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Extra action predicted to keep out stink bugs

The Motor Industry Association warns 'it's only a matter of time' before all markets are likely to have controls in place

The automotive industry is expecting at least two additional export markets to face tough biosecurity requirements in the future to prevent brown marmorated stink bugs (BMSBs) from crossing New Zealand's border.

Supply-chain pathways for new vehicles imported from Japan – from production line to port – must already be approved by the Ministry for Primary Industries (MPI).

The process involves marques having strict controls in place to minimise contamination risks so their stock doesn't have to be heat-treated before being shipped as is the case with used imports, which are considered to be at a higher risk of attracting unwanted hitch-hikers.

However, there are concerns stink bugs have found their way onto vessels via new cars loaded in China and South Korea during the current high-risk period – although the pests have been discovered before unloading in New Zealand.

These two countries, along with



The MPI has issued an advisory about stink bugs on vehicles from China and South Korea

Japan and Malaysia, provide the bulk of new vehicles coming into this country.

The MPI has since issued advice in regards to limiting biosecurity threats from China and South Korea, although it has yet to do so for Malaysia.

But the Motor Industry Association (MIA) would be unsurprised if – at some point in the foreseeable future – at least South Korea and China are added to

what's known as "schedule three" of the import health standard (IHS) for vehicles, machinery and equipment.

A revised standard was issued by the MPI on August 9 to cover the current stink-bug season, which runs from September 1 to April 30.

The changes included 14 countries being added to schedule three in addition to the US and Italy, which means new vehicles from these markets require mandatory treatment or have to go through an approved system during the high-risk period for BMSBs.

The extra countries are Austria, Bulgaria, France, Georgia, Germany, Greece, Hungary, Liechtenstein, Romania, Russia, Serbia, Slovenia, Spain and Switzerland.

However, David Crawford, chief executive officer of the MIA, is surprised China, South Korea and Malaysia do not feature on the expanded list of countries on schedule three.

"When the stink-bug issue came onto the agenda in February last year, we asked where the



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GUEST EDITORIAL

Regulation needed for cleaner fleet

Andrew Caseley says fuel-efficiency standards for light vehicles are needed and inevitable

New Zealand must take proactive steps to cut transport-generated carbon emissions if it is to meet its international climate-change commitments. Our fleet is one of the oldest and most inefficient in the developed world, and it's getting worse.

The Productivity Commission recommended introducing CO₂ emissions standards for light vehicles in its enquiry into transitioning to a low-emissions economy.

A simple way of delivering reductions in carbon emissions is by having a fuel-efficiency standard. The Energy Efficiency and Conservation Authority (EECA) believes this is the way to go.

One reason for our high vehicle emissions is our national move to larger, heavier vehicles. Another is New Zealand is one of the few places in the world where less-efficient variants are still acceptable.

About 80 per cent of the global light-vehicle market is regulated by standards that require manufacturers to meet an overall average fuel economy or CO₂ emissions level.

The US, China, Canada, Japan and India are part of the 80 per cent. New Zealand, Australia and Russia are not.

EECA is responsible for two key parts of the government's programme to accelerate the uptake of electric vehicles (EVs) in New Zealand – the Low Emission Vehicles Contestable Fund and an information campaign.

So, of course, we are encouraged by the exponential growth of EV numbers. More than 5,000 were registered in 2018, bringing the total



ANDREW CASELEY
Chief executive, EECA

to more than 11,500. Not bad when five years ago there were just over 200, but still only a drop in a very big bucket.

Looking at the big picture, around 340,000 new and used light vehicles entered New Zealand in 2017.

Roughly half were new. Based on historical averages, they – and their emissions – will be part of our fleet until about 2040. That's a full 10 years after we should have reduced greenhouse gas emissions by 30 per cent below 2005 levels.

The other half were used imports. In 2016, their average age was nine years – the oldest since 2000.

A well-designed standard would show manufacturers New Zealand is serious about reducing its transport emissions and, as part of this, encouraging them to offer more electric vehicles or low-emissions options.

Co-ordinating with Australia on this would send an even stronger signal to manufacturers, growing trans-Tasman demand for low-emission vehicles.

We bit the bullet on frontal-impact standards and I believe very few of us would wish to go back.

Our emissions standards must surely go the same way. No-one is advocating for overnight change, but a sensible transition period would give the industry time to adjust while getting early results on the road.

Introducing fuel-efficiency standards for light vehicles will be good for consumers and our emissions targets. With the support of the industry, we can do it sooner than later. ☺

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BMSB was endemic to, and were told Japan, South Korea and China," he says.

"These three countries and Thailand account for most new-vehicle sales in New Zealand. Other countries are on schedule three of the IHS, yet South Korea, China and Malaysia aren't.

"We're not surprised there have been issues with shipments from South Korea and China in the current stink-bug season.

"When the MPI issued its advisory late last year, we informed our members these two countries are likely to be next off the rank and placed into schedule three meaning they will face extra biosecurity requirements as exports from Japan do."

The MPI's advisory to industry of November 20 is aimed at "shippers, exporters and importers of new and used vehicles and machinery".

It states: "At this stage, New Zealand doesn't have BMSB measures in place for China and Korea. However, the MPI is monitoring vessels

reporting detections of regulated pests carrying vehicles from China and Korea.

"We remind exporters and importers the IHS requires all vehicles, machinery and equipment to be clean internally and externally, and free of regulated pests, before being imported. This includes being free of pests such as BMSBs from all countries."

Crawford stresses MIA members have been ensuring their vehicles are clean before being loaded onto vessels and are now doing their homework on what else may be required in the future.

"The MPI hasn't added China and Korea to schedule three because it has been impossible to prove beyond doubt that a live bug has arrived on a vehicle from these countries. In diplomatic terms, this would be placing an environmental barrier on trade."

When the new IHS became operational in September, all MIA members were alerted to the biosecurity issues involved

"We're not surprised there have been issues with shipments from South Korea and China in the current stink-bug season"
– David Crawford

and were urged to ensure their vehicles remained clean.

"All markets are likely to have controls in place in the future with many more jurisdictions going into schedule three," warns Crawford. "It's only a matter of time before more non-European countries are included.

"In addition to China and South Korea, we import new vehicles from India, Holland, the UK, the list goes on.

"After having new-vehicle pathways, we need to look at the ships and what else is on them. It often takes less than four weeks for new cars to come off

production lines before being loaded, so it's the devil's own job to sort out where biosecurity contamination can take place.

"The bottom line is the MPI doesn't want stink bugs in our country and that's something we all agree with. However, no-one can conclusively find the culprit."

The general feeling among distributors at the MIA's council meeting in December was that it's only a matter of time before regulations for more markets come into place.

They are getting preparatory work for this done – that's to say having vehicles cleaned or heat-treated as laid down in schedule three of the IHS, or to meet the same requirements as for vehicles coming out of Japan.

Crawford told Autofile: "If that happens, it will take time for MIA members to implement this and we are getting prepared for tougher conditions.

"Stink bugs are endemic to the Asia region. But by international law, New Zealand cannot affect the productivity levels of another country it imports from without proof. Everyone in the industry is nervous and talking about more added controls."

The MPI's advisory states it's

Bugs discovered on boats from Europe

A second vessel operated by Wallenius Wilhelmsen Logistics (WWL) has been ordered to leave New Zealand waters.

Customs issued an advisory on January 4 to report the Morning Lynn – a roll-on, roll-off carrier – had been infested by brown marmorated stink bugs (BMSBs).

The Ministry for Primary Industries (MPI) has directed the ship, with its vehicles from Europe and the US, out of New Zealand territory along with other cargo from two decks destined for this country after it underwent an intensive inspection by Biosecurity NZ officers.

