waterfront. ☺

Ship turned away due to stink bugs

A vessel has been ordered to leave Kiwi waters after stink bugs were discovered on-board.

Officers from Biosecurity New Zealand intercepted three live and 39 dead brown marmorated stink bugs (BMSBs), and 69 other dead regulated stink bugs, after the Carmen arrived in Auckland on the morning of November 28.

The Wallenius Wilhelmsen ship was carrying a range of vehicles from Europe and the US. It left port the following afternoon and will have to be treated offshore.

"If permitted to come back, it should expect intensive inspection before we allow any cargo to be discharged," says Steve Gilbert, border-clearance services director with Biosecurity NZ.

"We informed the industry prior to the start of the season of our hard line on vessels believed to be infested with stink bugs. This is about ensuring a dangerous pest doesn't get a chance to establish here."

Gilbert adds the interceptions indicated the cargo was likely to be infested with stink bugs and he believes the ship itself was also contaminated.

The Carmen is the first vessel to be ordered to leave New Zealand waters since the start of the 2018/19 stink-bug season in September.

In February, four roll-on, roll-offs arriving from Japan were turned around for biosecurity reasons. This resulted in low volumes of arrivals in that month and March, before huge amounts of vehicles crossed the border in April.

Meanwhile, the Department of Agriculture and Water Resources (DAWR) has made the "irrevocable decision" for Armacup's Triumph to leave Australian territory after being reinspected.

The shipping company reports it was determined on November 23 that the biosecurity risks associated

with the vessel's cargo, which was loaded in China, Korea and Japan, remained too high to allow the previously agreed controlled discharge plan to take place.

Subsequently, the Ministry for Primary Industries (MPI) advised Armacup the Triumph would be denied entry to New Zealand's territorial waters.

In a statement to customers, Armacup says: "All cargoes destined for Australia will require to be treated as per DAWR-approved treatment methods for BMSBs before these cargoes will be able to be reimported into Australia."

"As a direct result, the vessel is proceeding back to Asia. Armacup will work closely with all affected cargo interests to find the best possible solution for cargoes."

Armacup has also extended this decision to another of its vessels, the Lake Como. "Considering the outcome of the Triumph, Lake Como will not continue its voyage to Australia and New Zealand."

"We are currently working on possible alternatives for its affected cargo."

Some stink bugs were found on-board the Triumph in Brisbane while it was en-route to Auckland via other Australian ports – as reported in the November issue of Autofile.

The MPI says BMSBs have spread to the US and Europe from Asia although they are unestablished in New Zealand.

"It's a sneaky pest that we've caught at the border many times, hitch-hiking on passengers and in imported goods," says a spokesman.

"So far we've managed to stop it settling here. They're hard to see, hard to kill, travel far and breed fast."

"These bugs could be a damaging economic pest and household nuisance. Known to feed heavily on a variety of plant species, they would attack grapes, kiwifruit, apples, citrus and stone fruit, corn and other valuable crops." ☺

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Realism hits industry hard

The Mondial de l'Auto at the Porte de Versailles exhibition centre traditionally features a host of new offerings from the world's biggest manufacturers.

But this year, upwards of a dozen marques – including Ford, Volkswagen, Opel, Volvo, Rolls-Royce, McLaren and Bentley – failed to exhibit in the French capital.

And some naysayers, including national European media outlets, put their knives into Paris Motor Show ahead of its October 4-14 run with stories pondering if it was "the end of the road" for such events.

There was some grim realism with marques battling the downturn of diesel and new Worldwide Harmonised Light-Vehicle Test Procedure, which measures fuel consumption and carbon-dioxide emissions as well as pollutant emissions.

The new testing applied to



The Bugatti Divo

all new car registrations from September, although EU measures for end-of-series vehicles allow for limited numbers approved under the old regime – the New European Driving Cycle – to be retailed until September 2019.

On top of that, there were concerns about selling cars in the US due to the tariff war and Brexit's uncertain effects.

Jaguar Land Rover was among those to criticise legislators for a lack of action to safeguard the automotive industry, while companies continue to grapple with possible impacts of a hard Brexit – especially the likes of Nissan and Renault, which have UK factories.

As for the cars in Paris, Bugatti stunned the crowds on its home turf by unveiling the Divo. All 40 units in the launch's limited series – each with a price-tag of about NZ\$9.13 million – were sold after presentations to customers.

The marque wanted to create a super sports car different in character to the Chiron that would still be recognised as a Bugatti.

The Divo has an eight-litre W16 engine with output of 1,103kW. The aerodynamics have been fine-tuned, and suspension and chassis settings modified. It's 35kg lighter and has 90kg more downforce than the standard Chiron. The 0-100kph dash takes 2.4 seconds and its maximum speed is limited to 380kph.

The rear pulls its weight via a wider and deeper diffuser, which splits each side of retrimmed quad exhausts, and a 1.8m-wide hydraulic wing. There are stiffer springs, dampers and anti-roll bars,

and an extra degree of negative camber on the wheels.

From 2019 onwards, the Divo and Chiron will be made at the brand's headquarters in the Alsace with deliveries planned for 2020.

BRANDS COLLABORATING

BMW has decided against developing an M version of its upcoming Z4 roadster, despite benchmarking the convertible on its high-performance M2 coupe.

The Z4 will have three engine variants. They include a two-litre 20i with 145kW of power and torque of 320Nm, the 30i with 190kW and 400Nm, and the M Performance M40i with 250kW and 500Nm from its inline six-cylinder.

The company didn't consider a full-on M version to sit alongside the M3, M4 and other siblings because volumes would have been too small, while a high-performance hybrid would have been too niche an offering.

The Z4 is the result of a collaboration between the German marque and Toyota, which will launch the mechanically related Supra coupe next year. Both cars are based on BMW's Clar architecture underpinning the new 3 Series and other models.

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Hyundai's new i30 Fastback N





The Lux A2.0 sedan from new car manufacturer, Vinfast



BMW's all-new Z4

POWERING INTO FUTURE

Future Skoda RS variants are likely to use electrified powertrains with the Czech marque's global chief executive, Bernhard Maier, saying the plug-in hybrid Vision RS hot-hatch concept provides a glimpse of the performance sub-brand's future. It also previews the next-generation small car that will ultimately replace the Rapid.

The company uncovered its high-performance diesel Kodiaq RS in Paris – the first SUV to wear an RS badge. It produces 176kW of power and 500Nm of torque from its twin-turbo four-cylinder engine.

The Vision RS' plug-in hybrid powertrain includes a 1.5-litre TSI petrol engine and an electric motor for total output of 180kW, a 0-100kph time of 7.1 seconds and an electric range of 70km.

PERFORMANCE PACKAGE

Hyundai revealed the 2019 i30 Fastback N, which is the second model from its N Performance division after the i30 N hatchback.

It features the two-litre turbocharged engine first introduced in the i30 N. Its standard package delivers 184kW and uses 7l/100km on the official combined cycle. The performance package's vital statistics include 202kW and 7.1l/100km.

Maximum torque of 353Nm comes in both specifications. Overboost further increases torque up to 378Nm and is activated when the maximum threshold is reached.

The i30 Fastback N with the standard package accelerates from

0-100kph in 6.4 seconds with the performance shaving 0.3 seconds off. Its maximum speed is 250kph.

Inspired by motorsport, the N range is derived from Hyundai's participation in the FIA World Rally Championship and the Touring Car Racing international series.

STRATEGY FOR ELECTRIC

Hybrid technology being developed will boost the efficiency and performance of AMG's four-litre bi-turbo V8 in its models, says Mercedes-Benz, although the six-litre V12 will go out of production after the current S65's lifecycle.

AMG has downsized its V8s from 6.3 litres to 5.5l and now 4l to meet fuel efficiency and emissions demands over the past several years. However, the V8 will figure in the plug-in hybrid AMG GT four-door flagship with as much as 600kW of power.

The idea is to match the 470kW V8 with electric motors producing more than 100kW. The aim is for a vehicle that can smoke many opponents on track days and commute on electricity.

AMG's strategy on electrification is to develop hybrids across its range with some using Formula One technology trickling down from the new AMG One hypercar, which mixes a Mercedes F1 1.5-litre V6 with high-performance electric motors.

NEW MARQUE BORN

Former Holden engineers from Australia are helping to build a company from scratch in Vietnam. With the marque closing its

manufacturing operations in October 2017, some redundant staff have found roles with VinFast, the fledgling automotive arm of Vingroup that has property, retailing and education holdings in the Asian country.

Due to launch two products next year, it brought in former England football legend David Beckham to show off its prototypes in Paris.

The 5 Series-based Lux A2.0 sedan and X5-led SA2.0 large SUV are based on hand-me-down BMW platforms and engines with Pininfarina designs.

The company is building a factory in the port city of Haiphong to start pilot production in March next year ahead of full

production in September 2019.

With much of the engineering work being done in Austria using BMW technology, the company is starting with luxury cars before moving into other segments.

The Lux vehicles shown were powered by superseded BMW N20 two-litre petrol engines. They are rear-wheel drive with an all-wheel-drive option on the SUV.

As in Australia, General Motors halted car-making in Vietnam last year. VinFast has bought rights to its products and plans to build a small GM vehicle under licence for mass consumption. The company has no immediate plans to launch in western markets, but its ultimate aim is to export. ☺

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The plug-in hybrid Vision RS concept



Get punters behind the wheel

Researchers can sometimes be sneaky, very sneaky, such as those in a university group who visited 82 dealerships in five Nordic countries posing as potential buyers of electric vehicles (EVs).

They wanted to hear sales pitches, but the stealth-test results cause concern – most were actively steered away from electric cars by sales people.

On more than three-quarters of visits, dealers didn't even mention they sold EVs. On two-thirds of occasions, sales people directed them towards combustion vehicles. In many instances, employees were dismissive of electric cars, gave incorrect information about matters such as range, tax incentives or charging experiences, and depicted them as an inferior option.

It would be a concern if this sort of bias is putting people off buying EVs in New Zealand – we need to sell more EVs to reach the government's goal of a net zero-carbon economy by 2050.

When a dealer disses electric cars out of hand, that's missing a sale and great opportunity to match the customer's need against the capacity of an affordable EV.

Actually, I'm impressed by many specialist EV dealers in New Zealand. Most have done their homework, and accurately explain their good and bad features. It is mainstream traders who haven't got EVs on their yards yet who are more of a worry.

About two years ago, I asked a dealer if he would buy my Toyota Fielder so I could purchase a Nissan

Leaf. He was obviously concerned for me and asked, "do you know something no-one else knows about EVs or are you stupid".

At least that conversation ended quickly. Many specialist EV dealers find they have to spend more time explaining the practicalities and benefits of EVs to fretful buyers who are naturally quite wary of new technology, especially something as expensive and necessary as a car.

EVs are likely to get a fairer rap when most yards have one for sale. There's no incentive to get facts straight if the dealer doesn't have one to sell. The EV revolution



Henrik Moller, co-founder, Flip The Fleet

will gain its own momentum once more are visible and available.

A recent survey suggests if you can get the customer to take a test drive, the EV is very likely to sell itself.

A few months ago, Flip The Fleet asked owners what the most important information was for making their decisions to go electric.

Twenty-seven per cent were most persuaded after driving an EV. A hands-on experience of the quiet, smooth and peppy ride is often a clincher. So, give punters a go behind the wheel. If they don't seem too wobbly or dodgy, invite them to take one home for a few days to test suitability for daily mobility needs.

The survey also showed what dealers will know already – buying a car can be a complex and personal process. A lot of consideration may go on before people reach your yard, and most get information and advice from multiple sources.

As well as test drives, word of mouth was a key influence in the survey. Nineteen per cent of buyers trusted the advice of friends, family and other EV owners before switching.

A wily farmer once told me, "I try not to take advice from someone who wants to sell me something". Although some EV owners trusted and appreciated dealers' detailed knowledge, others preferred more

independent advice. Perhaps you could have a list of names of EVangelists from the local EV glee club who are prepared to talk to prospective buyers.

Some respondents put in hours of research, and relied heavily on media at 20 per cent and websites at 15 per cent to check out EVs. Women were most persuaded by test drives, while younger buyers relied more on websites and social media.

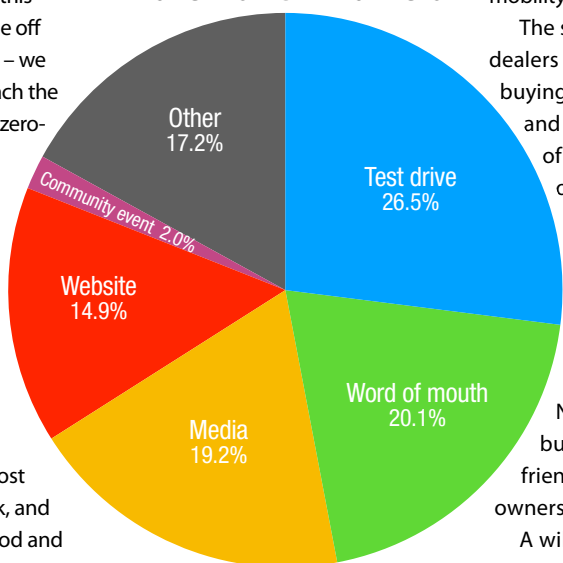
There are some great EV owners' Facebook groups in New Zealand with helpful – and occasionally unhelpful – advice. They give confidence to buyers that a local support network is there to help if need be.

There's no doubt a lack of reliable information is holding back uptake. Only 13 per cent of Kiwis said they were familiar with EVs according to research by the Energy Efficiency and Conservation Authority. It's a great idea to assess business opportunities from its Dealer's Guide To Electric Vehicles available at www.electricvehicles.govt.nz/assets/resources/dealers-guide.pdf and you can give customers a copy the Buyer's Guide To EVs from www.eeca.govt.nz/evbuyersguide.

Dealers have a crucial role in helping remove the ignorance barrier to EV uptake. After all, they themselves are early adopters, and deserve our collective thanks for their courage, skill and foresight in helping to transform our country's future transport. ☺

Henrik Moller is a retired sustainability scientist. Extra research by Daniel Myall and Dima Ivanov. Visit www.flipthefleet.org

PURCHASING INFLUENCES



The "other" category includes sources such as watching environmental and tech-savvy films, attending lectures, seeing "what could be" on overseas trips, chats with car dealers, and mirroring family and friends' purchases. Flip The Fleet's September 2018 survey received 535 replies from EV owners, 410 of which included reasons for answers.

Live EV listings on Trade Me:

-3.8%
Compared to last month

+52.6%
Compared to prior year

New EV listings on Trade Me:

+20.9%
Compared to last month

+133.6%
Compared to prior year

EV watchlists on Trade Me:

-41.4%
Compared to last month

+57%
Compared to prior year

Battery unaffected by heat treatment

A process set out by the Ministry of Primary Industries to prevent stink bugs getting into the country is unlikely to affect traction batteries in Nissan Leafs.

That's the view of VIA (the Imported Motor Vehicle Industry Association), which has had an independent trial conducted on a 2013 model with NZTA officials observing.

During the heat-treatment process to hit the required 60°C for 10 minutes, the greatest temperature recorded by sensors attached to the electric vehicle (EV) was 80°C.

"The highest recorded by internal sensors was 36.6°C and within the optimum operating range of 20-40°C for lithium-ion batteries fitted to it," says Malcolm Yorston, VIA's technical manager.

"The result alleviates concerns and no other parts of the vehicle showed ill effects. However, the commercial decision processing EVs through

heat treatment remains with importers."