The Morning Lynn, which was positioned off Great Barrier

Island on January 9, was granted a discharge for its other cargo bound for New Zealand.

It is the second WWL ship to be directed off-shore during the current high-risk stink-bug season.

Biosecurity NZ intercepted three live and 39 dead BMSBs, and 69 other dead stink bugs, after the Carmen arrived in Auckland on November 28 last year. It was also carrying vehicles from the US and Europe.

Steve Gilbert, border-clearance services director, says: "We also believed the ship itself was contaminated."

Autofile understands the Carmen was due back in Auckland on the night of January 11 after

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◀ aware some shipping lines are only loading cargos with evidence they are as free as possible of stink bugs to ensure they will not encounter delays or be denied discharge.

"While the MPI hasn't regulated this pathway, actions taken to reduce the likelihood of contamination – whether regulated or voluntary – help ensure vehicles arrive compliant," it says. "The MPI is supportive of this approach."

"Since the beginning of the 2018/19 season, the MPI has been closely monitoring all known and potential pathways that BMSBs, other stink bugs and regulated pests may be present on. The risk is constantly evolving."

"Given detections of BMSBs on vehicles and machinery from China and Korea, the MPI recommends exporters take a proactive approach."

The MPI says exporters should consider alerting those working with exports to look for contamination – including BMSBs, other stink bugs and regulated pests – in and around facilities, particularly outdoor vehicle-storage areas, and use controls to reduce any potential presence of stink bugs. It also advises:

- ▶ Inspecting vehicles regularly, particularly on the day of loading. If they are

offshore treatment. From there, its MPI-approved and controlled discharge may take up to a week.

Cargo on Armacup's Triumph has been offloaded in China and is en-route to New Zealand on the Carrera, while the Lake Como returned to Japan for unloading.

A spokesman for the MPI says returning vessels and their cargos will "undergo intensive deck-by-deck inspection", and "may have discharge restrictions imposed or ultimately be directed to leave New Zealand if any live BMSBs are detected."

Ports of Auckland reports little in the way of congestion caused by stink bugs during the current season with one vessel being turned away before returning after treatment to discharge.

Spokesman Matt Ball adds: "There has been a mix of responses with some vessels going and coming



All vessels arriving in New Zealand are risk-assessed by the MPI, which "forms the basis for protecting the border"

contaminated, treat before shipping and don't ship contaminated stock without appropriate treatment.

- ▶ Storing vehicles and machinery indoors when possible after inspection.
- ▶ Consider using an approved treatment if vehicles may be contaminated. If unsure, treat before shipping.

The MPI risk-assesses all vessels arriving in New Zealand and this forms the basis for protecting the border. Each case of non-compliance is assessed and border actions are the minimum needed to manage risks.

There are limited border actions available to manage the risk of BMSBs on large cargo vessels. These include partial discharge

back, some getting extra treatment here, and some discharging uninfected cargo and then having to leave with infected cargo."

"We regard every arriving international vessel as a potential biosecurity threat," an MPI spokesman told Autofile.

"We're finding more stink bugs than last season. There has so far been less disruption for vessels from Japan, but comparatively more for vehicle ships from Europe."

"Pre-arrival treatment requirements from confirmed risk countries and intensive inspection on arrival is necessary to prevent a stink-bug population from establishing in New Zealand. To date, these measures have proved successful."

"We will continue to work with industry to ensure it's in a position to meet biosecurity requirements with as little disruption as possible." ☺

if there are sealed decks, but this depends on where the biosecurity threat is located.

Then there's MPI-managed systematic discharge to ensure only low-risk or non-contaminated cargos are unloaded. One of the toughest measures is denial to discharge some or all cargo.

"The MPI will continue to monitor for regulated pests, particularly BMSBs, on vessels carrying break-bulk vehicles and machinery from China and Korea," it says.

"At the close of the 2018/19 season, the MPI will review its

risk-mitigation measures and adjust them to appropriately manage any change.

"Should there be sufficient change in risk or presence of BMSBs or other regulated pests from China and Korea during the season, the MPI will implement urgent changes to the IHS."

"Peak finds in the past have been at the end of December through to February, which required urgent measures at short notice."

"The MPI appreciates the potential difficulties and uncertainty the industry faces as a result of recent events."

"While not in the position to provide further certainty, it will provide as much advice and guidance as possible to the vehicle industry from China and Korea, and shipping lines."

The MPI adds it's working closely with the Department of Agriculture and Water Resources in Australia on the issue, and it will update the industry of any changes in risk or import processes as they arise. ☺

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Looking back on busy year

From stink bugs to airbag recalls, and electric cars to Kiwi commen, it was an eventful, controversial and issues-led year. Autofile looks back on its 12 issues of the magazine in 2018.

JANUARY: SALES RECORDS

Records were notched up in 2017 with 108,608 new cars sold – up from 2016's previous best of 102,647. At 165,654 units, used cars passed the previous high of 156,972 in 2003. Overall, 274,262 passenger vehicles were sold – 8.8 per cent more than 252,173 in 2016.

Tony Johnson, chief executive officer of the Low-Volume Vehicle Technical Association, was awarded \$100,000 in damages after attacks were made on him and his organisation over five years. He was criticised in social media by John Brett, who certified vehicles from 1999 until 2012 when the NZTA

revoked his authority.

The Motor Vehicle Disputes Tribunal wanted changes made to consumer information notices (CINs) when vehicles were sold after being written off overseas.

FEBRUARY: IMPORT RULES

The next phase of electronic stability control regulation was expected to impact on import availability when all used cars with engines of more than two litres needed to have it. "It will clamp down on some people movers and dent volumes," warned David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association).

The Motor Industry Association (MIA) believed new car and light commercial sales in 2018 would be on a par with 2017. Chief executive officer David Crawford said: "The



pattern of sales continues to evolve with SUVs and the light-commercial sector growing."

Electric-vehicle (EV) uptake was expected to boom over the next two years as work with fleet managers continued. There were now more than 6,000 EVs on Kiwi roads.

MARCH: INDUSTRY STANDSTILL

The industry was at a virtual standstill after brown marmorated stink bugs (BMSBs) were found

on four ships from Japan, which were turned away from Ports of Auckland (POAL).

The crisis started in the previous month when Mitsui OSK Lines (MOL) reloaded the Courageous Ace for off-shore treatment. Armacup's Tokyo Car, Toyofuji's Sepang Express and MOL's Glovis Caravel were also expelled. They had 8,186 vehicles on-board.

The Ministry for Primary Industries (MPI) believed bugs were getting on-board via vehicles and machinery.

VIA warned it was likely charterers would refuse to load in Japan. Up to 15,000 units were awaiting export and this total would grow, while the MIA expected "disruption for the foreseeable future".

The government confirmed measures to cut risks from Japan.

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[continued from page 6]

All used vehicles would be inspected and cleaned before export, and the MPI was working on a new import health standard (IHS).

POAL said ships turned away were allowed to return under strict rules with 20 per cent of cargo to be heat-treated. "It will take weeks to process vessels," said spokesman Matt Ball. "Auckland has the country's only heat-treatment facilities, which can handle 10 to 15 cars a day."

In other news, Barry Engle, president of General Motors International, outlined Holden's multi-year investment in its Kiwi operations. It was spending \$50 million on customer experience, facilities, technology and its people.

APRIL: TIGHT CONTROLS
Business was improving in the wake of the stink-bug crisis, but limited stock got through to compliance shops, there were high volumes at POAL at Easter and dealers scrambled for stock. The MPI was allowing deck-by-deck unloading for heat treatment with some repeat fogging offshore.

New-vehicle distributors and importers of used cars with alpha-type Takata airbag inflators were given 18 months to complete remedial work. There were about 11,280 New Zealand-new vehicles affected, of which 6,485 had been remedied. There were 68,116 used vehicles with this type of airbag and 45,622 had yet to be fixed.



Toyota NZ launched Drive Happy – an agency model with national fixed prices. Its drive-away system saw retail rates similar to average past deals and some cuts, with dealerships now known as stores.

MAY: BOOM IN ARRIVALS
Long delays at POAL has been caused by multiple arrivals, and vessels requiring inspection, fogging and reinspection followed by sample discharge and treatment. Ships were losing up to four days in port, and the ability of compliance centres and storage facilities to handle the influx affected delivery times to dealers.

Paul Hallett, of the MPI, said rules for cargo from countries with established stink-bug populations were applied to loadings before April 30 – the end of the season. "Almost every carrier from Japan since early February has undergone fogging."

Dealers were warned of dangers associated with bringing in or buying cars – especially trades – with alpha-type Takata inflators.

They were to become banned imports on May 31. The Motor Trade Association (MTA) said it was too early to tell how the recall had impacted importing decisions.

JUNE: REVENUE DECREASE
VIA was looking into ways to generate income after a revenue deficit of about \$264,000 for the past financial year. Options being looked into included charging levies on used imports and subscription rises.

The MIA was aiming for details to go into a searchable database by the end of the month to speed up identifying vehicles hit by the Takata recalls. It was complicated establishing which individual used imports were caught up in the mandatory recall and the voluntary call-back for non-alpha systems.

Risk profiles for all new-vehicle manufacturers exporting from Japan to New Zealand were to be completed by the MPI in advance of the new stink-bug season in September.

JULY: FRAUDSTERS JAILED
Two Kiwis operating in the UK as car dealers were jailed after being found guilty of fraud. Nicholas O'Neill and David Chandler were convicted of scamming about \$650,000 in deposits over two years for high-end cars that never materialised.

Nissan NZ was due to make an announcement about software issues with batteries in some EVs. It followed a recall by Nissan North America to remedy "inaccurate calculations" with the state of health of batteries in 30kWh Leafs.

The MPI's consultation period on changes to the IHS – a bid to manage biosecurity risks linked to imports – was extended after a request from the Japanese government.

The industry backed reviving mandatory stewardship for end-of-life tyres after several years' work on it was canned.

AUGUST: FLAGGING AIRBAGS
The NZTA was considering using

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Trans Future 6	110	—	21 Jan	23 Jan	Jan	14 Feb	16 Feb	18 Feb	18 Feb
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◀ the warrant of fitness (WOF) regime to ban-flag vehicles with unrectified alpha airbags. It would involve WOFs or COFs being withheld until they were fixed.

The MPI backed its revised IHS for importing all vehicles. It covered cleaning and treating stock in the country of export. It also aimed to ensure the supply chain didn't grind to a halt at the start of stink-bug season on September 1.

A shipping company warned of a rise in charges because of a global cap on sulphur in marine fuel from January 2020.

Nissan NZ was provided with software to update lithium-ion battery controllers in 30kWh Leafs. The charge was \$100 plus GST as they were used imports.

SEPTEMBER: HEAT TREATMENT

The supply chain was expected to cope with the high-risk BMSB period, although teething problems were possible. Heat-treating used cars from Japan and approved pathways for new vehicles were mandatory.

Issues had been exacerbated by Typhoon Jebi hitting western Japan. Traders reported lower business activity, the dollar's cross-rate with the yen tumbled and there was a lack of storage space in Japan.

The Productivity Commission said a "feebate" scheme for the light-vehicle fleet would help New Zealand move to a low-emissions economy. Switching to EVs and low-emitters was also help.

OCTOBER: TYPHOON ACTION

Shipping and logistics companies were back on-track after Typhoon Jebi. ATL's operations in Kobe had been destroyed, but were soon to be operational with new heat-treatment facilities. About 300 vehicles were subject to total-loss insurance claims.

A judge said there was a public interest in Dermot Nottingham being bankrupted to find out if claims he made in court were correct. Nottingham – well-known for his past allegations of odometer tampering – said creditors had paid him about \$2m, but he was penniless.

Toyota NZ suggested a rolling age ban on used imports to support other measures – such as feebates – to cut road-transport emissions.

NOVEMBER: LOAN SHARKS

Tougher enforcement of the loan-shark laws was needed to get rid of bottom-feeders preying on vulnerable borrowers – not more regulation of responsible lenders, including those in automotive. That was the Financial Services Federation's view on the latest review of legislation. It warned regulatory burdens and higher overheads would be placed on members and car dealers.

The NZTA was concerned about possible conflicts of interest in the used-imports supply chain and said it would review service-provider policies.

The Energy Efficiency and Conservation Authority launched a booklet to provide dealers with an overview of electric cars to better equip them to answer buyers' questions and boost sales.

DECEMBER: AIRBAG ACTION

The MIA was working with the NZTA to contact owners with outstanding recalls for alpha-type airbags. About 85 per cent of NZ-new vehicles and half of used imports had their call-backs closed out and 41 per cent were outstanding.

Consultation on the NZTA's review "managing the integrity of vehicle certification inspection" was extended to February 20, and agency boss Fergus Gammie resigned because inadequate enforcement meant about 21,000 vehicles needing WOF retests.

Two buy-out offers for Trade Me were received. Apax Partners' was accepted after it matched Hellman & Friedman's \$2.56 billion bid.

MIXED BAG OF RESULTS

Last year saw new-vehicle registrations holding their own and used imports taking a hit. There were 108,210 new cars and 53,555 new commercials sold for a total of 161,765. In contrast, 147,637 used imported cars and 12,167 used commercials were sold totalling 159,804 – down 10.6 per cent. Full coverage from p33. ☺



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IN BRIEF

Swedes triumph in Japan for second year in row

Volvo has achieved the first consecutive victory for an importer in Japan's car of the year award. Its XC60 won the country's top trophy in 2017 and the XC40 captured it last year at the Tokyo International Exchange Centre.



The XC40, pictured, picked up an early lead in the count. Toyota's Corolla Sport came back midway through to briefly overtake the Swedish car before the latter sped away to win by 49 votes – 363 to 314.

The Volkswagen Polo came third with 197 votes, Toyota's Crown was fourth on 170 and the Mitsubishi Eclipse Cross polled fifth with 165.

Takayuki Kimura, chief executive officer of Volvo Japan, says: "We're ecstatic with this back-to-back victory. The XC40 is the perfect size and competitively priced for the Japanese market, so we hope to transfer this award into solid sales."

The Honda Clarity PHEV won the innovation award, the BMW X2 captured the "emotional award" and Daihatsu's Tocot won the small mobility gong. The Toyota Gazoo Racing team scooped the special achievement award.

Dealerships secure high-performance franchises

Davie Motors Holden in Manukau, South Auckland, and Robertson Holden in Palmerston North have added the HSV Colorado Sportscaster, Chevrolet Camaro and Silverado to their ranges.

Andrew Lamb, regional manager of HSV New Zealand, says they were selected after careful consideration.

"While we had a large number of Holden dealers in Australia and New Zealand apply for the HSV franchise, only two additional dealers in New Zealand were selected."

Family-friendly vehicle scoops guild's top honour

The New Zealand Motoring Writers' Guild has chosen the Subaru Forester as its car of 2018. The SUV, pictured, was selected from a shortlist of 10.