Fears had been expressed about lithium-ion batteries standing up to the process, so VIA ordered the test at Genera and BioVapor's facilities, Ports of Auckland.

A Leaf was chosen because it's the most commonly imported EV and many other electric cars have similar configurations, although a Mitsubishi i-Miev test is planned because its battery set-up is different.

During the process, ducting to deliver and recirculate heated air was pumped inside and underneath the Leaf, with eight temperature sensors put inside.

The test took about 45 minutes – slower than typical – and the range of temperatures was greater than normal, so it likely represented a "worst-case scenario as far as heating the car and battery" with the latter probably subjected to maximum heating.

"Lithium-ion batteries degrade with heat from around 45°C," the

tester's report states. "However, time is a significant factor as if they are being charged or discharged. A brief rise above 45°C, or even in excess of 60°C, would cause minimal degradation.

"It's safe to say the heat treatment caused no damage. The maximum measured temperature of 36.6°C was well-under any level that poses risk to the battery in degradation or danger to operators."

There is confidence the test on the Leaf would apply to other EVs with fully sealed batteries, but the i-MiEV's cooling system flows air from the climate-control system through the battery housing. The air is exhausted through an outlet at the top rear of the casing.

"It's likely under heat treatment

that hot air flow may directly enter this battery," the report states. "In this situation, the cells would be exposed to air temperatures that can exceed 80°C.

"Due to the fact the i-MiEV is small with little mass, the heating process would be fast so exposure time should be short. There will be some heating to the exterior of battery cells, but it's unlikely there would be significant heating to the cell core.

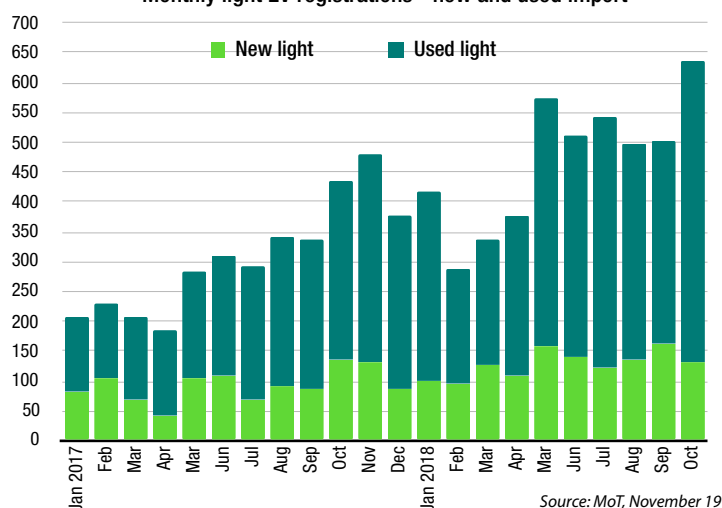
"Risks relating to i-MiEV batteries could be mitigated by heat-treatment operators ensuring they aren't treated in the chamber with much larger vehicles and they are left in running mode, for say 10 minutes afterwards, to cool down."

Light EV ownership

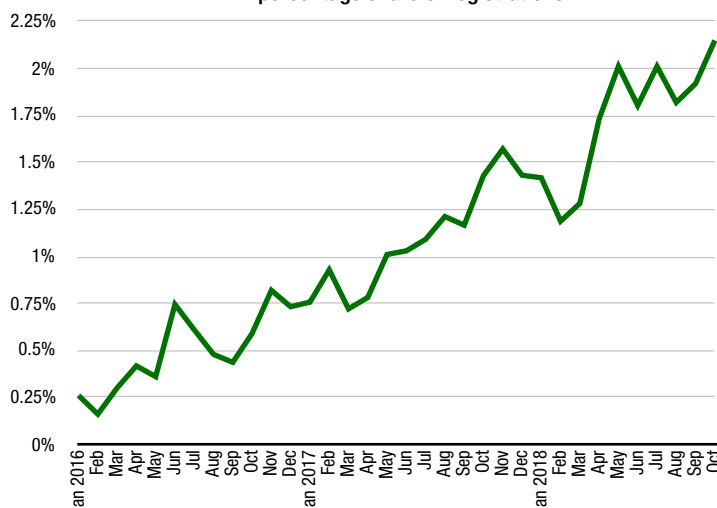
	Pure electric		Plug-in hybrid	
Individual	5,911	72.9%	1,576	59.1%
Company	1,623	20.0%	1,045	39.2%
Other	572	7.1%	46	1.7%

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

Monthly light EV registrations - new and used import



EV percentage share of registrations



Top 5 EV models

listed on Trade Me this month:

- Nissan Leaf
- Renault Zoe
- BMW i3
- Hyundai Kona
- Mitsubishi Outlander

Average listing price for the month:

\$24.9k

Eye on EVs



* Figures as per the end of November 2018

Financing love for vehicles

Richard de Lautour is proud to be chief executive of the finance company he hadn't necessarily held in high regard during his earlier years in the industry.

He joined Instant Finance in January 2003 after two decades with Allied Finance. The move followed the earlier merger of Pyne Gould Corporation's subsidiaries Finance & Discounts and Allied Finance. Then general manager of the latter, he missed out on being CEO of the combined entities.

Allied subsequently acquired Frontline Finance and Pyne Gould acquired MARAC, which was eventually merged into Allied. "It would be fair to say that at the time the business' interest in and focus on the motor-vehicle industry was waning," he says.

As a result, de Lautour left in 2002 and, after a few months' consultancy work, was persuaded to take on the top job at Instant Finance.

"At the time, Instant was in a difficult position after a failed management buy-out and subsequent exit of the-then general manager along with 30-odd staff to set up Geneva Finance. It was a business I hadn't contemplated working for, but the prospect of taking on a branch-based retail business – and one that at the time was down on its luck – was a challenge I couldn't resist.

"I visited the Onehunga branch in Auckland. It was full of happy customers and happy staff. Walking up Onehunga Mall for a coffee with the branch manager was like being with royalty. Most of Onehunga knew her but, more importantly, respected her. That was when I realised there was something special about the relationship the company has with its customers.

"Our key strengths include unbelievable customer loyalty. The knowledge branch staff have of customers, their extended families and the community is extraordinary, and one of the reasons the company has stood the test of time."

Instant Finance, now into its



Richard de Lautour, with his wife Ros, accepting the Financial Services Federation's lifetime achievement award

47th year, has never failed to meet its obligations, and survived the 1987 share-market crash, finance company collapses in 2007 and global financial crisis (GFC).

"We funded from the public, but when Provincial Finance, Bridgecorp and others triggered the virtual collapse of the non-banking sector, retaining investor confidence was an uphill battle. Fortunately, we had back-up in the form of access to wholesale funding lines. In 2009, the remaining \$20 million in debenture investments was repaid early and in full to investors.

"It was a character-building period in 2007/08 for those who survived, and one you look back on with a sense of shame given the behaviour of many operators and financial misery inflicted on mum-and-dad investors. The end result was that for many years finance company executives were the least trusted people in New Zealand – even ranked below politicians."

FROM BOTTOM UP

Being a management trainee at City Motors in Dunedin in 1968 was

Three decades of change

Looking back to the early days of 1982 makes Richard de Lautour laugh. "There were crazy rules and regulations then. From memory, you couldn't buy a new passenger vehicle on finance unless you had a 50 per cent deposit, but this didn't extend to commercials.

"Innovative dealers would take hatchbacks and station wagons to the local panel beater, and have the back seats welded down to transform them into commercials. Customers would take delivery and go straight back to have the process reversed.

"One thing you learned back in those days is that people will usually find their way around dumb rules.

"Our industry has had constant legislative change for 10 to 15 years and, by and large, it's better off for most of it. The finance sector is mature and in good shape, although there's a risk increasing new entrants may create oversupply, which historically ends badly."

de Lautour's first job. At the time, it was a Morris, Land Rover and Triumph dealer. Two years later, he joined Colonial Motor Company and worked in accounts, and then in new-vehicle sales at Stevens Motors, Lower Hutt, until 1972 when he left for London on his OE.

During nine years in England, he worked for a Ford main dealer in South Kensington. In return for agreeing to remain in the UK, he was given the opportunity to establish a rental-car operation.

Over time he also set up a vehicle-leasing operation with Ford Credit. He and then-girlfriend Ros – later to become his wife and mother of their identical twin boys and a daughter – returned to New Zealand at the end of 1981 where he had a job prospect lined up.

"Barry Neville-White, who owned Jerry Clayton BMW, was a director of Collingwood Holdings, a public company with interests in the motor-vehicle industry through Mitsubishi dealer Auckland Motors.

"Barry regularly visited the UK and rented vehicles off me. In August 1981, he returned a car on a Saturday and was told by



Richard de Lautour's 1988 Porsche Carrera Club Sport. It's thought to be one of only two in New Zealand



The Giulia Quadrifoglio arriving on a transporter

◀ staff the reason I wasn't there was because I was in Germany and chasing the last few Grands Prix before returning to New Zealand at the end of the year.

"A week later, I got a call from Barry Graham, company secretary of Collingwood Holdings, saying they were interested in starting up a lease business in Auckland and asking if I knew of anyone who might be interested. I came back and set up Motor Fleet, which was only the second or third business in New Zealand providing contract hire, full-maintenance leasing."

In those days, vehicles had to be registered as rentals, but couldn't be rented for more than three months without being deemed leases. The upshot was that when signing up for longer than that, customers were presented with massive piles of successive three-monthly rental agreements.

"Collingwood Holdings also owned a company called Allied Finance and Investments with one staff member who received hire-purchase agreements from Auckland Motors," recalls de Lautour. "When she ran out of money, she would duck down to NZI, discount the paper and come back with a cheque to fund the next few weeks' lending. Motor Fleet grew and Collingwood Holdings morphed into Corporate Investments Ltd [CIL]."

"CIL's board saw an opportunity in the wider vehicle-finance sector. In 1985, Allied Finance and Investments changed its name to Allied Finance and issued its first debenture prospectus. That was the start of the real journey.

"By 1991, things weren't going well at CIL and Allied Finance was sold to Pyne Gould in 1992. Allied continued to flourish under Pyne's

ownership and in 1993 established BMW Finance, which was a five-year joint venture with BMW AG.

"I had some of the best years of my career working with Geoff Fletcher and BMW. That included the opportunity to be involved with Lyall Williamson, and establishing the championship-winning BMW Touring Car team with Brett Riley, Craig Baird and the-late Jason Richards.

"BMW Finance built and owned the transporter, which was something a bit unusual for a finance company. It's great to see some 24-odd years later that vehicle in International Motorsport's colours is looking as good today as it did back then.

"The real icing on the cake was my cost to the joint venture being

"Cars are in my blood. We have too many, it's a great weakness"

met by the provision of BMW fleet vehicles for five years. As company cars go, it doesn't get much better than that."

In 1998, Allied established Nissan Finance, a joint venture with Nissan Japan, and de Lautour says he has always been fortunate to have had talented people around him to whom he credits the success of Allied and Instant Finance.

"I get a lot of satisfaction when looking around the industry and

seeing old Allied colleagues in senior positions in the motor-vehicle distributor and vehicle-finance sectors. These people have significant knowledge, and a huge understanding of the industry and what makes it tick. You only enjoy success when surrounded by competent people."

REWARDED FOR WORK

The Financial Services Federation's lifetime achievement award was presented to de Lautour in October. He has served on its executive committee for more than 20 years, including terms as chairman and acting chairman.

"I've enjoyed the camaraderie of great people in the industry and federation, which I'm a huge supporter of. It's wonderful to see it in such good heart and functioning as a serious lobbyist for the industry."

Looking to his future, the 68-year-old is retiring in June. While hoping to retain some work-business interests, he's also keen to spend more time with his grandchildren, and to participate in Porsche and Alfa Romeo owners' club activities.

He and his wife would like to build a house on land they have in Wanaka, and spend more time there because they have a strong connection to Central Otago. The couple also have a "love affair" with Italy and go there every year.

"My father and two brothers were in the Allied Expeditionary Force. After the North African campaign, they ended up in Italy and Monte Cassino before moving up to Trieste towards the end of World War II. There has always been a connection with Italy in the family and for some reason we seem to have inherited that." ☺

From Minis to Alfas

Richard de Lautour's first car was a four-year-old modified Mini he bought in about 1968. It was green with a cream roof.

"It had been rolled and I had it straightened. I didn't own it for long and replaced it with a dark-blue Riley Elf, which was really a Mini with a Riley badge and extended boot.

"Before I moved to Lower Hutt, I bought a proper Mini – a green Cooper with a white roof. I owned another and then a Fiat 125. When I moved to Stevens Motors, I got my first company car – a 1971 Ford Escort 1100."

He has enjoyed the use of company vehicles for most of his career.

"In the 1980s, Auckland Motors gained the Alfa Romeo franchise



A Riley Elf

and operated Auckland Motors European," says de Lautour. "I had several 75s, including a nice Twin Spark. Since then, I've had a 155 and 156. My last company car was a 147 GTA, which I bought while weaning myself off company vehicles.

"Cars must be in my blood as I have more than I need, including a Giulia Quadrifoglio and Renault Megane RS 275 Trophy – it's a shame the Alfa is only available as an automatic.

"Tucked away in the garage is a 1988 Carrera Club Sport. I think it's one of only two in New Zealand and one of 52 right-hand drives ever built. I believe Porsche only made about 340 in total."

Ensure stock ready for buyers

How many of the vehicles at your dealership are ready in every aspect if a customer was to walk onto your premises wanting to view, test drive and purchase any one of the many vehicles you have in stock right now?

If you say all, are they really? If they are, then read no further and congratulations on the disciplines you must have achieved through the dealership and team to ensure every car is 100 per cent ready at any point in time.

On the flipside, I would go as far as saying there will be hundreds – if not more – vehicles throughout the country available for sale that aren't ready for customers to view.

You may think they are, but on close inspection from that discerning buyer you can begin to realise that they just happened to walk in and view the vehicle a sales person or the dealer principal has been driving for the past week, and it's not clean inside or out.

Or it's a trade-in that you've got advertised, but forgotten to get groomed since the previous owner and their years of dust, crumbs and children's fingerprints are all over the inside.

There are a heap of various scenarios and areas where a vehicle could not be presented in its optimal way to ensure high levels of customer satisfaction so you get maximum price for the car.

The important thing to remember is that at any time a customer is very likely to arrive at the dealership unannounced with the intention of purchasing a vehicle from you, and in most cases, a specific one they have spotted during their online research and they see that you have for sale.

That customer is not there to "just look". They are there to inspect the vehicle and if they like it, they will buy it. But what begins to happen



MARK GREENFIELD
Motorcentral

if your vehicle isn't presented well is that they will start having its value eroded in their mind, and also have concerns about its condition. They will then begin to look for more problems, or have more reasons to negotiate on price.

I'm sure old stock on the yard is also a great example of this because it hasn't been touched for months since the photos were done, and chances are they don't quite represent what the customer may have seen online.

Anyway, a poorly presented vehicle inside and out starts to give your prospective customer, who was keen to buy when arriving, many reasons why not to purchase, and either drive the price down, or feel the need to reconsider their options and wait until they view another car on their list.

It's so simple to make sure at all times that all vehicles are


presented as well as they can be. This isn't just the yard-hand or groomer's job either. This is every sales person's job too.

If you see something that isn't as perfect as it can be, then clean it, fix it and do whatever it takes to make sure you have the highest chance possible to sell it to the next customer who walks through the door to view it. After all, if you are in sales your income will probably depend on it, so why not take ownership of how cars – your earning potential – are presented.

Another area with vehicle presentation to a customer is in the preparation, especially when they want to go on a test drive, and that's fuel and the battery.

I'm not going to start on this one, but it makes me cringe every time I see a customer standing next to a car while a salesmen tops up the tank with petrol from a can, and also has the bonnet up and the jump-pack trying to start the flat battery. It's not the way to create an experience your customer will remember positively.

The moral of the story from this article is the majority of customers who arrive at your dealership are coming in with the intent to buy from you.

It's in your control as to whether you start to give them plenty of reasons why not to buy, or why they should drive the price down, or why they should just leave and look somewhere else. They are yours to lose, so be prepared and don't lose them. 

Motorcentral's dealer solutions team has tools and ideas that can help you understand your customers and your dealership's performance. For more information, call 0800-623-687 or email dealersolutions@motorcentral.co.nz.



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Classic continues with record entry

This year's golf classic hosted by Provident Insurance attracted more than 100 entrants, from car dealers to other industry members.

The winning team at the event on November 15 was Winger Hamilton. Papatoetoe Auto Electrical was runner-up and North Harbour Ford & Mazda came third.

The longest drives were by Lawrence Proffit and Judith Mita, while Jeremy Foley and Sophie Mears came closest to the pin. The award for best-dressed team went to SD European.

Sunny conditions prevailed at Riverside Golf Club in Hamilton. A cart delivered refreshments around the course, while there was a barbecue on the 12th and 18th holes.

"We were pleased with the turn-out," says Steve Owens, chief executive officer of Provident. "Each year, numbers have grown – and

that's not just late arrivals on the 19th. Last year we had 90 on the course, this year 102.

"It's great for clients to get away from their dealerships, and have a bit of a blow-out with our staff and others from the trade, and thanks to UDC Finance for supporting the half-way tent and refreshments.

"Our golf day has been running for five years now. It's a great central venue for people from the Waikato, Bay of Plenty and Auckland. It attracts dealers from as far afield as Whangarei, Wellington and Christchurch." ☺



The winning team from Winger Hamilton – Chris Pelletier, Michael Bryant, Paul Burborough and Alan Beang



Andrea Fuehrer and Sharon Lothian of Quantum, and Josh Quartermaine of CFS Finance



Lee Thomas of ZIG Motor Oils, John Hefford and Jaques Gray of Provident Insurance, Mike Tyler of Autoterminal and Ken Quigley of Jacanna



Nigel Grindall and Simon Cosham of Moana Blue, and Matt Chong of Be Forward

Sales to lead to expansion

An automotive software company says it's business as normal for clients after being bought out.

Auckland-based AutoPlay is now part of the Marque Group, which has its headquarters in Sydney.

"We're excited to be part of the group, and working with its companies to build on this success and boost our operations in Australia," says Craig Brown, AutoPlay's founder.

He's staying on as managing director and says nothing will change for clients with customer service and development functions being retained this side of the ditch.

"It will take three or so months to come up with road-map changes and implement them," Brown told Autofile. "It's steady as we go while looking at other areas to create more value for the group and our clients."

The Marque Group has bought AutoPlay to expand its footprint. It provides "data-chain solutions" to vehicle sales and after-sales sectors

in Australia, here, in the UK and Europe. Offerings include trade loyalty, customer experience, service retention, customer-relationship management and analytics.

Brown says: "We're excited a company with a drive to offer the best outcomes for clients has taken the reins. This group operates in 24 countries, so we'll be able to learn from that and bring back knowledge for our customers."

He was approached by Pemba Capital Partners, which owns the Marque Group, about 18 months ago. "It has always been my vision to see AutoPlay expand into other markets and this deal gives us a platform to do so."

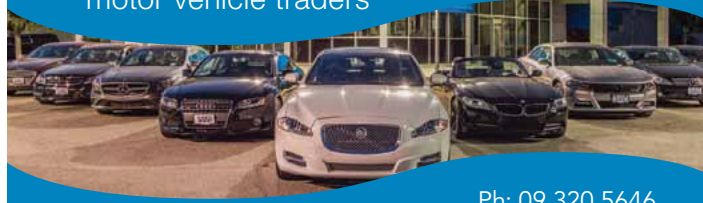
Gary Martin, chief executive officer of the Marque Group, says: "AutoPlay's innovative solutions have become a backbone tool of most franchised dealerships in New Zealand. We look forward to helping it grow."

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

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Association looks to the future

Opportunities are beckoning on the horizon for the used imported-vehicle sector as the government looks to change the fleet's make-up.

That's the view of David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association).

He tackled a host of issues faced by the industry over the past year at the association's Christmas dinner last month.

"I've talked over the past couple of years of a benign environment where we don't have much to worry about, but that's about to change," Vinsen told guests. "We have challenging times coming up. There will also be good stuff.

"This government is determined to change the fleet and what comes into the country. It's keen to get a newer fleet for safety, economy, sustainability

and those sorts of things. To do that, it has to get rid of the old fleet, so there will be opportunities."

Vinsen said about 175,000 vehicles are set for the scrapyard this year – up from around 140,000 units in 2017. "That's a key number as we can't refresh the fleet unless we get rid of the old vehicles."

He added there would be significant other changes to the industry, such as moving to other modes of transport and mobility as a service as the government works towards connected journeys.

VIA is a member of the electric-vehicle leadership group, while Vinsen is chairman of

Intelligent Transport Systems NZ.

"The reason is to represent our industry to have an understanding of what's coming at us, to think about impacts on our businesses and how to prepare. Even if we can't predict what's going to happen and when, at least we'll have an idea."

Guests at the dinner at Auckland's Harbourside restaurant on November 27 heard VIA was expected to take a leadership role.

"When we had the stink-bug crisis, my board's instructions were to take a leadership role," said Vinsen. "We did that and we are still doing it. That issue isn't yet over."

He also referred to the Takata airbag recalls as "a big exercise – 600,000 vehicles in New Zealand to be recalled".

Graeme Macdonald, North Island branch chairman, said VIA was working with the industry to keep businesses open and securing future pathways after some hard times in 2018.

"We recognise how tough it has been for you and it's been tough for us," he added. "We're facing funding issues of our own we need to address. We do it in the knowledge you're facing the same issues in your businesses. It isn't easy for anybody.

"We appreciate your support – fiscally and, probably more importantly, the support you give us as an association.

"It's about next year and 10 years on, and a thriving used-imports industry. I don't know what that will look like. But if we don't do our jobs now for you, it won't be there or whatever form it is in, it will not be ideal for your industries. Let's look forward to a better year in 2019."

Visit www.autofile.co.nz for edited versions of speeches made on the night and an online gallery.



Graeme Macdonald giving his address



Guests at VIA's function



The venue overlooked Auckland's wharves



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Industry movers

TODD FULLER has joined Adtorque Edge as general manager for New Zealand.

He has had a distinguished 30-year career with the NZ Herald and New Zealand Media & Entertainment (NZME). He started in its automotive department in 1987 with his most recent role there being head of automotive.

Fuller is known as the founder of the Driven brand. He spearheaded its launch in 2010, driving it from a single publication to the multi-platform award-winning brand it now is.

His marketing background has allowed him to spot a gap for a full service automotive and lifestyle digital agency. Fuller's research in this area led him to Adtorque Edge Australia followed by the Kiwi operation.



TONY GIBSON, chief executive of Ports of Auckland Ltd (POAL), has been appointed to Marsden Maritime Holdings' board as a non-independent director.

Chairman Sir John Goulter says Gibson has "a wealth of experience in port and associated companies, including marina developments and transport logistics".

POAL owns nearly 20 per cent of Marsden Maritime Holdings with Northland Regional Council holding 54 per cent. It jointly owns Northport with Port of Tauranga.



GEORGE BIGGS has been appointed managing director of McLaren for Asia-Pacific and China.

He was previously managing director of the Asia-Pacific region since July 2016, and will continue to oversee the company's sales, marketing and after-sales efforts in 10 countries including New Zealand.

In 2012, Biggs, who replaces Dan McElholm, joined McLaren Automotive in the UK. He has been based in Asia-Pacific since 2014 and has steered the region's business growth by nearly 200 per cent. China and Asia-Pacific account for one-third of the company's global volume.



ROCHELLE MORGAN has joined Finance Now as the motor-vehicle manager for the Canterbury area.

Her appointment follows the company reviewing its automotive finance structure after continued growth over the past four years in the greater Canterbury region.

Morgan has a wealth of finance and insurance knowledge having worked for the past 10 years as a business manager.



MARTIN BERRY has been appointed as a director of the Turners Group.

He has run large international businesses for the likes of ANZ, Citibank, Barclays and Standard Chartered, and more recently has focused on entrepreneurial ventures.

Berry, a global financial services executive and entrepreneur, founded and runs venture capital firm Brandhaus Capital Partners out of Singapore with a focus on financial technology.



ALISON ANDREW has been appointed as a director of Port of Tauranga, replacing Bill Baylis, who has retired.

Previously CEO of Transpower, she was also global head of chemicals for Orica, a director for Genesis Energy and held roles at Fonterra.

NZ labour market report

Managing poor performance is a task many dealership leaders and managers don't relish, and it's something the person going through doesn't enjoy either. However, it can be a positive experience if done correctly.

Keeping a track of your people's performance will help when tough conversations are needed.

For most dealer principals and leaders, managing performance can be a minefield as there are varied roles in your business with different tasks, responsibilities and personalities.

If you're concerned about one of your team's performance, follow a process. This ensures you're consistent in approaching such issues at your dealership and avoid personal grievances.

Ideally, you should have this documented in policies and procedures so everyone's clear about it, and it's important to follow your process because you can land in trouble if you don't. Below is step-by-step process to follow.

IDENTIFY THE ISSUE

Find out if the person is okay. Something outside work may be affecting performance. People don't turn up to fail. Your person maybe going through a relationship breakdown, suffering illness or have a significant event, such as death, impacting on their well-being.

Have they been provided training in the area they're not performing in? Is further training needed? Have you had coaching conversations, and documented expectations and communicated them? Your first formal conversation shouldn't come as a shock.

BEFORE THE MEETING

Put your request for a meeting in writing, and identify areas you want to address and why. Emailing this is acceptable.

Gather all relevant facts and areas of discussion. Ensure you include these in your letter so



WILL ALLAN
Hello Monday

they're aware of points to be discussed. Give 24 hours' notice and let them know they can take along a support person.

DURING THE MEETING
Remember this is a two-way conversation and you want

to gather as much information as possible to understand the cause of poor performance. Stick to facts and points raised in your reasons to meet.

At the meeting, discuss overall performance from what's expected to how the performance isn't meeting standards required, and points of concern and the impact it's having on their performance.

It's a two-way conversation, so you need to hear their response and the factors behind their performance. Take notes during the meeting to capture the discussion.

Once you have discussed issues and identified causes, agree on the next steps and what needs to be done to improve. Set a date when you will follow-up to check in and see how things are going. With actions you agree on, ensure you put these in a follow-up letter after the meeting.

CHECKING IN

Ensure you stick to dates agreed to check in, but also have informal catch-ups. This shows you care and it's also a good opportunity to see how they're going in a more relaxed setting.

PROGRESS REVIEW

Make sure you set up your review meeting in the same way as the initial meeting. Agree on the date, areas to discuss and that a support person can go along. At the meeting, you want to discuss how things are going, improvements to performance and areas for improvement.

After the review, agree if performance has improved and, if so, what needs to happen to maintain it. If performance hasn't improved, consider a formal performance improvement plan. Again, ensure you have documented the conversation and sent a follow-up letter with agreed outcomes. ☺

Getting in the swing for charity

About 90 players braved the aftermath of a deluge to complete 18 holes at 2018's annual charity golf day in Auckland supported by Protecta Insurance and organised by the Rotary Club of Half Moon Bay.

Stephen Glading, managing director of Protecta, welcomed 90 players to the event at Pakuranga Golf Club on November 26 before setting out the ambrose format's rules.

After a light lunch and sudden downpour, the players teed off undeterred by the weather, which improved over the 18 holes. There were drinks and a barbecue on the ninth with the day rounded off with dinner and a prize-giving ceremony.

First place went to Protecta's assessor, Indie Assessing based in Auckland. The team members were Tony Nicholson, Damien Dougherty and Craig Batty.



Phil Collings, Mark Savage, David McLister, Dougal Swift, Greg Penney and Bashir Khan, of the AA

Thanks to the generosity of many sponsors, all teams received a prize, while an auction raised more than \$20,000 for the Life Education Trust.

AA Motoring and Continental Cars held the naming rights to the event, which they have supported for a number of years.

Glading says: "We were delighted with the support from dealers, financiers and suppliers to the motor-vehicle industry. The backing from this sector has grown



Lawrence Proffit of UDC, Dass Pillay of Protecta, Nick Proctor and Gray Lynskey of UDC, Mark Greenfield of Motorcentral and Wayne Gillies of Brand Assist



Peter Steel and Carl Fenn of Yes Finance, Damion Kaukau of Instant Finance, Adrian Lee of Auckland Car Loans, and Simon Muir and Ray Meharg of Protecta



Tufts Nello of Finance Now, Colin Marshall of Protecta, Brian McCutcheon of Autofile, Andrew Brough and Phil Ellison of Finance Now



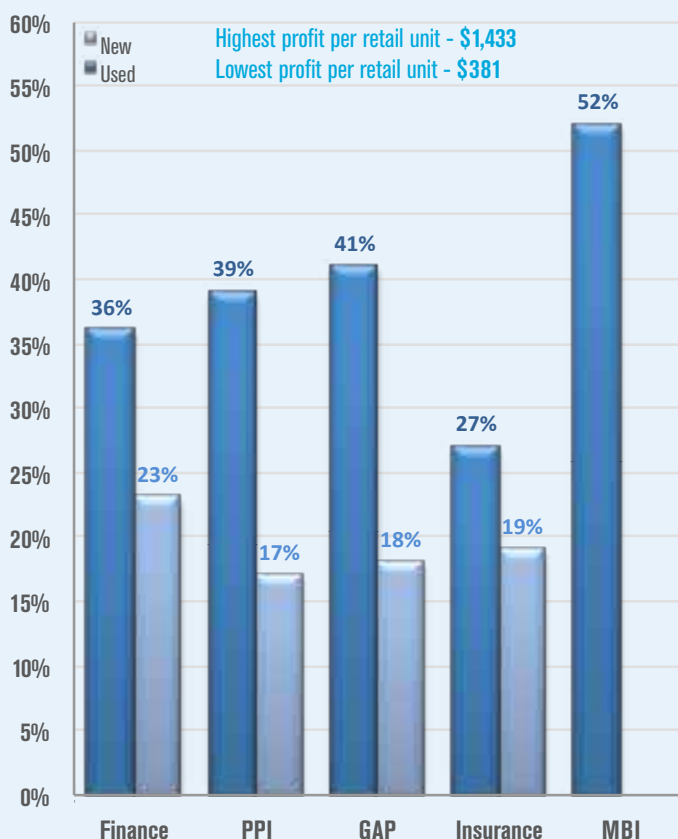
Scott Windelburn, Cole Sharp, Kerry Hoffman, Mat Fenton, Ralph Ball and Oliver Wolf, of Continental Cars

with new companies agreeing to sponsor a hole and enter a team.