Wallis Dumper, the marque's managing director, says: "We are honoured, but not surprised, it was voted the best vehicle as it's a game-changer for us. We envisage this award will help further forge the success of our all-new medium-sized SUV and see it achieve similar sales records to our other SUVs."

"The Forester offers the durability and functionality families want, alongside next-generation safety technology," adds guild president Richard Edwards. "At \$39,990, it proves New Zealand's new-car market offers value to buyers never seen before."

Twenty-two guild members voted on 2018's eligible cars before a sub-committee selected 10 finalists. In the interests of statistical accuracy and regional assessment, only vehicles driven by 75 per cent of voting members were considered.

The Forester was first launched in 1997 and has always been a steady-seller, while in recent years other brands' medium-sized SUVs sales have surged. Visit www.autofile.co.nz for more on this story.

Watchdog issues lending warning

The Commerce Commission has highlighted areas of concern it wants to see the finance and automotive industries improve in.

Dot Benson, deputy general counsel – credit, says responsible lending is a top priority for 2018/19 because of continued consumer harm, particularly around compliance with responsible lending principles, and affordability and suitability assessments.

The commission has concerns around a range of conduct.

This includes reliance on bank statements without making further enquiries about income and expenses, errors and incorrect assumptions about expenses, and using affordability assessments based on – not income and expenses – but income ratios.

Then there's the treatment of the partner's income when that person has no liability under the loan or their expenses aren't taken into account, and back-to-back finance – particularly high cost and short term – being approved for consumers.

Other issues are advertising to borrowers already in default, offering cash-backs and incentives for high-cost lending, and advertising that targets vulnerable consumers, she told delegates at the Financial Services Federation's recent annual conference.

Benson made particular reference to motor-vehicle lending in the case of a car trader dealing with applications for loans on behalf of a financier failing to make enquiries required by legislation into affordability.

This involved lending to beneficiaries with existing loan commitments without making any enquiries about income or expenses, and in another case obtaining insufficient information.

In another matter, information provided wasn't properly assessed. What was obtained by the lender suggested the borrower had less than \$2 in his bank account when taking out the loan.

In a different case, a company approved a loan to a beneficiary. Although the financier had bank statements from the borrower,

it failed to make sufficient inquiries.

There were errors in its assessment – for example, no allowance for rent or power. Bank statements disclosed significant cash withdrawals, but the company treated

those as discretionary income, so it was formally warned for failing to make reasonable inquiries.

There have been problems with unfair contract terms covering ongoing direct debiting, holding multiple direct debts and entire agreement clauses, while breaches of disclosure requirements have arisen from automated systems.

The commission is disappointed fees charged for arranging finance are still problematic with some lenders recovering more than their entire business cost in fees, while some providers aren't taking a disciplined approach to identifying costs closely connected with the matter giving rise to charges.

It has already announced motor-vehicle sales as being among the areas it will focus on during 2018/19 with work to centre on misrepresentations about vehicles and the Consumer Guarantees Act (CGA), such as dealers refusing to fix cars.

"There are circumstances when a lender can end up with CGA responsibilities when the car is security for the contract," said Benson. "However, when the sale is subject to finance, this is likely to involve an overlap with responsible lending." ☺



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Agency's work under spotlight

A review ordered by the government into the NZTA's work aims to provide an independent assessment of its regulatory functions.

The investigation is being carried out by the Ministry of Transport (MoT) and should be completed by the end of March.

It is in addition to the NZTA's own review following the agency's board raising concerns in late September that its regulatory function had failed – mostly in regards to a backlog of compliance cases being inappropriately managed.

It has since transpired about potentially 20,000 dodgy warrants of fitness (WOFs) have been issued resulting in some testing facilities being suspended. In one case, a man died when his seatbelt failed in an accident shortly after his vehicle passed its WOF.

Other cases cover vehicle

certifiers, training course providers, licensing agents, road-transport operators and motorists.

The MoT review will probe how the NZTA is delivering governance, leadership, engagement and enforcement, and will focus on if it's performing as an effective riskbased regulator.

It will also evaluate how the agency is managing the motor-vehicle register following a request to Phil Twyford, Minister of Transport, from the state services commissioner about the use of external security consultants by government agencies.

Although the MoT is leading the review, it has engaged consultant Martin Jenkins for external support.

"I want to be sure the ministry's performance as the monitor is also assessed so it can be as effective as possible," says Peter Mersi, secretary of transport and chief executive of



"I'm disappointed in the way the NZTA has been carrying out its regulatory functions"

- Phil Twyford

about the scope and seriousness of failures," he adds.

"That's why the board appointed law firm Meredith Connell to address the backlog and provide an oversight of the agency's regulatory function – a move I support.

"Meredith Connell is making good progress. All identified high-priority files have been reviewed. Since then, given the information I became aware of around the agency's performance, it's appropriate to ask for external advice.

"There are issues that need to be addressed so deficiencies are identified. That's why we're asking for advice on changes required.

"As I made clear when I first became aware of the backlog, I'm disappointed in the way the NZTA has been carrying out its regulatory functions. Our government is making safety a priority."

The MoT-led review comes hot on the heels of an announcement on November 29 that Meredith Connell had completed its review into the 850 most-urgent open regulatory compliance files. This has led to a significant increase in enforcement.

"Progress has been made and

the MoT. The review will consider the ministry against best practice in regard to monitoring the NZTA's regulatory function."

Twyford says the review comes amid concerns around the agency's regulatory role and compliance backlog.

"When this issue was brought to my attention, I was concerned

Purpose of review

THE REVIEW OF THE NZTA AND work done by the Ministry of Transport (MoT), which has been ordered by Phil Twyford, aims to advise the minister, the secretary of transport and the state services commissioner on whether the MoT should have identified significant performance issues with the agency's regulatory function earlier.

It will also establish if the ministry should have provided advice to ministers about these issues earlier or in stronger terms.

The review will consider the MoT's performance of its monitoring function against its own expectations and best practice.

It intends to provide advice

and make recommendations so ministry monitoring can be as effective as possible.

Topics being considered include whether the NZTA's management and board made available – in a timely and accessible way – relevant information to support the MoT to perform its role. If the agency wasn't doing so, it will establish if the ministry made standard enquiries that were appropriate.

The review will also find out if the ministry's past and revised approach to monitoring crown-entity performance is fit for purpose, and if this MoT function is adequately resourced.

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◀ reviews completed of files where public safety was potentially at risk," explains Steve Haszard, managing partner at Meredith Connell.

"We have provided recommendations. On the basis of these and following legal processes, the NZTA is stepping up enforcement across regulatory areas it has responsibility.

"This work provides reassurance this review is prioritising safety. The agency is working hard to put things right."

The NZTA recently began contacting people whose vehicles may not have been properly checked during WOFs with owners having them rechecked free of charge via an agency voucher.

Enforcement action has become increasingly visible as further legal and other processes continue.

"These actions take time as we're legally bound to follow due process," says Haszard. "In some cases, further investigation is required to meet evidentiary requirements or legal processes need to run their course."

The subsequent fall-out from Meredith Connell's investigation resulted in Fergus Gammie, chief executive officer of the NZTA, tendering his resignation on December 20. By stepping aside, he hopes the review and improvement at the agency can be completed without distraction.

"I'm proud of work I've overseen during my tenure, particularly setting the NZTA on a path towards being a modern multi-modal transport agency," says Gammie.

"This has included establishing New Zealand's first light-rail project, setting up a directorate to push forward safety outcomes, piloting digital mobility solutions in Queenstown and Auckland, and reopening SH1 from Picton to Christchurch in December 2017 one year after the Kaikōura earthquake.