"Protecta likes to support organisations that receive no

taxpayer funding and money raised goes towards paying for work in the community. The Life Education Trust does a great job of doing that." ☺

PROTECTA nationwide F&I results November 2018



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The month that was... December

December 16, 1996

Dealer arrests likely in new year

After an 18-month inquiry, the Serious Fraud Office (SFO) was moving to clean up odometer clocking in the used-vehicle industry.

Records from Japan established the average reading for purchases by Kiwi importers was 100,000km with odometer rewinding in 64 per cent of stock.

It was understood 42 cases were being probed by the SFO, involving up to 15 motor-vehicle dealers. Director Charles Sturt said a database of more than 2,000 vehicles mostly imported in the past 12 months had been investigated.

The initial inquiry found about 10 per cent had mileage anomalies, but when more verifiable records were obtained it was established the average distance travelled by vehicles when registered here was 55,000km.

Sturt said the inquiry had established substantial rewinding of odometers in Japan by agents there at the request of New Zealand importers, but large-scale rewinding also occurred in this country after importation and before compliance.

He added thousands of buyers had been "ripped off" by fraudulent traders. Sturt said there had been no evidence of an abatement in such dealings, even after it had become publicly known the SFO was starting an investigation.



December 21, 1998

Twelve months to sort systems collapse

It could be 12 months before the affairs of vehicle-warranty company First Systems – formerly Nationwide Guarantee Corporation – were sorted out after it ceased trading on December 2.

An initial report by liquidator Anthony McCullagh estimated a deficiency of up to \$3 million could be owed to unsecured creditors.

A number of issues required investigation and it was unlikely administration of the liquidation would be completed within six months, probably not until December 31, 1999. Only a minimal dividend to unsecured creditors was likely.

During the year, according to the liquidators, all but three nationwide franchises were sold to US-based Snap-on Tools for about \$4.6m.

While this provided the company with a substantial cash injection, it was too late to overcome losses being incurred on the warranty side of the business.

In 1995 and 1996, the company's turnover was \$5.7m and \$7.6m respectively, which was substantially derived from warranty insurance sales.



December 2, 2005

Trade Me wholesale trial starts

New Zealand's wholesale auction market was about to get tougher with Trade Me starting to trial its new wholesale site. If it was a success, general manager Sam Morgan said it could be converted to a regular business line for the company.

"It will be a learning exercise for us," he said. "We've built a complete wholesale market where manufacturers and importers sell to dealers, and we'll be running our first auction this week."

Business manager Mike O'Donnell said the 351 Japanese imports on offer would be priced aggressively, with each car's first bid becoming its reserve.

"People want clarity on prices," he added. "Currently, wholesalers pay about \$350 per car in traditional auction houses, and then buyers pay a similar amount in buyer's premium. We're offering a similar service for \$99 to the seller and at no cost to the buyer."

Auction houses had argued Trade Me wouldn't provide the level of service or guarantees offered by traditional auctioneers. Regardless, more than 120 traders had signed up to participate in Trade Me's trial.



December 14, 2007

Competitive market drives down prices

A positive picture for the new-vehicle industry, but an uncertain and less profitable forecast for used imports, was predicted in the latest profit-focus industry overview by Deloitte Motor Industry Services.

"The passenger car market has levelled out over the past two years," Deloitte said. To an extent, the fall in large car sales was countered by a growth in the small car and SUV markets.

The report added: "Competition in general has intensified across all segments, resulting in outstanding value for money, and the biggest winner must be the consumer."

In 2006, it was widely predicted that 2007 would result in a similar sales level of new cars. The strong performance in January 2007 was reversed, however, with registrations in February to April being slightly lower than those experienced in the previous year.

As for the used-vehicle market, Deloitte said an oversupply of new and used inventory, as well as generally deflating prices, had resulted in falling residuals and gross margins.

"Higher competition for used vehicles out of Japan, the softer New Zealand market due to increased interest rates, lower disposable income and regional pricing for used vehicles has led to brakes being applied."



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Car-handling facility to meet demand

Construction work is expected to get under way early in 2019 on a motor-vehicle handling building at Ports of Auckland Ltd (POAL).

The vertical storage facility for passenger cars, SUVs and utes is seen as an efficient use of space on the waterfront, which also removes the need for reclamation.

The project – part of the port's masterplan endorsed by Auckland Council earlier this year – has secured resource consent for earthworks and its final design is being drawn up.

The building means cars and light-commercial vehicles will be processed faster when coming off vessels, and will be kept out of sight until transported off-port.

POAL handles nearly 300,000 cars and one million tonnes of heavy vehicles and project cargo a year. Most comes through its Bledisloe terminal, Captain Cook and Marsden wharves, with the multi-cargo area – including



Motor vehicles wharf-side at Ports of Auckland

Freyberg and Jellicoe wharves – utilised for overflow.

The port has seen strong growth in motor-vehicle volumes, which have tripled since 2009, and growth is expected to continue although at a lower rate. Most arrivals are destined for the Auckland region, with a small portion being transhipped to other parts of the country and the Pacific Islands.

Passenger and light-

commercial vehicle volumes rose by 0.1 per cent to 297,678 units in the past financial year. Car volumes were forecast to increase by about four per cent during 2017/18, but were hit by the stink-bug crisis. Despite disruption, average car dwell times fell to 2.9 days from 2.93 in the previous year.

Vehicles are currently parked on wharves. This has led to some calls better use to be made of

available space and open up the waterfront for public use, while more reclamation of Waitematā Harbour has been opposed. One solution is the car-handling building.

Craig Sain, POAL's general manager of commercial relationships, says: "We're already efficient at moving cars off the wharf – they stay under three days on average.

"We're further improving efficiency by understanding data and working closely with operational partners to alter business rules, such as extending operating times.

"But it's not enough to meet growing demand for cars and the city's aspiration to open up more of the waterfront for public use, which is why we're building up to create more car-handling space."

Email Jordan Hurinui, senior community engagement officer at HurinuiJ@poal.co.nz or visit www.masterplan.poal.co.nz for more information. ☺

Teeing off for quarter-century milestone

Autosure New Zealand has celebrated the 25th anniversary of its industry golf day with more than 100 people from the motor-vehicle and related sectors joining staff to celebrate the occasion.

Participants travelled from Wellington, New Plymouth and Hamilton for the company's annual event at Pakuranga Golf Club, Auckland, on November 16.

The team from Drury-based Motorsport Import Co took out the title with West Auckland Nissan securing the runner-up spot. The UDC team came in third. The post-play function included a dinner and prize-giving.

"It was a great day with a big turnout and we were lucky with the weather," says James Searle, general manager of Autosure. "It was fantastic to see so many



The winning team from Motorsport Import Co – Mike Hogan, Sean Hogan and Greg Lee

dealers and suppliers come together, and enjoy the company of each other.

"It's a big achievement for our golf day to be going for 25 years now. That's a long time, but not

quite as long as Autosure, which is in its 30s. It's great to host the event for clients, and say thank you to dealers and suppliers."

The company is planning a Southern Golf Classic on



Colourful shirts on the course



Time for a feed



Shannon Beech, left, and Christina Scoble, of Oxford Finance

March 7 at Harewood Golf Club, Christchurch, to celebrate "the loyalty and support from our business partners without whom such a great 2018 result wouldn't have been possible". ☺

Rallying draws Asian marques back

Faced with a decline in brand awareness and sizzle – as well as a measurable decline in sales as their association with “performance” leaks away – Japanese and other Asian car manufacturers are returning to rallying at the highest levels.

Former rally mainstays have watched Hyundai’s massive success in recent seasons, and seen the sporting success of the marque reflected in a new, harder edge and rising sales of sporting-influenced models along with its hot N range.

Japanese media reports Subaru is now developing a sub-compact hatchback with a 1.8-litre turbocharged four-cylinder boxer engine for a return to the World Rally Championship (WRC) after its pull-out 10 years ago as the global financial crisis struck. European sales have declined since the brand withdrew from the sport.

Mitsubishi is known to have design studies under way for an



Proton will make a return to the rallying scene with the Iriz R5

Evo X replacement with the aim of raising internal support for a full return to top-level rallying.

A Toyota Yaris AP4 is already rallying in New Zealand although with little factory assistance, while Toyota Australia is creating a rally team to be based in Canberra running Yaris in the Australian Rally Championship and operating from Neal Bates Motorsport’s workshop.

Harry Bates, Neal’s son, will drive a newly developed A4-spec Yaris with 220kW and 420Nm. A second

car will be driven by Lewis Bates.

The team had its shakedown at Rally Australia in November and the vehicles are looking similar to the factory Yaris WRC.

Malaysian marque Proton is to make a full return to rallying with an R5 version of its Iriz hatchback. The move is aimed specifically at the Asia-Pacific Rally Championship (APRC) with it being the eighth vehicle to be homologated under the R5 regulations.

An Iriz R5 was run in a limited

national campaign by Mellors Elliot Motorsport in the UK as a precursor to establishing the main factory effort.

Proton was last present in the WRC with its Satria Neo hatch. It used Mitsubishi mechanicals, but was dropped when the road-car version ceased production in 2014.

The APRC starts in New Zealand with the International Rally of Whangarei from May 3-5. It will not include an Australian round in 2019. ⊕

Kiwi secures rookie title at Macau F3

Marcus Armstrong has ended his competition year with a top-10 finish at the Macau F3 Grand Prix to seal the rookie title for 2018.

He finished the race in eighth position, 9.597 seconds behind winner Dan Ticktum, who led from start to finish.

“The race was okay, but I was just struggling on the straights,” says Armstrong. “I couldn’t compete with Juri Vips, who drove past me straight away.

“It wasn’t an ideal situation

for sure, but I definitely enjoyed the atmosphere of my first grand prix in Macau.”

He also witnessed the spectacular crash of Sophia Floersch on lap four of the race and says from track level the aftermath was “unbelievable”. Like many, he thought the accident wasn’t survivable.

“I hate to say it, but my immediate



Marcus Armstrong



The crash involving Sophia Floersch (car #25)

thought was that it was a fatal. We were all very happy when we heard she was hurt, but okay.”

Armstrong says the outcome of the crash was a testament to the

strength and energy-absorbing properties of the carbon-fibre chassis and the composite tub, which fits closely around the drivers to protect them. ⊕



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Formula E considers city round

The futuristic cars of the all-electric Formula E series could be seen racing on Auckland's streets as soon as late next year.

A consortium being fronted by Craig Cotton, chief executive officer of the NZ Innovation Council, is angling to bring Formula E racing to the country's biggest city.

He says the rights to host a round each year for five years will cost \$14 million across central and local government.

Cotton adds the consortium already has some corporate backers committed to supporting the project with seed funding to get the project under way. These include Vector, Sky City New Zealand International Convention Centre, the Giltrap Group, AUT and electric-vehicle lobby group Drive Electric.

"Our challenge is to reach agreement on a funding split and secure the deal with Formula E," explains Cotton. "A recent independent feasibility study shows the event would bring around \$150m of economic impact to New Zealand."

It has been reported in the past few weeks that a circuit concept has already met with the approval of Auckland Council.

Formula E's arrival marks it as a concept whose time has come. A proposal in the late 1990s to run a round of the V8 Supercars as a street race in Auckland foundered on an absence of support from the city council and surrounding business. By contrast, this proposal has garnered interest from local government and the corporate sector.

"Formula E has a broader remit than being just a motor race," says Cotton. "It aligns well with our climate-change commitments to become carbon neutral and achieve 100 per cent renewable energy. It would suit downtown Auckland and offer a global showcase for the many success stories in New Zealand's clean-tech sector."

In addition, the series is televised more widely and would reach a more diverse global audience.



Formula E cars take to the street circuit in Paris

Auckland's attempt to bring a Supercars race to downtown Auckland failed largely due to fears raised about disruption of business and commuter traffic on already-gridlocked roads. Cotton says care will have to be taken to minimise disruption in the CBD.

"The Formula E format runs only across a weekend rather than Thursday to Sunday, and could have much less impact on locals than the old Supercars plan.

"It's all about racing in big cities, and it's good at fitting in with the requirements of cities such as Paris and Rome. Our plan is to find a location to avoid any serious impact on downtown Auckland or the lives of people."

Formula E was founded in 2014. The all-electric category is fast becoming the biggest motorsport championship in the world as, one by one, the world's biggest automotive brands join. It features

teams backed by Audi, BMW, Citroën, Jaguar, Mercedes-Benz, Nissan, Porsche, ABB, DHL, Bosch and Michelin among others.

Kiwi driver Mitch Evans races for one of the top teams in the series – Panasonic Jaguar Racing. New Zealand media first began asking him about a race in the City of Sails more than a year ago.

"Auckland would be a great fit for it and I just hope the city gets behind it like all these other big cities," says Evans.

Formula E has made a name for itself with inner-city street races in some of the biggest markets in the world, such as New York, Hong Kong, London, Moscow, Beijing, Berlin and Buenos Aires.

If the funding can be agreed, a response to Formula E needs to happen before Christmas to secure the deal. Auckland could then prepare to host a round in late 2019 or 2020. ☺

Managing energy

The concept of all-electric international single-seater racing was born in 2012 when FIA president Jean Todt developed the idea as a means to demonstrate the potential of sustainable mobility.

Alejandro Agag then founded Formula E, which made its global debut in Beijing in 2014.

Now in its fifth season, the championship boasts one of the best driver line-ups in motorsport with on-circuit technology ever-changing.

Season five will see 22 Gen2 cars racing. These vehicles have double the energy-storage capacity of the Gen1 car, meaning it can complete a whole race so no more mid-event car swaps.

With 250kW of power, the Gen2 can accelerate from 0-100kph in 2.8 seconds and go onto a top speed of 280kph.

Formula E is moving away from lap limits to timed races. With each round running for 45 minutes plus one lap to reach the chequered flag, energy management is key.



Craig Cotton is heading the team pushing for a round of Formula E here in NZ



Kiwi driver Mitch Evans drives for one of the leading Formula E teams

Damages awarded after purchasers found out car was hail-damaged import

Background

James and Ana Dobbie discovered their 2015 Nissan Qashqai was imported from Australia as a statutory write-off after being damaged by hail.

Repairs were carried out in New Zealand and the damage flag, which was applied when the vehicle crossed the border, was removed before it was sold to the couple by 0800 Best Deal Cars Ltd.

The vehicle's consumer information notice (CIN) stated it wasn't imported as damaged, but the dealer said it told the Dobbies the Qashqai was a statutory write-off by giving them this information on the Trade Me listing. It added its salesman informed them of the vehicle's write-off status.

The couple denied the sales person told them the car was written-off in Australia and they didn't see its online listing before purchasing it.

The case

The tribunal needed to determine whether the dealer had engaged in misleading conduct towards the purchasers that was in breach of the FTA and, if so, they were entitled to a remedy.

In June 2017, the Dobbies saw a hail-damaged Hyundai iX35 at Best Deal Cars advertised on Trade Me and met salesman Thane Murray at the dealership.

They said Murray explained the drawbacks of buying a car damaged by hail before Mrs Dobbie noticed the Qashqai

on the trader's yard and asked about its history.

Her evidence was that she specifically asked if the vehicle was hail-damaged and Murray replied it wasn't. He referred them to the CIN, which showed no record of the Qashqai being imported as damaged and, as a result, the couple purchased the car.

Seven months later, the vehicle was serviced by Euro-tech Auto Services, which checked its registration in its invoice program, and noted it was flagged as being imported as damaged and written-off. Initially, the couple didn't take the matter further because they had family visiting and their baby kept them busy.

In April 2018, they heard a news story about Australian imported vehicles and it prompted them to contact the NZTA. It confirmed the Qashqai was imported by the dealer as damaged and the motor-vehicle register confirmed it was a statutory write-off due to hail damage. The agency also reported on May 4, 2017, that the damaged flag had been removed in relation to the vehicle.

Mr Dobbie obtained confirmation from the Australian Personal Property Securities Register that the Qashqai was recorded as a statutory write-off due to hail damage, so he and his wife approached the dealer and said they considered it had been sold to them under false pretences.

The dealer said Mr Dobbie had been made fully aware of the car's

condition because its Trade Me listing disclosed the damage. However, Dobbie said the listing supplied to him related to a different vehicle they were initially interested in.

The trader added Murray disclosed to the couple that the Qashqai had been a statutory write-off, and produced a written statement from him that said he had explained "at point of sale the vehicle was hail-damaged – an Australia statutory write-off as stated in the Trade Me ad".

The finding

The dealer wasn't present at the hearing and its statement didn't expressly identify the vehicle to which he referred, but the tribunal accepted the couple's evidence they weren't told the Qashqai was a statutory write-off.

The trader's director acknowledged the salesman wouldn't have been aware of the car's full history and the couple's evidence was they didn't see its Trade Me listing.

The tribunal found the trader's failure to proactively inform the couple the Qashqai was written-off was misleading and deceptive, and breached the FTA.

Both parties were asked to supply valuations on the car made on the basis that it was imported as a statutory write-off from Australia.

The Dobbies managed to obtain a valuation from Turners. It concluded the vehicle had an auction value of between \$15,000 and \$17,000.

The case: Seven months after buying a second-hand 2015 Qashqai, the purchasers discovered it had been imported from Australia as a statutory write-off due to hail damage. The trader claimed its sales person had informed them the car had been written off and that information was on its Trade Me listing.

The decision: The tribunal ruled the buyers had been misled and ordered the trader to pay its customers \$5,000 in damages under the Fair Trading Act (FTA).

At: The Motor Vehicle Disputes Tribunal, Christchurch.

The dealer argued this misrepresented the true value of the Qashqai. It presented two valuations indicating the current market value was \$20,500 and \$19,000 respectively, but neither indicated it was made on the basis the car being imported as a write-off from Australia. Accordingly, the tribunal preferred Turners' valuation.

The couple had driven the vehicle more than 20,000km since purchase, so there was some depreciation in its value in relation to its purchase price of \$24,490.

The tribunal said there was no evidence the car was unsaleable, nor was there any evidence the circumstances of it having been written off were likely to result in it requiring future repairs, so it awarded the Dobbies damages for the reduction in value because of it being a statutory write-off.

Order

The dealer was ordered to pay the buyers \$5,000 in damages plus \$27 for the cost of the PPSR report, or – if both parties agreed – the trader could buy the car back for \$20,000. ☺



Vehicle went into limp mode after diesel system was contaminated with water

Background

Stephen Brocklebank purchased a new Ford Territory from Dunedin City Motors in 2014, but on two occasions – in 2016 and 2017 – it had engine-running problems.

The first time it happened, repairs cost more than \$10,000, but were covered under the warranty. The second time, the dealer estimated it would cost \$23,000.

Although the car was operating satisfactorily, Brocklebank was concerned the Ford would have further problems and wanted to reject it.

The trader said the second occurrence of engine problems was caused by contaminated fuel rather than any defect, so Brocklebank wasn't entitled to reject it and the dealer wasn't liable for any further repair costs.

The tribunal had to consider if the Territory failed to comply with the CGA's guarantee of acceptable quality.

The case

Brocklebank reported no significant problems with the Ford during his first two years' of ownership.

However, in 2016 – after the car had travelled 34,527km – he noticed it was cutting out, idling rough and wouldn't start.

In October, Dunedin City Motors traced the fault to a fuel-pump failure. It took a fuel sample and checked for separation and contamination, but found no bubbles at the injector, no diesel in the oil and no water in the fuel. The sample wasn't sent away for further analysis.

The trader replaced the fuel-pressure sensor, fuel pump and filter, exhaust gas-recirculation valve gaskets, injectors, fuel rail and supply lines. The \$10,749 repair bill was covered under warranty.

Further checks on the Ford were carried out by the trader on December 9, 2016, for blowing excessive smoke, on December 22 and January 17, 2017, for lights on the dashboard, and on June 28, 2017, because the car went into limp mode. No faults were found.

Brocklebank drove the vehicle from Dunedin to Wanaka and back at the start of July. On July 14, the car went into limp mode.

He took it back to the trader where it remained until January 2018. Again, the dealer diagnosed a fuel-pump failure. This time, it obtained a fuel sample from the filter housing of the pump and found it was contaminated by water.

JE Paisley and Co tested the fuel sample on October 5 and concluded it failed with 1,378ppm of water in the sample, exceeding the industry's maximum standard specification of 200ppm for diesel.

However, Brocklebank was suspicious about the trader's testing methods. He questioned why it took so long before the fuel sample was tested, and was concerned water might have got into the Ford while it was at the dealer's premises. The trader rejected these criticisms.

Its senior technician Lindsay Phillips described how he drained

a sample of fuel from the fuel-filter housing to inspect for water in the system.

After allowing the sample to settle for the recommended two hours, Phillips said it was apparent water was present. This sample was then drained from the car into a new container and stored in a cupboard at room temperature until it was sent for independent analysis.

The trader rejected Brocklebank's suggestion water got into the Ford's fuel system after he had taken it in for investigation. It concluded the problems were caused by fuel contamination and prepared an estimate of \$22,972 to replace affected components.

As a result, he took the Ford to diesel-engine specialist John R Milburn Ltd. An engine scan recovered codes P008800 "fuel-rail pressure sensor too high" and P226968, which was described on its invoice as "water in fuel-sensor malfunction".

Brocklebank submitted this result indicated a fault with the fuel sensor rather than water in the diesel. The dealer disagreed saying fault code P226968 referred to "water in fuel condition".

John R Milburn reported that it removed the fuel filter, drained the fuel but found no signs of water. It refitted the filter and the engine ran normally, but the codes returned after a short idling period.

The repairer fitted a new filter. When it ran the engine again, the common-rail pressure stabilised and there were no further codes.

The case: After two years of trouble-free travelling, the fuel pump in the buyer's Ford Territory failed twice. Although the vehicle was repaired, the purchaser said he no longer trusted it to run satisfactorily and wanted to reject it. The trader said the issues were caused by contaminated diesel, so the buyer wasn't entitled to reject the car.

The decision: The tribunal ruled there had been no breach of the Consumer Guarantees Act (CGA) and dismissed the application.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

John R Milburn concluded the faults had been caused by a blocked fuel filter and invoiced the purchaser for \$852.

The finding

The adjudicator found the buyer had been unable to establish any basis for his suspicions regarding water entering the car's fuel system.

The tribunal accepted its assessor's finding that the most likely cause of the Ford going into limp mode was diesel contaminated with water.

He explained the fuel filter absorbed moisture and it was only when the filter became full or blocked that a problem became apparent. This could lead to a delay between filling the car with fuel and the problem being recognised – making it difficult to pinpoint the source of the contaminated diesel.

It followed there was no breach of the CGA's guarantee of acceptable quality.

Order

The application was dismissed. ☹

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JAPAN	Moji	16 Nov	1 Dec	–	14 Dec
	Osaka	17 Nov	–	3 Dec	15 Dec
	Nagoya	18 Nov	–	4 Dec	17 Dec
	Yokohama	19 Nov	3 Dec	5 Dec	19 Dec
NEW ZEALAND	Auckland	8 Dec	18 Dec	20 Dec	6 Jan
	Wellington	13 Dec	7 Jan	7 Jan	10 Jan
	Lyttelton	11 Dec	5 Jan	5 Jan	9 Jan
	Nelson	16 Dec	7 Jan	7 Jan	7 Jan

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Total new cars
9,543
2017: 10,289 ▼ 7.3%

Total imported used cars
11,156
2017: 14,924 ▼ 25.2%

Whangarei
NEW: 247 2017: 226 ▲ 9.3%
USED: 275 2017: 327 ▼ 15.9%

Auckland
NEW: 3,999 2017: 4,465 ▼ 10.4%
USED: 5,214 2017: 7,487 ▼ 30.4%

Hamilton
NEW: 428 2017: 484 ▼ 11.6%
USED: 750 2017: 907 ▼ 17.3%

New Plymouth
NEW: 134 2017: 130 ▲ 3.1%
USED: 172 2017: 204 ▼ 15.7%

Wanganui
NEW: 91 2017: 87 ▲ 4.6%
USED: 111 2017: 130 ▼ 14.6%

Palmerston North
NEW: 253 2017: 222 ▲ 14.0%
USED: 290 2017: 373 ▼ 22.3%

Nelson
NEW: 101 2017: 115 ▼ 12.2%
USED: 261 2017: 309 ▼ 15.5%

Westport
NEW: 0 2017: 1 ▼ 100.0%
USED: 8 2017: 2 ▲ 300.0%

Greymouth
NEW: 14 2017: 17 ▼ 17.6%
USED: 31 2017: 42 ▼ 26.2%

Thames
NEW: 75 2017: 98 ▼ 23.5%
USED: 86 2017: 158 ▼ 45.6%

Tauranga
NEW: 319 2017: 331 ▼ 3.6%
USED: 460 2017: 530 ▼ 13.2%

Rotorua
NEW: 141 2017: 149 ▼ 5.4%
USED: 137 2017: 230 ▼ 40.4%

Gisborne
NEW: 33 2017: 36 ▼ 8.3%
USED: 69 2017: 93 ▼ 25.8%

Napier
NEW: 202 2017: 234 ▼ 13.7%
USED: 238 2017: 312 ▼ 23.7%

Masterton
NEW: 59 2017: 99 ▼ 40.4%
USED: 75 2017: 99 ▼ 24.2%

Wellington
NEW: 566 2017: 702 ▼ 19.4%
USED: 839 2017: 1,003 ▼ 16.4%

Blenheim
NEW: 66 2017: 63 ▲ 4.8%
USED: 64 2017: 70 ▼ 8.6%

Christchurch
NEW: 2,446 2017: 2,357 ▲ 3.8%
USED: 1,438 2017: 1,855 ▼ 22.5%

Timaru
NEW: 52 2017: 67 ▼ 22.4%
USED: 88 2017: 125 ▼ 29.6%

Oamaru
NEW: 3 2017: 7 ▼ 57.1%
USED: 21 2017: 18 ▲ 16.7%

Dunedin
NEW: 221 2017: 283 ▼ 21.9%
USED: 355 2017: 442 ▼ 19.7%

Invercargill
NEW: 93 2017: 116 ▼ 19.8%
USED: 174 2017: 208 ▼ 16.3%

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Imported Passenger Vehicle Sales by Make - November 2018

MAKE	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	2,505	3,785	-33.8	22.5%	31,274	22.9%
Nissan	2,257	3,028	-25.5	20.2%	26,521	19.4%
Mazda	1,870	2,402	-22.1	16.8%	22,461	16.4%
Honda	1,120	1,347	-16.9	10.0%	14,027	10.3%
Subaru	606	809	-25.1	5.4%	7,680	5.6%
Suzuki	598	699	-14.4	5.4%	7,364	5.4%
Mitsubishi	445	518	-14.1	4.0%	4,796	3.5%
BMW	403	546	-26.2	3.6%	5,559	4.1%
Volkswagen	355	459	-22.7	3.2%	4,247	3.1%
Audi	236	270	-12.6	2.1%	2,717	2.0%
Mercedes-Benz	174	267	-34.8	1.6%	2,352	1.7%
Lexus	102	75	36.0	0.9%	1,037	0.8%
Ford	68	111	-38.7	0.6%	1,000	0.7%
Volvo	62	71	-12.7	0.6%	713	0.5%
Land Rover	37	50	-26.0	0.3%	419	0.3%
Chevrolet	36	46	-21.7	0.3%	515	0.4%
Jaguar	32	44	-27.3	0.3%	497	0.4%
Mini	30	43	-30.2	0.3%	359	0.3%
Holden	25	60	-58.3	0.2%	397	0.3%
Hyundai	23	20	15.0	0.2%	266	0.2%
Chrysler	22	23	-4.3	0.2%	218	0.2%
Jeep	21	32	-34.4	0.2%	313	0.2%
Dodge	18	28	-35.7	0.2%	319	0.2%
Porsche	16	34	-52.9	0.1%	238	0.2%
Peugeot	13	21	-38.1	0.1%	163	0.1%
Renault	6	19	-68.4	0.1%	102	0.1%
Daihatsu	5	9	-44.4	0.0%	90	0.1%
Isuzu	5	4	25.0	0.0%	31	0.0%
Kia	5	10	-50.0	0.0%	85	0.1%
Pontiac	5	12	-58.3	0.0%	53	0.0%
Smart	5	1	400.0	0.0%	49	0.0%
Cadillac	4	5	-20.0	0.0%	55	0.0%
Citroen	4	4	0.0	0.0%	52	0.0%
Lincoln	4	5	-20.0	0.0%	29	0.0%
Fiat	3	5	-40.0	0.0%	36	0.0%
Others	36	62	-41.9	0.3%	542	0.4%
Total	11,156	14,924	-25.2	100.0%	136,576	100.0%

Imported Passenger Vehicle Sales by Model - November 2018

MAKE	MODEL	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	Axela	576	615	-6.3	5.2%	6,827	5.0%
Nissan	Tiida	522	930	-43.9	4.7%	6,100	4.5%
Suzuki	Swift	501	589	-14.9	4.5%	6,227	4.6%
Mazda	Demio	470	704	-33.2	4.2%	5,446	4.0%
Toyota	Prius	400	393	1.8	3.6%	3,709	2.7%
Honda	Fit	396	525	-24.6	3.5%	5,389	3.9%
Nissan	Leaf	320	246	30.1	2.9%	3,091	2.3%
Subaru	Legacy	245	391	-37.3	2.2%	3,587	2.6%
Mitsubishi	Outlander	240	294	-18.4	2.2%	2,697	2.0%
Mazda	Premacy	238	206	15.5	2.1%	2,562	1.9%
Mazda	Atenza	231	295	-21.7	2.1%	2,832	2.1%
Nissan	Dualis	212	190	11.6	1.9%	2,103	1.5%
Nissan	Note	199	172	15.7	1.8%	2,195	1.6%
Subaru	Impreza	194	197	-1.5	1.7%	2,129	1.6%
Nissan	X-Trail	165	148	11.5	1.5%	1,497	1.1%
Toyota	Corolla	157	196	-19.9	1.4%	1,847	1.4%
Honda	Stream	157	162	-3.1	1.4%	1,728	1.3%
Toyota	Aqua	128	55	132.7	1.1%	1,057	0.8%
Toyota	Auris	128	161	-20.5	1.1%	1,731	1.3%
Toyota	Blade	122	158	-22.8	1.1%	1,763	1.3%
Nissan	Skyline	101	122	-17.2	0.9%	1,583	1.2%
Mazda	Verisa	99	134	-26.1	0.9%	1,247	0.9%
Nissan	Bluebird	97	119	-18.5	0.9%	1,254	0.9%
Honda	Odyssey	96	160	-40.0	0.9%	1,310	1.0%
Toyota	MarkX	95	236	-59.7	0.9%	1,956	1.4%
Nissan	Serena	95	87	9.2	0.9%	794	0.6%
Toyota	Ractis	94	109	-13.8	0.8%	1,105	0.8%
Honda	CRV	86	123	-30.1	0.8%	1,186	0.9%
Toyota	Estima	83	324	-74.4	0.7%	1,178	0.9%
Nissan	March	79	114	-30.7	0.7%	1,056	0.8%
Nissan	Wingroad	79	75	5.3	0.7%	810	0.6%
Nissan	Juke	72	90	-20.0	0.6%	742	0.5%
Mazda	CX-5	69	101	-31.7	0.6%	796	0.6%
Audi	A4	68	90	-24.4	0.6%	812	0.6%
Toyota	Caldina	65	68	-4.4	0.6%	717	0.5%
Others		4,277	6,345	-32.6	38.3%	55,513	40.6%
Total		11,156	14,924	-25.2	100.0%	136,576	100.0%



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Challenging times for traders

Registrations of used-imported cars during November fell by a 25.2 per cent on the same month of last year.