"However, as I said in October, the agency has long been reliant on education and self-regulation rather than focusing attention and resources on ensuring regulatory compliance and enforcement.

"I also said the public can expect increased enforcement



Mark Ratcliffe, left, is Fergus Gammie's interim replacement as chief executive officer of the NZTA



actions would be taken. In resigning, I note the focus of the agency has changed.

"I ask support be given to the board, management team and Meredith Connell as they work towards resolving outstanding issues, and developing a stronger regulatory enforcement framework to ensure confidence in the agency."

Gammie's interim replacement is Mark Ratcliffe. The former chief executive officer of Chorus is due to take up the position on January 14 until someone is recruited permanently.

Michael Stiasny, NZTA chairman, describes Ratcliffe as highly experienced with expertise in running national infrastructure.

"He was the CEO of Chorus from 2008 when it was part of Telecom and through its demerger before leaving in 2017."

Brett Gliddon, the agency's general manager of system design and delivery, was appointed to fill Gammie's boots on an acting basis from January 1-13.

Stiasny says he had discussions with Gammie about his future, but it was the latter's decision to resign.

"I've made it clear, accountability shouldn't stop with Gammie," he adds. "That would be unfair. There are a lot of people who should share in the responsibility for this."

Stiasny appeared before the transport and infrastructure select committee before Christmas to give an update on the crisis at the NZTA.

He estimates the cost of the scandal will come in at less than \$5 million and admits there have been major problems with the WOF

system, but says most mechanics do a good job.

"I wouldn't be napalming everybody. I'd say we're going to regulate and you are going to come back into line. Since almost the inception of the agency, we've had what some may call a laissez-faire approach to regulation."

However, Stiasny is optimistic about the future. He describes the problems as "easily fixable" and will come down to, "what we look at, what we control and what we

review to ensure people adhere to what they promise to deliver".

The committee heard Gammie's leadership saw little change at the agency, even when it was clear there were issues with how it implemented its regulatory role. "Gammie was with us about two-and-a-half years. He left it as it was."

Stiasny adds he came across problems when reading briefing papers after being appointed in April 2018, including those around compliance.

The committee also heard from the MoT. It was unaware of the agency's issues in great detail. However, it sensed there was a problem.

The ministry felt "a need for greater prioritisation and focus", but didn't see "what appears to be systemic failure".

Twyford says the MoT's role isn't above question. "The ministry is the statutory monitor for the agency and it's fair to ask about the discharge of that role over the past nine years." ☺



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Jewel of 'magic carpet rides'

Customer deliveries of the "super luxury" Cullinan will start in New Zealand during the first quarter of this year.

Named after the largest diamond ever discovered, which is now part of the British Crown Jewels, it is Rolls-Royce's first high-bodied, all-wheel-drive offering, and the second to boast its proprietary underpinning.

This aluminium spaceframe works with an advanced drive system, four-wheel steering and four-corner air suspension. These and other innovations bring the marque's signature "magic-carpet ride to unpaved terrain without sacrificing on-road behaviour".

The Cullinan's bespoke features include a configurable storage

compartment, which deploy two electronically opening seats to form a viewing suite.

The cabin has two set-ups – lounge or individual seats. The former caters for families with space for three people in the back and electrically assisted one-touch fold-down operation for the first time in a Rolls-Royce.

Individual seat configuration is the luxury mode with two spacious rear seats being separated by a fixed rear-centre console. This option incorporates a drinks cabinet with branded whisky glasses and decanter, flutes for bubbles and a refrigerator.

The Cullinan's air-suspension system offers versatility. The car can be lowered by 40mm for "effortless



entry" through coach doors via a flat floor. Door handles feature buttons that activate a one-touch electric closing-assist function, which can also be used inside.

Central and rear information screens are touch-sensitive allowing the driver to quickly select functions, map views and vehicle set-up. The front portal can still be controlled from the rotary controller on the main console, along with the off-road button and suspension height-adjustment controls.

Rolls-Royce's all-aluminium

architecture allows for modular scalability factoring in requirements of future models.

Higher and shorter than the new Phantom, the Cullinan combines this spaceframe with self-levelling air suspension.

The SUV has a revised 6.75-litre twin-turbo V12 engine for 420kW of power and torque of 850Nm at 1,600rpm.

Prices start from \$505,000 for a lounge-seat set-up. The individual-seat configuration is available from \$535,000. ☎

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Switch to power pony



Ford has unveiled a near-future plan to replace 75 per cent of its line-up with hybrid and electric vehicles (EVs) over the next four years.

They include a hybrid Mustang by 2020 with the iconic coupe and convertible already in development.

The blue oval says it will be "all about delivering V8-like performance with more low-end torque", suggesting a modified version of the 2.3-litre EcoBoost with boosted electric output.

The current 10-speed automatic could back the powertrain instead of a continuously variable transmission found in many hybrids.

It's not the first time Mustang has made a shift in powertrain selection. It moved to four cylinders

in the 1970s when the energy crisis brought about stringent emissions and fuel regulations, which also gave smaller-engined Japanese rivals a more level playing field.

Australasia's appetite for the pony puts Ford in a strong position locally when it comes to product selection.

The marque plans to keep its V8 going strong, recently increasing output to 339kW and 556Nm from the five-litre, and teasing its upcoming Shelby GT500 that will be the most powerful street-legal Mustang ever.

Hybrids have come a long way in recent years. Supercars including Porsche's 918 Spyder and McLaren P1 take advantage of extra power of electric motors to achieve optimal performance. ☎

From video game to production

McLaren has reportedly confirmed a one-off hypercar inspired by a popular video – and code-named BC-03 – is now being built.

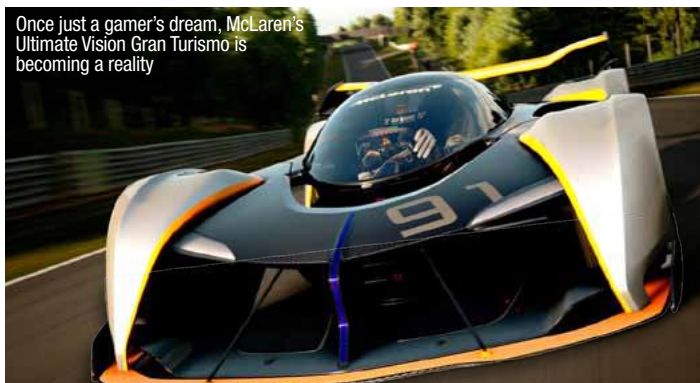
Its name stands for “bespoke commission” with the number referring to the fact this is the third of its kind.

Also known as the McLaren Ultimate Vision Gran Turismo, the first was the X-1 supercar from 2012 and the second was the MSO R revealed in 2017.

Currently in the hands of McLaren Special Operations (MSO), it's said to be inspired by the Vision T concept designed for the on-screen game Gran Turismo Sport in late 2017.

The marque has declined to share any further details “because the specifics of the project are confidential between MSO and its client”.

Once just a gamer's dream, McLaren's Ultimate Vision Gran Turismo is becoming a reality



The BC-03 is anticipated to be a track-focused hypercar that will be lighter than the three-seat Speedtail and offer more power than the naturally aspirated V8 Senna model.

It will cost a lot more than either of those two performance models, which start at about NZ\$3.3 million and NZ\$1.5m respectively, because it's a one-off build.

While almost everything about the BC-03's underpinnings and body remains under wraps, the Speedtail's hybrid powertrain of more than

745kW is the prime candidate to power the bespoke vehicle.