There were 11,156 sales of used imports last month compared to 14,925 during November 2017.

Toyota secured 22.9 per cent of the year-to-date market despite registrations tumbling by 33.8 per cent on the same month of last year. Nissan was close behind in second with 19.4 per cent.

Lloyd Wilson, managing director of Lloyd Wilson Motors in Dunedin, reports 2018 has been a bit down compared to 2017 when it comes to volumes.

"We've had ups and downs this year, and stock supply issues," he says. "When you've got a lot, everyone else has a lot, so there have been challenging times and it doesn't always work smoothly."

He says it's not so much about getting the customers the cars they want, it's more about what used-vehicle importers are allowed to bring in. Choices have narrowed down a bit with Honda Elysions and Toyota Estimas, for example.

"This is a market that has dried up," says Wilson. "You have to work out how to combat that, which has been a challenge."

"We seem to go in cycles. We've got one yard with mainly station wagons and people movers, and another with just cars."

"Station wagons and people movers have been quiet, and some hatchbacks have slowed up a bit. There's no rhyme or reason in this game, no big pattern."

Wilson says some owners of larger vehicles have been wanting

to change to smaller cars.

"When the price of fuel goes up, it just becomes a process. Four or five months later, if customers want to tow or shift things, they change their attitudes and the cycle alters so it ebbs and flows."

"We're feeling the impact of rising fuel costs with larger cars. We're having more difficulty selling them and, equally, there has been more interest in smaller vehicles."

"As for 2019, I think it's going to be pretty much the same. There's a narrow band of cars you can import and everyone's trying to sell the same thing. It's all about having a point of difference and figuring out what that is."

Nick Owens, managing director of Auto Inspection Services in Christchurch, says: "Our industry lives and dies on the number of cars we get through. When volumes are low and when there's hard buying, it's going to be tough. When volumes pick up, we start feeling better."

"But we have little control over our volumes. They are predicated to what our dealers have bought and when they can get them onto boats."

"Right now, we should have seen significantly a lot more vehicles. But they didn't come due to the typhoon in Japan. It would have been a nice little extra to have at the moment."

Owens says every used import now incurs the same extra costs due to heat treatment, so he doesn't think that's really going to impact on dealers' buying processes.

A small silver lining of the heat-treatment process coming through is the reduction in volume, which has allowed border-inspection organisations to bring in treatment systems with minimal disruption.

As for buying patterns, Owens is seeing less four-wheel drives – Mitsubishi Outlanders were more prevalent a couple of months ago.

"Most of the cars we're seeing are medium to smaller-sized

vehicles, and ages seem to be a bit later," he says. "Our clients seem to buy slightly later models and slightly higher grade. We don't seem to see many of bottom end of the market vehicles coming through with our client base."

"We've seen a lot more clients who haven't previously dealt with electric cars or hybrids coming through. There are more fuel-efficient vehicles coming onto the market."

"The average fuel efficiency of Japanese imports is good because they're generally smaller cars than what the new-car market is selling, which is mostly bigger vehicles, SUVs and double-cab utes."

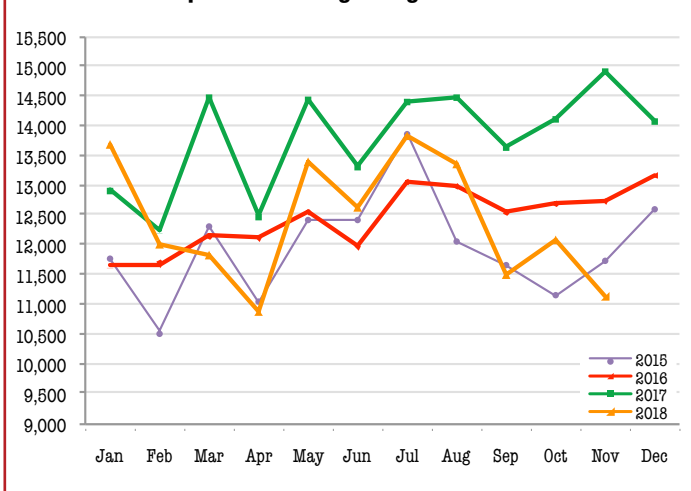
"I would be interested in seeing a comparison of the fuel efficiency of the used-imported fleet versus the new market. It's like comparing apples and oranges."

Dave Boot is the owner of EV City in Christchurch, which opened its doors in April with only six electric cars on his yard due to the stink-bug delays, but since then the business has been going well.

He says: "About a month ago, rising petrol prices were all over the news for two-and-a-half weeks and that accelerated the enquiry. There was blip for a couple of weeks when we didn't have enough staff and couldn't get enough stock in because there was so much demand."

"But demand has slowed a fraction because the price of petrol has dropped and it's no longer big news. People got sick of hearing about it, but it has still been busy." ☺

Used Imported Passenger Registrations - 2015-2018



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Port targets vehicle imports

Port of Tauranga is having talks with importers to increase the number of vehicles crossing its wharves.

The port hosts monthly calls from a dedicated car carrier with its volumes increasing through this service.

This has led to the number of vehicles imported through Tauranga doubling from 21,000 cubic metres during the 2016/17 financial year to 43,000cu m in 2017/18.

The company has started planning its next stage of capacity expansion with about 40 hectares of undeveloped, port-zoned land available. There are options to

lengthen the quay on both sides of the harbour using port-owned land south of existing berths.

During the past financial year, there were increased volumes across major cargo categories, including export logs up by 14.3 per cent and dairy products, which rose by four per cent – in addition to that major rise in vehicles.

Transhipments grew by 23.3 per cent “demonstrating the entrenchment of the hub and feeder port model in New Zealand”.

Group net profits after tax rose by 13 per cent to \$94.3m as earnings lifted by 11.9 per cent to \$16.4m.

The port is having ongoing talks

with other importers because it can distribute large volumes of cargo.

“This growth is a result of our six-year investment in building capacity to accommodate larger ships,” says chairman David Pilkington. “We completed our expansion programme in 2016, and are seeing larger vessels and bulk cargo.”

As for last month's imports, the number of used passenger vehicles crossing the border was 11,301. This was a drop of 22.8 per cent compared to November 2017, but an increase of 30.4 per cent – or by 2,632 units – on October.

The year-to-date total is now 130,340 units, which is down by

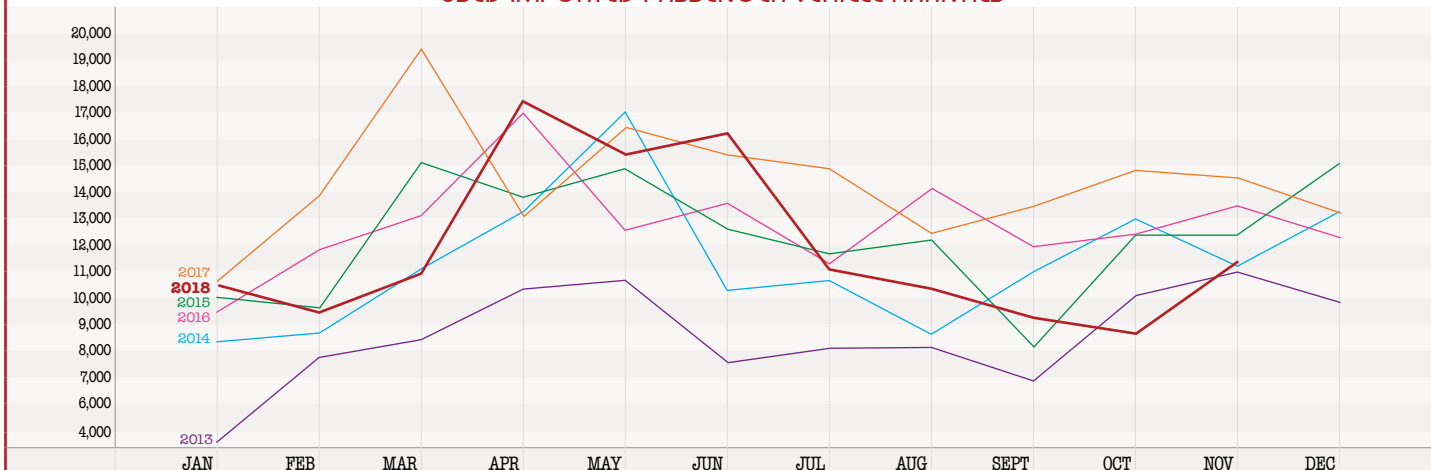
28,106 units or by 17.74 per cent on the same period in 2017.

There was a significant drop in used car imports from Japan, New Zealand's main supplier, in November with 10,664 units entering the country. This was a decrease of 22 per cent compared to November 2017.

So far this year, Japan has exported 122,807 used cars to this country, which is down on the same period in 2017 by 25,732 units or 17.3 per cent.

There were 320 used passenger vehicles imported from Australia during November and 118 units arrived from Singapore. ☺

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	AUG '18	SEP '18	OCT '18	NOV '18	NOVEMBER MARKET SHARE	2018 TOTAL	TOTAL	% SHARE	TOTAL	% SHARE
Australia	435	360	375	335	384	335	321	335	297	357	320	2.8%	3,854	5,540	3.2%	5,151	3.4%
Great Britain	123	63	94	82	77	70	73	72	92	82	109	1.0%	937	2,173	1.3%	1,537	1.0%
Japan	9,681	7,014	10,020	18,775	14,748	15,339	10,380	9,678	8,591	7,917	10,664	94.4%	122,807	160,822	93.8%	143,080	93.7%
Singapore	132	111	95	124	128	99	122	122	143	133	118	1.0%	1,327	1,202	0.7%	1,231	0.8%
USA	80	102	99	104	97	86	104	57	108	123	67	0.6%	1,027	1,419	0.8%	1,275	0.8%
Other countries	28	36	89	18	30	32	28	18	29	57	23	0.2%	388	387	0.2%	438	0.3%
Total	10,479	7,686	10,772	19,438	15,464	15,961	11,028	10,282	9,260	8,669	11,301	100.0%	130,340	171,543	100.0%	152,712	100.0%



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Business to 'gradually improve'

Car dealers are having to work harder to get the same results with trading conditions dipping after the change in government.

"The used-car part of the economy is flat and we just need it to lift a bit," says Julian Stone, general manager of Buy Right Cars. "Nothing has fundamentally changed. We're just going through a slower patch."

"The first year after an election is usually like this. Most of us have forgotten that because John Key got in time and time again, we haven't had a change of government for a while. It's probably the first post-election

blues we've had for 12 or 15 years.

"However, the sun is shining most days and with summer things pick up. We're hoping sales will gradually improve. Things aren't broken, we're just having to work a bit harder to get the same results."

Stone notes delivery of vehicles from Japan in recent months has been slowed by mandatory heat treatment required by the Ministry for Primary Industries to ensure stink bugs and no other biosecurity threats cross our border.

"We're yet to know how this will fully impact us, but everyone's saying it has slowed down the process in general. People are just

trying to get their heads around how it's affecting them."

He adds Buy Right Cars isn't looking at purchasing cars from other markets such as the UK, Australia and Singapore at the moment. "Getting cars from Japan isn't the issue – you can still get the cars you want."

Royale Cars in Hamilton offers a \$3,000 minimum on trade-ins, which applies to the retail price on the consumer information notice displayed in each vehicle on the lot.

Salesman Owen Gibbs says: "We get a lot of trade-ins. If they're good enough, we sell them on the yard. We do get older trade-ins that have had their stereos ripped out and some

look like they have been lived in."

Registrations of second-hand cars by traders to the public remained steady during November despite a decrease of 22.8 per cent in the number of used imports arriving in the country when compared to the same month of last year.

There were 19,048 dealer-to-public sales during November – up by 2.6 per cent on the same month of 2017, and dealers accepted 13,206 trade-ins – on par with the same month of 2017.

However, public-to-public sales were down by 526 units in November compared to the same month of last year. ☹

SECONDHAND CAR SALES - November 2018

	DEALER TO PUBLIC					PUBLIC TO PUBLIC					PUBLIC TO DEALER			
	NOV'18	NOV'17	+/- %	MARKET SHARE		NOV'18	NOV'17	+/- %	NOV'18		NOV'17	+/- %		
Whangarei	684	621	10.1	3.59		1,981	1,975	0.3		275	277	-0.7		
Auckland	6,965	6,449	8.0	36.57		14,325	14,745	-2.8		5,088	5,010	1.6		
Hamilton	1,424	1,404	1.4	7.48		3,223	3,206	0.5		1,099	1,036	6.1		
Thames	296	303	-2.3	1.55		705	731	-3.6		190	139	36.7		
Tauranga	908	872	4.1	4.77		2,147	2,060	4.2		552	534	3.4		
Rotorua	394	404	-2.5	2.07		1,032	1,081	-4.5		177	187	-5.3		
Gisborne	178	180	-1.1	0.93		423	381	11.0		64	81	-21.0		
Napier	676	673	0.4	3.55		1,607	1,573	2.2		450	489	-8.0		
New Plymouth	410	402	2.0	2.15		936	946	-1.1		207	201	3.0		
Wanganui	265	260	1.9	1.39		632	674	-6.2		154	175	-12.0		
Palmerston North	818	813	0.6	4.29		1,632	1,564	4.3		756	776	-2.6		
Masterton	233	214	8.9	1.22		538	530	1.5		108	131	-17.6		
Wellington	1,560	1,565	-0.3	8.19		3,088	3,120	-1.0		1,037	1,146	-9.5		
Nelson	320	351	-8.8	1.68		1,044	1,124	-7.1		198	233	-15.0		
Blenheim	186	187	-0.5	0.98		437	452	-3.3		75	82	-8.5		
Greymouth	62	55	12.7	0.33		177	146	21.2		25	23	8.7		
Westport	6	8	-25.0	0.03		37	36	2.8		0	0	0.0		
Christchurch	2,249	2,376	-5.3	11.81		5,034	5,154	-2.3		1,839	1,880	-2.2		
Timaru	203	214	-5.1	1.07		546	544	0.4		127	156	-18.6		
Oamaru	38	41	-7.3	0.20		149	119	25.2		3	2	50.0		
Dunedin	734	716	2.5	3.85		2,068	2,047	1.0		498	438	13.7		
Invercargill	439	465	-5.6	2.30		1,082	1,161	-6.8		284	297	-4.4		
NZ Total	19,048	18,573	2.6	100.00		42,843	43,369	-1.2		13,206	13,293	-0.7		

Vehicle Information Reports now include Takata airbag recall alerts*.

*Not all manufacturer data is available yet

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New Passenger Vehicle Sales by Make - November 2018

MAKE	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	2,076	2,358	-12.0	21.8%	19,190	19.1%
Holden	965	1,149	-16.0	10.1%	7,622	7.6%
Hyundai	877	637	37.7	9.2%	6,858	6.8%
Mazda	754	904	-16.6	7.9%	9,458	9.4%
Mitsubishi	627	710	-11.7	6.6%	7,105	7.1%
Kia	592	489	21.1	6.2%	6,571	6.5%
Suzuki	507	491	3.3	5.3%	6,149	6.1%
Honda	443	414	7.0	4.6%	5,086	5.1%
Nissan	408	440	-7.3	4.3%	4,241	4.2%
Ford	373	603	-38.1	3.9%	5,062	5.0%
Volkswagen	361	280	28.9	3.8%	3,682	3.7%
Subaru	277	312	-11.2	2.9%	3,462	3.4%
Mercedes-Benz	211	231	-8.7	2.2%	2,085	2.1%
Jeep	140	116	20.7	1.5%	1,444	1.4%
Audi	133	163	-18.4	1.4%	1,754	1.7%
BMW	120	161	-25.5	1.3%	1,611	1.6%
Skoda	119	106	12.3	1.2%	1,509	1.5%
Land Rover	88	117	-24.8	0.9%	1,010	1.0%
Lexus	65	65	0.0	0.7%	742	0.7%
Haval	45	25	80.0	0.5%	502	0.5%
Jaguar	45	48	-6.3	0.5%	374	0.4%
Peugeot	43	80	-46.3	0.5%	851	0.8%
Volvo	41	52	-21.2	0.4%	609	0.6%
Mini	37	44	-15.9	0.4%	591	0.6%
SsangYong	32	60	-46.7	0.3%	626	0.6%
Porsche	23	27	-14.8	0.2%	337	0.3%
Isuzu	21	14	50.0	0.2%	263	0.3%
Renault	19	14	35.7	0.2%	245	0.2%
Alfa Romeo	17	6	183.3	0.2%	135	0.1%
Citroen	15	28	-46.4	0.2%	229	0.2%
Tesla	15	28	-46.4	0.2%	239	0.2%
Yamaha	12	8	50.0	0.1%	88	0.1%
Seat	10	3	233.3	0.1%	114	0.1%
Infiniti	7	2	250.0	0.1%	30	0.0%
Aston Martin	4	4	0.0	0.0%	47	0.0%
Others	21	100	-79.0	0.2%	608	0.6%
Total	9,543	10,289	-7.3	100.0%	100,529	100.0%

New Passenger Vehicle Sales by Model - November 2018

MAKE	MODEL	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Corolla	739	814	-9.2	7.7%	6,571	6.5%
Toyota	RAV4	512	648	-21.0	5.4%	4,451	4.4%
Kia	Sportage	282	215	31.2	3.0%	3,134	3.1%
Hyundai	Accent	274	28	878.6	2.9%	729	0.7%
Toyota	Highlander	273	445	-38.7	2.9%	2,358	2.3%
Suzuki	Swift	258	196	31.6	2.7%	2,873	2.9%
Mazda	CX-5	251	385	-34.8	2.6%	3,446	3.4%
Mitsubishi	ASX	247	302	-18.2	2.6%	2,270	2.3%
Holden	Captiva	198	204	-2.9	2.1%	1,917	1.9%
Hyundai	Santa Fe	187	103	81.6	2.0%	1,443	1.4%
Toyota	Yaris	187	147	27.2	2.0%	1,849	1.8%
Nissan	X-Trail	184	167	10.2	1.9%	1,650	1.6%
Volkswagen	Tiguan	182	93	95.7	1.9%	1,659	1.7%
Mitsubishi	Outlander	176	227	-22.5	1.8%	2,205	2.2%
Mazda	Mazda3	174	146	19.2	1.8%	1,939	1.9%
Mitsubishi	Eclipse Cross	171	0	17100.0	1.8%	1,594	1.6%
Honda	CRV	169	238	-29.0	1.8%	1,555	1.5%
Nissan	Qashqai	162	212	-23.6	1.7%	1,996	2.0%
Holden	Commodore	159	176	-9.7	1.7%	1,726	1.7%
Holden	Spark	153	41	273.2	1.6%	573	0.6%
Holden	Astra	138	164	-15.9	1.4%	890	0.9%
Honda	HR-V	135	93	45.2	1.4%	1,164	1.2%
Hyundai	Tucson	134	184	-27.2	1.4%	1,722	1.7%
Hyundai	Kona	123	218	-43.6	1.3%	1,571	1.6%
Holden	Trax	121	149	-18.8	1.3%	844	0.8%
Toyota	Landcruiser Prado	120	87	37.9	1.3%	1,042	1.0%
Ford	Escape	114	164	-30.5	1.2%	1,276	1.3%
Mazda	CX-3	102	128	-20.3	1.1%	1,273	1.3%
Kia	Rio	97	70	38.6	1.0%	928	0.9%
Honda	Jazz	87	19	357.9	0.9%	1,648	1.6%
Holden	Equinox	83	71	16.9	0.9%	820	0.8%
Suzuki	Vitara	83	96	-13.5	0.9%	1,105	1.1%
Subaru	XV	83	137	-39.4	0.9%	1,131	1.1%
Subaru	Forester	82	32	156.3	0.9%	518	0.5%
Mazda	Mazda2	81	91	-11.0	0.8%	1,124	1.1%
Others		3,022	3,799	-20.5	31.7%	37,535	37.3%
Total		9,543	10,289	-7.3	100.0%	100,529	100.0%

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Japanese marque top again

Toyota has yet again taken out the title of New Zealand's best-selling marque for registrations of new passenger vehicles.

So far this year, it has sold 19,190 units for a market share of 19.1 per cent. It is way ahead of second-placed Mazda, which has 9,458 registrations and a 9.4 per cent share of the market.

Holden is in third spot on the marques ladder with a year-to-date market share of 7.6 per cent thanks to 7,622 registrations. Mitsubishi is fourth with 7.1 per cent and 7,105 sales, while Hyundai makes up the top five with 6,858 units and a market share of 6.8 per cent.

Overall, there were 9,543 new passenger vehicles registered last month, which was a drop of 7.3 per cent compared to 10,289 in November 2017. The year-to-date total now stands at 100,529.

"Our fleet and rental sales remain strong with both up on the previous year, while our dealers are only down slightly despite significant changes we made to our retail model earlier in the year," says Neeraj Lala, Toyota NZ's general manager of new-vehicle sales and product planning.

The all-new 2019 Corolla has been doing well. It notched up 739 sales last month. This greatly contributed to the marque's overall result, but was down by 9.2 per cent on 814 sales in the same month of last year.

"Our sales have been strong across all channels, which is encouraging," says Lala. "Year to date, we're in a great position to match our market share from last year.

"We still have work to do in the retail sector, however retail sales are strong compared to last year's record new-vehicle sales. We attribute our success to having a wide model range to meet the needs of all buyers and a reputation for reliability."

Pauline Gilbert, chief executive officer at Coast Toyota in Greymouth, reports a recent slowdown in business, but "it's still okay and will go crazy before Christmas".

She says sales of new cars have been busier this year than used vehicles, which have been "up and down".

Gilbert is happy with the dealership's stock levels, although some models can take longer to arrive at the dealership than others. However, that's not a big issue.

"We're expecting 2019 to be business as usual. You can't change the big picture. You can only do what you can do, so West Coasters just get on with their lives."

Another marque looking to use a new model as a springboard

to success is Jaguar with it also creating more choice for consumers in the electric-vehicle space.

The first all-electric I-PACE deliveries are expected in New Zealand from April with prices for the premium SUV starting at \$159,900.

Steve Kenchington, general manager of Jaguar NZ, says it will offer motorists best-in-class battery range and acceleration.

"The I-PACE's 90kWh lithium-ion battery delivers a range of up to 470km for a single charge – the equivalent of more than 14 days' travel for an average Kiwi driving 12,000km per annum," he enthuses.

Kenchington describes pre-launch demand as "exceptionally strong" with some purchasing based on reviews of the model.

"More than 50 deposits were received from around the country months before pricing details became available for this market."

He says international interest in the I-PACE has led to supply constraints and would-be buyers need to register with dealers as

limited stock will be available in the coming year.

The model will be on display for the first time in the country at the ASB Classic in Auckland this month when Kiwis will be able to get inside one.

"Our partnership with the ASB Classic provides us with the perfect opportunity to showcase the I-PACE. We will have expert staff on-hand to answer questions and give people a first chance see this exciting addition our range."

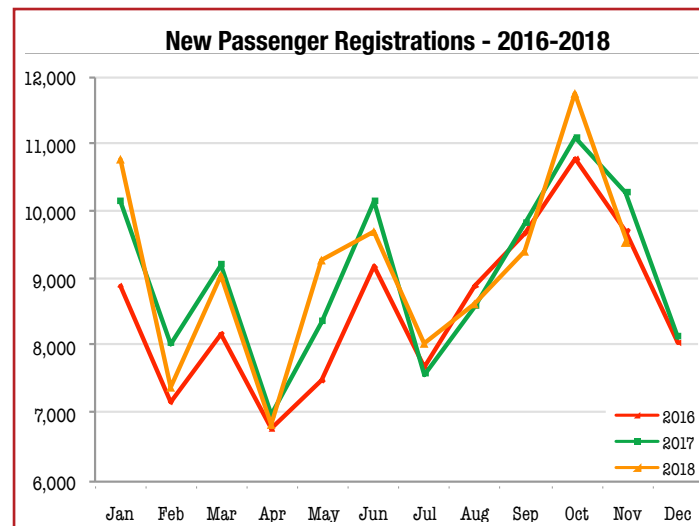
Back to last month's sales statistics and there were 9,543 new cars sold in New Zealand, which was down by 7.3 per cent compared to 10,289 in November last year to bring the total so far in 2018 to 100,529 units.

Second place on the models ladder went to Toyota's RAV4 with 512 registrations, third was Kia's Sportage on 282 and fourth was Hyundai's Accent on 274. The Toyota Highlander rounded off the top five with 273 registrations.

As for the overall new-vehicle market, total registrations were slightly down on November 2017 by 235 units, or 1.6 per cent. November's top segment was medium-sized SUVs with 16 per cent of the market.

The 14,359 units registered last month means the year-to-date market remains ahead of 2017 by 1.4 per cent and 2,066 units.

David Crawford, chief executive officer of the Motor Industry Association, describes the new-vehicle market as steady as she goes. "While growth remains only marginally up on 2017, the out-turn year to date is encouraging." ☺



November 2018 (vs October 2018)

SALES

Web - Dealer 1.5%
 Web - Classified 0.5%
 Repeat 3.3%

Ute growing in market strength

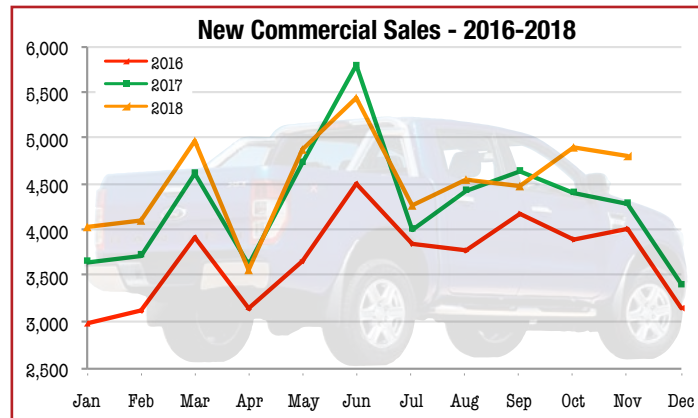
Amarque is confident its new one-tonne utility will prove to be a hit in its segment of the new-vehicle market.

The Triton is due to arrive in NZ later this month after being officially launched in Thailand in November.

Reece Congdon, head of marketing and corporate affairs of Mitsubishi Motors NZ, says the ute has gone from strength to strength since being launched 40 years ago.

"The Triton is the fastest-growing mainstream four-wheel-drive [4WD] ute in New Zealand," he told Autofile.

"The new model features improvements to durability and the reliability demanded by commercial operators, alongside refinements to comfort and performance



sought by all of our customers.

"We're confident this Triton will push uptake to the next level with sales expected to increase by up to 25 per cent."

Congdon describes the Triton

as the marque's "star performer" with overall registrations boosted by the arrival of the 2WD GLX-R in August. "We've been pleased to have been able to put earlier supply issues behind us."

The Triton is currently fourth on the models ladder when it comes to sales of new commercial vehicles with its combined 2WD and 4WD total of 4,319 year-to-date registrations securing a market share of 8.6 per cent.

Ford's Ranger is in top spot with 9,302 sales and a market share of 18.6 per cent. Next up is Toyota's Hilux with 7,507 and 15 per cent with Holden's Colorado third on 8.7 per cent and 4,359 units.

November's top four models were the Ranger with 994, Hilux on 741, Triton with 487 and Colorado on 427.

Last month there were 4,816 new commercial vehicles sold in New Zealand – up 11.9 per cent on November 2017. ☺

New Commercial Sales by Make - November 2018

MAKE	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	1,064	943	12.8	22.1%	10,414	20.8%
Toyota	1,023	869	17.7	21.2%	10,199	20.4%
Mitsubishi	487	339	43.7	10.1%	4,320	8.6%
Holden	431	340	26.8	8.9%	4,437	8.9%
Isuzu	304	319	-4.7	6.3%	3,318	6.6%
Nissan	286	193	48.2	5.9%	3,433	6.9%
Mercedes-Benz	173	162	6.8	3.6%	1,244	2.5%
LDV	159	144	10.4	3.3%	1,812	3.6%
Mazda	156	188	-17.0	3.2%	1,960	3.9%
Volkswagen	128	148	-13.5	2.7%	1,737	3.5%
Fiat	121	130	-6.9	2.5%	1,008	2.0%
Hino	67	56	19.6	1.4%	670	1.3%
Fuso	60	60	0.0	1.2%	824	1.6%
Renault	50	53	-5.7	1.0%	213	0.4%
Hyundai	44	38	15.8	0.9%	687	1.4%
Great Wall	30	9	233.3	0.6%	227	0.5%
Kenworth	30	31	-3.2	0.6%	302	0.6%
Iveco	25	29	-13.8	0.5%	268	0.5%
UD Trucks	25	32	-21.9	0.5%	251	0.5%
Volvo	24	34	-29.4	0.5%	292	0.6%
Others	129	188	-31.4	2.7%	2,469	4.9%
Total	4,816	4,305	11.9	100.0%	50,085	100.0%

New Commercial Sales by Model - November 2018

MAKE	MODEL	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	Ranger	994	874	13.7	20.6%	9,302	18.6%
Toyota	Hilux	741	620	19.5	15.4%	7,507	15.0%
Mitsubishi	Triton	487	339	43.7	10.1%	4,319	8.6%
Holden	Colorado	427	323	32.2	8.9%	4,359	8.7%
Nissan	Navara	286	193	48.2	5.9%	3,433	6.9%
Toyota	Hiace	259	207	25.1	5.4%	2,371	4.7%
Isuzu	D-Max	159	206	-22.8	3.3%	2,173	4.3%
Mazda	BT-50	156	187	-16.6	3.2%	1,960	3.9%
Mercedes-Benz	Sprinter	132	140	-5.7	2.7%	834	1.7%
Fiat	Ducato	121	129	-6.2	2.5%	1,005	2.0%
LDV	T60	80	50	60.0	1.7%	800	1.6%
Volkswagen	Amarok	70	59	18.6	1.5%	881	1.8%
Ford	Transit	70	69	1.4	1.5%	1,112	2.2%
Isuzu	N Series	68	41	65.9	1.4%	426	0.9%
Isuzu	F Series	51	47	8.5	1.1%	451	0.9%
LDV	V80	46	64	-28.1	1.0%	597	1.2%
Hyundai	iLoad	43	36	19.4	0.9%	665	1.3%
Renault	Master Van	42	50	-16.0	0.9%	142	0.3%
Hino	500	36	35	2.9	0.7%	332	0.7%
LDV	G10	33	30	10.0	0.7%	400	0.8%
Others		515	606	-15.0	10.7%	7,016	14.0%
Total		4,816	4,305	11.9	100.0%	50,085	100.0%



Moana Blue are turning a little green!