That would also align with the marque's Trade 25 business plan, which states McLaren's entire sports and supercar range will feature some kind of hybrid system by 2025, as well as the arrival of a successor to the P1 hypercar.

Rumours suggest the BC-03's customer is based in the US and that McLaren's dealership in Newport Beach, California, is involved.

The virtual racer uses a four-litre twin-turbo V8 with electrical assistance for 846kW and 1,274Nm and weighs in at 999kg. ⚡



Green power's black

Infinity has revealed its Project Black S to showcase how Formula One dual-hybrid electric powertrain technology can be deployed in road cars.

Following a design study in 2017, the prototype illustrates the brand's commitment to high-performance electrified engines drawing on expertise from the Renault-Nissan-Mitsubishi Alliance.

The marque says its boasts greater aerodynamic efficiency and high levels of downforce, as well as a functional motorsport-inspired look.

The Project Black S fuses high-performance dual-hybrid engine with the marque's VR30 three-litre V6 twin-turbo. Its energy-recovery system contributes to greater power and torque than the powerplant it's based on.

The dual-hybrid generates 420kW whereas the conventional VR30 produces up to 298kW. The power-to-weight ratio is about 235W/kg for a 0-100kph of less than four seconds.

The powertrain employs three motor-generator units (MGUs) with the single MGU-K unit gathering kinetic energy from braking.

Twin electric turbochargers are fitted with two units to capture heat energy from exhaust gases, enabling the engine to generate power under braking and acceleration.

The marque will first track test the Project Black S in 2019. A road-legal production version may follow to compete against hybrid sports cars, such as BMW's i8 and Lexus' LC.

The prototype has been developed with Renault Sport's F1 team as part of Infinity's aim to electrify its portfolio from 2021. ⚡



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Charging up no big drama

Many media stories about electric vehicle (EV) angst focus on the availability of rapid chargers along our highways. Actually, more than 95 per cent of charging happens at the owner's home or a business' car-pool garage.

EV owners love being able to plug in when they get home and have them recharge while they sleep. It's a convenient, dependable and much cheaper way to power your car.

Data given to Flip The Fleet by more than 1,200 New Zealand owners shows propulsion of an EV costs about one-quarter of a petrol vehicle of the same size and age.

New owners at first have to concentrate on battery levels and learn how long it takes to recharge so the car is ready when next needed. Pretty soon that becomes second nature, almost subconscious. It's not much different from ensuring your cellphone is charged before going out again, so there's no big drama in doing the same for an EV.

Charging your vehicle at home is also safe provided you have off-street parking within six metres of a plug, or better still, can drive into a garage next to a socket. An ordinary three-pin household plug delivers eight amps, so filling the battery of a small EV, such as a Nissan Leaf or Hyundai Ioniq, from nearly flat to almost full is likely to take 10-12 hours.

Many homeowners and businesses install a 16-amp plug, often the blue Commando-type used for caravans. Filling a Leaf or Ioniq with one of those takes

three to four hours.

A lot of new owners may have to spend \$400-\$600 to set up plugs, so car dealers should ensure that their clients factor this into purchasing decisions.

In Norway, it's mandatory for EV plugs to be installed in new houses – maybe we'll have similar regulations here eventually.

The cost of a unit – one kilowatt hour – of electricity varies from 3c to more than 40c in different regions and between supply contracts priced in different ways. Some companies offer a cheap off-peak rate, usually from 9pm-6am, or a spot price that fluctuates with the wholesale market price paid by the electricity supplier.

Many EVs have on-board timers so the owner can programme when they want



Henrik Moller, co-founder, Flip The Fleet

their cars charged by – they just plug in when they get home, and the vehicle works out the energy and time needed to fill up. It automatically starts the charging as late as possible to reach that deadline.

Most of the charging of Leafs KQM121 and JFL445 depicted in the graph is controlled by this system to use cheaper early-morning electricity. If an immediate top-up is needed during the day, you hit a button when you plug in to override the timer.

Using a timer helps reduce greenhouse gas emissions from coal and gas-fired generators that come on-stream to meet morning and evening peak-electricity demand periods.

Our national goal for a net zero-carbon economy by 2050 depends partly on getting more people into EVs, but also getting

people like the owners of car JRN427 to switch charging patterns to be more like the smarter owners of KQM121 and JFL445.

Although the price of electricity varies from place to place and with supply contracts, it's relatively stable in the longer run. The costs of running EVs are, therefore, more predictable than for combustion vehicles – the pain of recent petrol price hikes shows how disruptive international oil-price fluctuations and exchange rates can be.

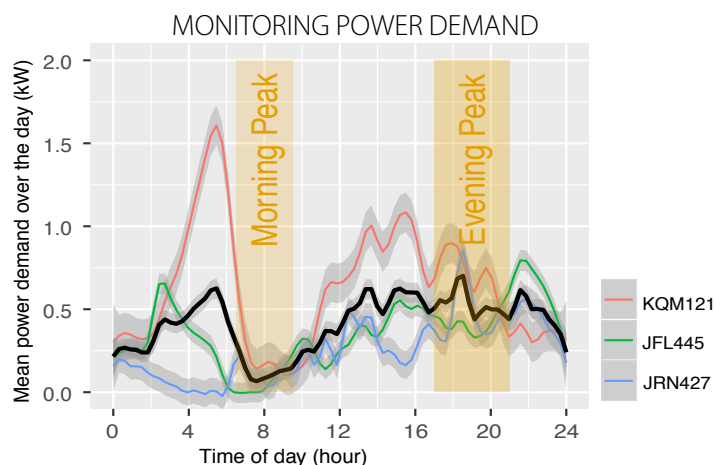
Vehicle-to-grid charging is being trialled in Norway, Japan and the US. The EV draws electricity from the national grid or solar panels at slack times of the day, and gives it back to the grid during peak demand when people need it for cooking, lights, televisions and, most of all, water heating. This could save the country a lot of money by avoiding expensive and polluting coal and gas electricity that fires up just for peak periods.

Software controls the energy exchange so the EV is fully charged when needed by using cheap electricity, but the owner sells the energy back to the grid at a better price during peak periods.

Vehicle-to-house systems are also coming whereby batteries for electric cars are used to power your house or office during outages.

A future is coming when EVs will not just be cars for getting us from A to B. They will also be mobile energy-storage units saving us all money and providing back-up in times of trouble. ☺

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



Forty-seven Nissan Leafs and e-NV200 vans have a "black box" under the dashboard. It plugs into the OBDII port to intercept the data stream from the EV's CAN bus and sends it to Flip The Fleet via the 3G network. About 230 fields are gathered, mostly every two to three minutes, to monitor vehicle performance and areas, such as battery temperature and charging. This graph shows when in the day three test-cars' batteries are charged with the heavy black line being the average. This research will help estimate the EV fleet's impact on the national grid.

Live EV listings on Trade Me:

7.4%

Compared to last month

75.0%

Compared to prior year

New EV listings on Trade Me:

-13.9%

Compared to last month

+95.2%

Compared to prior year

EV watchlists on Trade Me:

-14.0%

Compared to last month

+41.0%

Compared to prior year

Battery solutions on the agenda

Businesses have joined forces to stop mountains of e-waste being created by the ever-increasing number of large lithium-ion systems in New Zealand.

The Battery Leaders' Group aims to find end-of-life solutions for batteries, including those for electric vehicles (EVs).

"The number of EVs on our roads is growing and, with a battery life of five to 15 years, this could become a significant waste stream to deal with," says Simon Mackenzie, chief executive of the Vector Group.

"We've formed this group to tackle the issue head-on. It will be good for the country if we succeed in reducing waste to landfill and group members will benefit through pre-competitive collaboration to unlock parts of the battery value chain."