Trade in used vans slowing

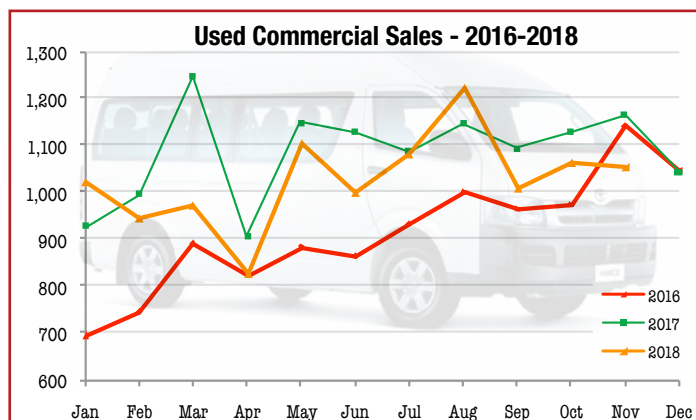
Demand for used vans eased despite the Fiat Ducato pushing its way into third on November's model table.

Toyota's Hiace topped the ladder with 341 sales – down by 10.7 per cent on the same month of last year.

Nissan's Caravan was second on 66 units, which was down by 12 per cent, and the Ducato followed on 64 up by 3.2 per cent and pushing the Mazda Bongo into fourth.

There were 1,055 used commercials registered in November, which was down by 9.4 per cent on the same month of last year.

Gary Allan, who is dealer principal of Eastwood Motor Group in Masterton, says: "We're very lucky that the Isuzu D-Max



is the number-one selling ute in our region and has been for a few years now.

"This helps our used stock with lots of Isuzu trade-ins coming through. Having a good selection

of used D-Maxes has helped us this year."

Allan notes the dealership regularly gets customers trading in other marques' utilities for a new Isuzu ute. "Last month, we traded a

Hilux, Bounty, and a Nissan."

As for how 2019 may pan out for the business, he realises the motor-vehicle industry is always going to be a challenge.

"I would be lying if I said it would be easy, but we have the right brands to see us through any hard times and dealers who are proactive will hold their own," Allan told Autofile.

"We have a lot of loyal customers. We have to look after them first and foremost.

"We have customers who travel to us from all around the country for both sales and service, so a positive customer experience is key. If you look after them, they'll come back." ☺

Used Commercial Sales by Make - November 2018

MAKE	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	448	498	-10.0	42.5%	5,048	44.6%
Nissan	206	249	-17.3	19.5%	2,364	20.9%
Fiat	64	63	1.6	6.1%	240	2.1%
Mazda	61	65	-6.2	5.8%	684	6.0%
Ford	59	41	43.9	5.6%	461	4.1%
Isuzu	48	69	-30.4	4.5%	624	5.5%
Hino	32	32	0.0	3.0%	371	3.3%
Mitsubishi	31	45	-31.1	2.9%	386	3.4%
Holden	18	18	0.0	1.7%	201	1.8%
Chevrolet	13	20	-35.0	1.2%	194	1.7%
Suzuki	10	5	100.0	0.9%	73	0.6%
Mercedes-Benz	8	8	0.0	0.8%	74	0.7%
Dodge	7	8	-12.5	0.7%	64	0.6%
GMC	7	4	75.0	0.7%	55	0.5%
Iveco	6	1	500.0	0.6%	33	0.3%
Volkswagen	5	6	-16.7	0.5%	56	0.5%
Land Rover	4	3	33.3	0.4%	16	0.1%
Mitsubishi Fuso	4	3	33.3	0.4%	44	0.4%
Peugeot	4	2	100.0	0.4%	24	0.2%
Renault	4	4	0.0	0.4%	25	0.2%
Others	16	21	-23.8	1.5%	281	2.5%
Total	1,055	1,165	-9.4	100.0%	11,318	100.0%

Used Commercial Sales by Model - November 2018

MAKE	MODEL	NOV'18	NOV'17	+/- %	NOV'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Hiace	341	382	-10.7	32.3%	3,858	34.1%
Nissan	Caravan	66	75	-12.0	6.3%	721	6.4%
Fiat	Ducato	64	62	3.2	6.1%	231	2.0%
Mazda	Bongo	47	56	-16.1	4.5%	552	4.9%
Nissan	NV200	37	48	-22.9	3.5%	470	4.2%
Nissan	Vanette	37	37	0.0	3.5%	325	2.9%
Toyota	Dyna	32	24	33.3	3.0%	368	3.3%
Isuzu	Elf	32	35	-8.6	3.0%	370	3.3%
Nissan	NV350	32	28	14.3	3.0%	369	3.3%
Toyota	Regius	31	41	-24.4	2.9%	387	3.4%
Ford	Transit	31	8	287.5	2.9%	124	1.1%
Hino	Dutro	23	18	27.8	2.2%	176	1.6%
Mitsubishi	Canter	21	22	-4.5	2.0%	173	1.5%
Toyota	Toyocoe	18	14	28.6	1.7%	187	1.7%
Nissan	Atlas	14	19	-26.3	1.3%	227	2.0%
Toyota	Hilux	12	17	-29.4	1.1%	133	1.2%
Ford	Ranger	12	11	9.1	1.1%	148	1.3%
Suzuki	Carry	10	5	100.0	0.9%	136	1.2%
Holden	Commodore	9	5	80.0	0.9%	82	0.7%
Mazda	Titan	8	6	33.3	0.8%	73	0.6%
Others		178	252	-29.4	16.9%	2,191	19.4%
Total		1,055	1,165	-9.4	100.0%	11,301	100.0%

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Electric range set to expand

More options for buyers of new electric vehicles (EVs) will be coming to the market next year, which will help to boost their overall sales and market share.

Dean Sheed, general manager of Audi NZ, says there has been a change in the market for electric cars at a smaller volume.

And his personal opinion is 2019 will be significant with a number of marques releasing EVs, notably the European brands and Hyundai, so there will be more mainstream and premium options.

"Next year, you will see more volume in the marketplace, which is good for consumer choice."

Sheed, who is also a board member of Drive Electric, told Autofile: "I wish I could wave a wand and magic up a wider range of EVs available today. But

we will see a range of petrol and diesel vehicles being sold with EVs taking up a share of different brands' portfolios.

"There will be an increase in EV sales and, if you monitor them and plug-in hybrids in the market, their share will start to grow as it has done in other countries."

Sheed predicts all new cars will be electric by about 2030. "It will not be an overnight thing. You have manufacturers, such as Audi. We retail about two million units a year with about 80 different models in our range, so you can't turn all those overnight to electric.

"That's because many markets around the world don't have the infrastructure to support it, but you will see manufacturers with a small product ranges changing to EVs earlier.

"New Zealand should be a southern hemisphere leader in EVs just as Norway is in the northern hemisphere. There's no reason why this country can't be a global leader in this area."

Gary Allan, dealer principal of Eastwood Motor Group in the Wairarapa, says all of his brands will have new models coming out next year. "There are a lot of models on the horizon from all our distributors, so 2019 will be a good year."

He adds the business' stock levels are good and he can usually meet customer demand for new vehicles straight away.

As for last month, a total of 7,820 new cars entered New Zealand – down by 20.4 per cent on the same month of last year and down 21.2 per cent on October's total of 9,921.

November recorded 9,543 units sold. However, this was still down by 18.9 per cent on October 2018's record total of 11,765 and by 7.3 per cent on the same month of 2017.

When taking into account the number of new car imports during November minus registrations, there was a decrease in stock by 1,723 units, which led to stock on-hand totalling 79,561.

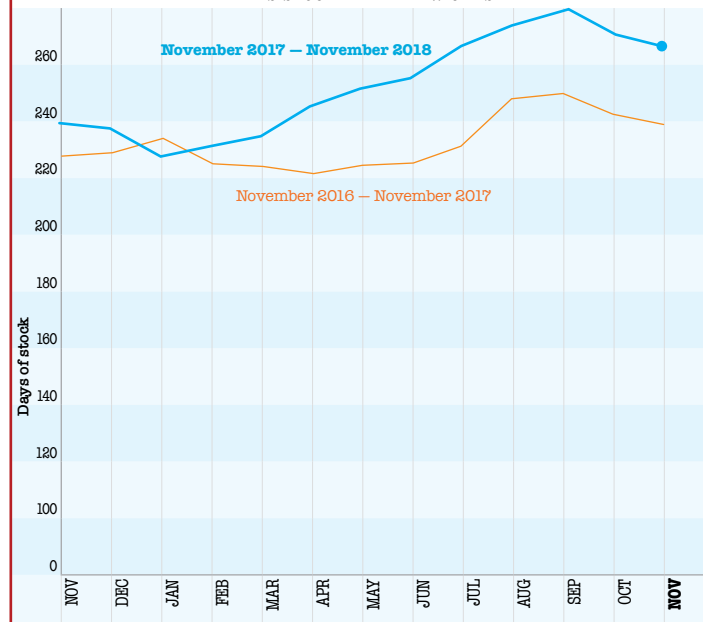
If sales remain at 298 per day as averaged over the past 12 months, there are 267 days of stock on-hand, or just under nine months of supply on dealers' yards or in storage.

Stock has reduced nicely over the past two months and there is 3,567 less unregistered new stock than there was at the end of September. ☺

Dealer stock of new cars in New Zealand

	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	12,102	9,275	2,827	75,506	299	252
Jun '18	10,138	9,725	413	75,919	298	255
Jul '18	11,503	8,040	3,463	79,382	299	265
Aug '18	11,175	8,639	2,536	81,918	299	274
Sep '18	10,641	9,431	1,210	83,128	298	279
Oct '18	9,921	11,765	-1,844	81,284	300	271
Nov '18	7,820	9,543	-1,723	79,561	298	267
Year to date	108,889	100,529	8,360			
Change on last month	-21.2%	-18.9%		-2.1%		
Change on Nov 2017	-20.4%	-7.3%		12.7%		
	LESS IMPORTED	LESS SOLD		MORE STOCK		

DAYS STOCK IN NZ - NEW CARS



Imports, sales and stock tumble

November saw a significant drop in registrations of second-hand cars, imports of used passenger vehicles and stock on-hand when compared to the same month of last year.

There were 11,301 used cars imported into New Zealand last month, which was down by 22.8 per cent on November 2017, and 11,156 units were sold for a decrease of 25.2 per cent on the same month of last year.

That left 28,366 units on dealers' yards unregistered – down by 20.3 per cent on November 2017's 35,607 units.

Stock of used imported unregistered stock has reduced by 6,236 units since November last year and, given average sales of 413 units a day, the industry has 69 days' stock if imports stopped today.

Richard de Lautour is chief

executive of Instant Finance, which owns a dealership in Manukau called Easy Driver. It retails New Zealand-new cars and Japanese imports, and usually has 130 to 140 units in stock.

"They are more modestly priced, older cars," he says. "They are vehicles our customers can comfortably afford. We do our best to wrap our arms around them making sure that if they need a vehicle, we can provide it.

"We sell about 40 to 50 cars a month, and offer customers an Easy Driver warranty because one of the issues with our customer base is it regards assets, such as cars, as a means to an end.

"If you sell a normal market warranty, invariably when a customer comes to make a claim it's usually void if the car doesn't have a warrant of fitness [WOF], hasn't been serviced and so on.

"Instead, we provide our buyers with a one-year comprehensive warranty. We basically close our eyes and replace anything – even if the car has been driven with a warning light on.

"We take our customers through the first year to their first or next WOF. That works quite well for them and means they're looked after even if they don't play their part by with servicing."

Easy Driver's manager purchases vehicles that are traded into some of the franchise dealers around Auckland, and has had two trips to Japan in the past few years. He will buy 20 to 30 cars there to bring back to New Zealand.

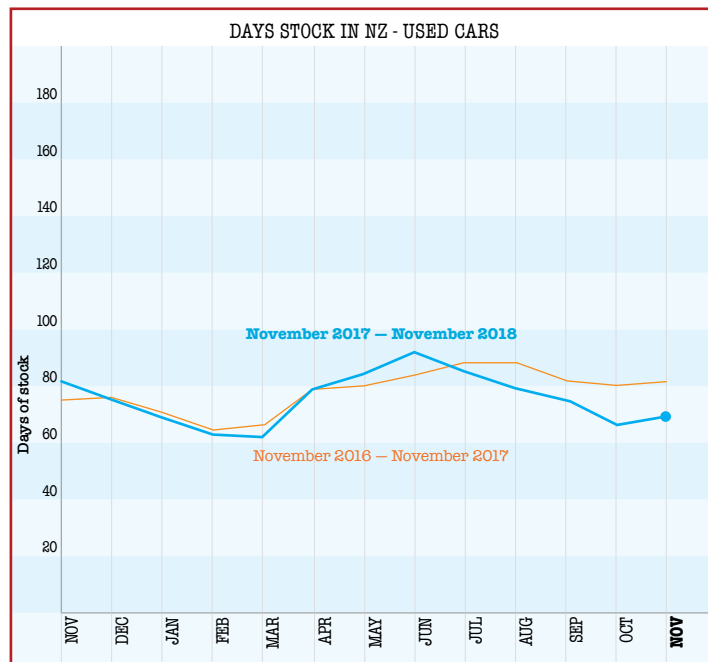
"Our customers don't have great affordability, and in South Auckland there's huge demand for seven-seater cars and people-movers," de Lautour told Autofile.

"We always try to buy the best we can at the best price, and ensure cars we've got are affordable. It can be difficult to source those vehicles, but we do what we can to find the right solution for the customer."

He notes there has been a recent slowdown in motor-vehicle registrations.

"I think the lack of confidence, which is much-talked about, and where the government may or may not be taking us, feeds its way down to lower socio-economic parts of society because people then start to worry about job security," he adds.

"How can people in South Auckland – our client base – afford to pay for petrol price increases? It's putting them under huge pressure. I believe it's a classic case of a government that purports to support low-income earners is the one causing damage." ☺



Dealer stock of used cars in New Zealand

	CAR SALES				DAILY SALES	DAYS
	IMPORTED	REGISTERED	VARIANCE	STOCK	- 12-MONTH AVERAGE	STOCK AT HAND
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	15,464	13,420	2,044	36,520	441	83
Jun '18	15,961	12,651	3,310	39,830	439	91
Jul '18	11,028	13,847	-2,819	37,011	438	85
Aug '18	10,282	13,368	-3,086	33,925	434	78
Sep '18	9,260	11,533	-2,273	31,652	429	74
Oct '18	8,669	12,100	-3,431	28,221	423	67
Nov '18	11,301	11,156	145	28,366	413	69
Year to date	130,340	136,576	(6,236)			
Change on last month	30.4%	-7.8%		0.5%		
Change on Nov 2017	-22.8%	-25.2%		-20.3%		
	LESS IMPORTED	LESS SOLD		LESS STOCK		

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