The leaders' group includes representatives from Audi, BMW and Toyota in this country, Vector, the Scrap Metal Recycling Association of NZ and Waste Management NZ.

It has released a joint statement of commitment to researching the

market for end-of-life batteries from EVs to home-energy storage.

Mackenzie says the group will conduct research into the scale of the issue and develop recommendations on how a product stewardship scheme could be implemented.

"We're initially aiming to identify and quantify business opportunities designed to give second-life use to large batteries," he explains.

"For Vector, some uses could be in network ancillary services, such as grid stability or displacing temporary diesel generation in some cases.

"This is an excellent example of businesses coming together to solve a shared problem in a way that supports a low-emission, high-productivity economy."

According to a joint statement published by the group, its members see themselves as organisations across the battery-value chain that share common sustainability challenges.

"Once valuable metals and raw materials have been taken out of the ground, it makes sense to retain their

value for as long as possible, rather than returning them to the ground through end-of-life disposal," it says.

"The convergence of transport and energy systems means we have a unique opportunity to drive change, contribute towards building a more circular economy, and create the environmental, societal and commercial future we wish to see.

"Achieving a shift across the value chain will require pre-competitive collaboration. That's why we have convened this group."

Following the philosophy of what goes around, comes around, the group is seeking out solutions for different types of batteries with the focus firmly set on lithium-ion.

These include stationary systems, such as those used in home-energy storage, and mobile batteries – for example, from electric cars – in various contexts. They cover:

- ▶ Climate change and the role of batteries in decarbonising energy and transport systems.
- ▶ The rapid uptake of EVs.
- ▶ Increasing the use of battery

storage in commercial and residential applications.

- ▶ Global developments in waste management and recycling.

"We are working together to research and evaluate the nascent New Zealand end-of-life battery market," adds the statement.

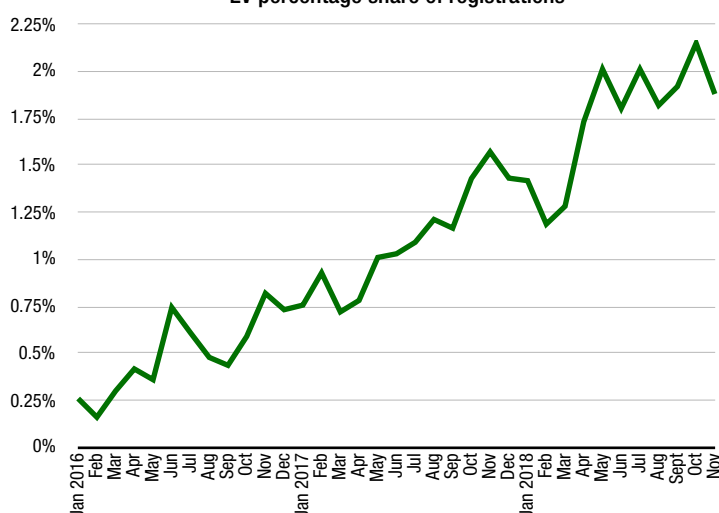
"Collaborating now will better prepare us – both as a country and as individual market participants – to find sustainable solutions as the market emerges." ☺

Total EVs by region

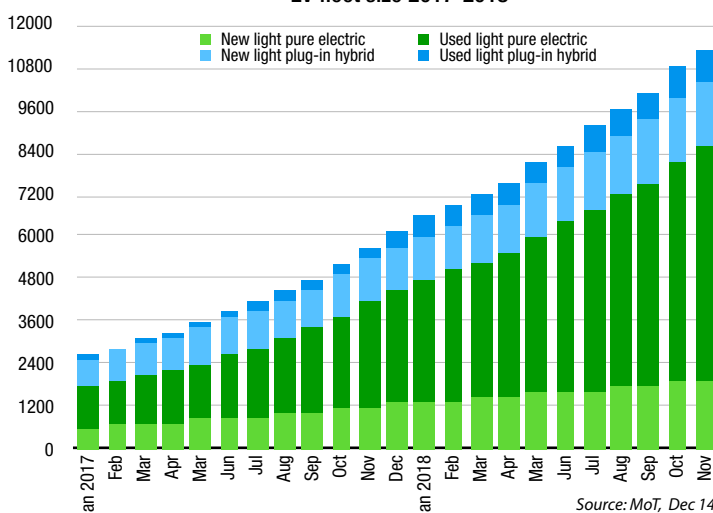
Northland	372
Auckland	5,091
Waikato	544
Bay of Plenty	362
Hawkes Bay	188
Gisborne	37
Taranaki	140
Manawatu/Wanganui	329
Wellington	1,621
Nelson/Marlborough	384
Canterbury	1,576
West Coast	10
Otago	640
Southland	80

Source: Ministry of Transport, Dec 14

EV percentage share of registrations



EV fleet size 2017-2018



Source: MoT, Dec 14

Top 5 EV models

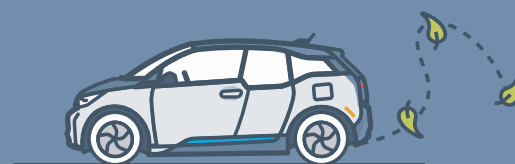
listed on Trade Me last month:

- Nissan Leaf
- Tesla Model X
- BMW i3
- Hyundai Kona
- Renault Zoe

Average listing price for the month:

\$24.6k

Eye on EVs



* Figures as per the end of December 2018

Leaf out of Norway's book

Sales of hybrid and electric vehicles (EVs) in a Scandinavian country far outpace those running on fossil fuels, cementing its position as a global leader in the push to combat climate change.

Christina Bu, secretary general of the Norwegian Electric Vehicle Association (NEVA), believes that the rapid adoption of EVs heralds greater changes ahead.

During a visit to New Zealand, she shared these reflections, and explained how her organisation aids its members and plays a vital role in shifting paradigms.

Bu is a powerful voice in the EV industry. NEVA is the world's largest EV owners' group and has overseen the country's fast transition to electric cars.

NEVA also plays an important role internationally when it comes to promoting the adoption of EVs.

"We have almost 70,000 members, we're reaching that next month and it's growing. They pay a yearly fee and that's how we finance 30 employees."

Bu stresses it's not Norway's oil that's financing the incentives for electric cars.

"We have high taxes on cars. That money is used to help introduce new technology.

"We're now close to 300,000 EVs in Norway, 190,000 fully electric and 90,000 plug-in hybrids. Out of the share of new vehicles sold, 29 per cent are fully electric and 18 per cent are plug-in hybrids."

What Bu finds most interesting is how well consumers have reacted to EVs.

"Back in 2012, market share was at three per cent, now it's 47 per cent. This has happened in less than six years. Consumers adopt really quickly, it's becoming the norm and this is down to our policies in place.

"In 2010, 75 per cent of consumers chose a diesel when buying a new car. If we jump eight years ahead, car importers in Norway don't have EVs, half of their market is gone."

Why has her country jumped on the EV bandwagon so quickly? Bu



Christina Bu, secretary general of the Norwegian Electric Vehicle Association

explains it comes down to Norway having high ambitions for reducing global and local CO₂ emissions.

"We have, in collaboration with the EU, decided to reduce inland CO₂ by 40 per cent by 2040. We don't have coal plants to shut down, such as in Germany. We have started with a clean grid, so we have to tackle transport. We can also look at agriculture and housing, but the easiest way is to electrify transport."

While their government pushes public transport, Norwegians – similar to Kiwis – love owning cars.

"We could double public transport, but aren't going to get anywhere near our CO₂ targets because there will always be people who need a car, so we need to electrify them as soon as we can."

Bu's government has also set a goal for all new passenger cars and light commercials sold in 2025 to be zero-emissions.

"In a little bit, well in more than six years, all new-vehicle sales will be fully electric, which some people say is too ambitious, but I'm sure it's possible," says Bu.

The plan supports her country's CO₂ reduction targets under the 2015 Paris Agreement for which nations have agreed to ensure emissions goals are met.

In September 2018 alone, 45 per cent of new cars sold in Norway were fully electric and in Bergen, its second-biggest city, EVs had a market share of 58 per cent.

"If we can do that in one month in 2018, I'm pretty sure we can do 100 per cent in 2025."

TAXES KEY TO SUCCESS

As countries around the world, including China, the world's biggest vehicle market, try to encourage more people to buy EVs to fight climate change, Norway's success

has one key driver – taxation.

Bu believes that taxing internal combustion engine (ICE) vehicles has helped to drive Norway's electric uptake.

"We have a long history of taxing cars, we are a country that likes to tax and we've done it for years," she explains.

"When buying a new [ICE] car in Norway, you have to pay purchase tax. Then there's GST on top, which is 25 per cent, so buying new is expensive."

However, zero-emission vehicles in Norway are not taxed. This results in low-emission and ICE vehicles becoming more or less the same price.

Bu believes this is the main reason for Norway's EV success. In most other countries, including New Zealand, consumers have to pay a lot more for an EV.

She acknowledges her



Electric cars hit 52 per cent market share in Norway at the beginning of 2018

◀ country's EV technology is still in its development phase and that charging-station infrastructure "is imperfect".

"That's why we have lots of local incentives as well, such as not having to pay tolls, ferries, public parking is cheaper and EVs can use bus lanes. It would have been impossible to attract so many consumers otherwise."

However, these perks, which cost the government almost \$1 billion last year, are due to be phased out in 2021. Gradually, subsidies for electric cars will be replaced by higher taxes on ICE vehicles.

"The main reason why we have this success is that it's not necessarily subsidies, but we tax ICE cars."

FACILITIES STRETCHED

The expansion of charging infrastructure has been a vital measure in eliminating range anxiety, says Bu.

"We have a country with long distances and many mountains, which makes charging an issue and people, like New Zealanders, enjoy taking long trips so we need charging stations."

While this could be a serious issue for some countries, Norway is overcoming this issue.

"For a while, EV chargers were hidden behind petrol stations and you could hardly find them. Now the charging station is out front and being promoted, and it's becoming more about competition."

"There are about five different operators selling fast-charging as a service, and they keep putting out more chargers using private money. Right now, we have about 1,600 outlets in Norway. Out of these, 550 are Tesla super-chargers, but we need many more."

Going forward, the plan is to have many EV stations, which can hold as many as 40 chargers.

"We have a big job to do

tackling the charging issue. We don't have really anywhere to look as there aren't any other countries that have done this on a large scale yet, so Norway is the test."

EFFECTS ON THE GRID

A big challenge, however, comes from increased demand on the electricity grid – an issue all jurisdictions will eventually have to face as they transition away from ICE vehicles.

If there's a steady increase in sales, Bu believes Norway will have more than one million EVs by 2025. Power levels required to charge them may create a significant strain on the existing grid.

According to research by the Norwegian Water Energy Directorate, 1.5 million fully

electric vehicles in the country would increase electricity demand by 3.2 per cent, which the grid can handle.

Stresses can be countered with smart-grid and smart-charging strategies.

"Smart charging will help balance the grid, EVs don't need to charge during peak hours and cars are parked longer than they need to be charged."

"If owners charge their cars overnight when the demand is low, this isn't a problem. Consumers in Norway are willing to do this. Electricity companies have even introduced lower prices for electricity as long as they can turn off and on charging depending on demand."

At times, production exceeds domestic demand. "We're

expecting an excess in energy too and we're close to countries so we can export excess electricity. Electricity in Norway is cheap."

MARQUES SLOW OFF MARK

The EV market needs to develop more for sales to keep growing, says Bu.

"In the smaller-vehicle segment, almost half is electric. However, in the larger car market, only 12 per cent are electric. Norway, like New Zealand, is waiting for bigger cars with longer ranges. More than 30,000 Norwegians are in-line for such vehicles."

"Manufacturers have a job to do and they have been slow. I understand why they're slow. They have spent a lot of money on ICE models and want a return on investment. Electric cars also have a bad impact on the after-market because there's not much to fix."

"They are, however, thinking differently because they're being challenged by newcomers, such as Tesla, but more importantly by what's going on in China."

The hope is that the sheer size of the Chinese market will encourage the industry to improve battery prices, force down prices and quickly develop more models.

Demand in Norway is so great there are months-long waiting lists for new models, such as the Kia Soul and Hyundai Ioniq.

"We also have this new situation in Norway where people pay deposits for a car that's going to come out. About 6,300 people have paid 2,000 euros to be in-line to buy Audi's next EV, the E-Tron Quattro SUV."

"Hyundai didn't have a deposit scheme, but an 'interest list'. It had to stop this when it reached more than 20,000 people." ☺

Autofile's Lucy Pink attended a business breakfast in Christchurch on November 28 at which Christine Bu spoke during a trip to New Zealand



Christine Bu charging up a car

Advice for New Zealand

New Zealand needs to remain a priority for EV manufacturers to avoid being left behind, says Christine Bu.

"To be a priority, New Zealand needs to stick up its hand and say it is here and better than Australia, we have incentives and we're interested in these cars."

"The market that will always be prioritised the most is China because it has tough restrictions on ICE cars."

Bu believes it's better for

Kiwi consumers, business owners and politicians to be part of this transition, and learn about it early on because of the opportunities it creates.

"It took a long time to get to one million EVs in the world. It took only 18 months to get to the second million. By January 2018, we reached three million and in June four million. It's the beginning of an s-curve."

"It's still a bit too slow, but the EV revolution is really happening."

Planning for now and the future

Well, the New Year is here and if you didn't kick some proactive activity into gear late last year in preparation for 2019, then there's no time like the present to take action.

What lies ahead in 2019 can be influenced by actions you take at your dealership.

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

The days of sitting back waiting for customers to walk on in aren't over yet – you just need to ensure they're coming in.

The difference is what you do to ensure you get them making that decision to come into your business as part of their car-buying journey. Nine times out of 10 they are there to buy, and the majority of people are planning to purchase from the first dealership they walk in to.

Now if that thought has provoked you to think about actions you took – or didn't – last year, you can't dwell on the past or change what has been.

However, you can ensure you're proactive in the future and take steps today to improve conversions to sales not only during 2019, but start laying sound foundations for 2020, 2021 and beyond.

Let's look at the three customer segments and some simple tips on what you can do to be the best-placed dealership for people to visit to buy cars.

NEW CUSTOMERS

Make sure online vehicle listings provide plenty of information, and you convey key features of the vehicle and your dealership.

Ensure your website is a central hub that everything points to – where you showcase more stock, more about your dealership, your services and your team.

Make sure you're where all the eyeballs are going for potential buyers in the market when looking for a new car that fits the demographic your stock and dealership caters for.

Use a survey solution such as BuyerScore to leverage and showcase past customer experiences, so prospective customers build confidence in your dealership. Being rated and having reviews could be the difference needed to get them coming in. After all, 80 per cent of buyers have purchasing decisions influenced by customer reviews.

Phone and online enquiry must be handled promptly, and answer everything customers ask. Old-school tactics of holding back information to try to get them on the yard generally won't work except maybe for a rare or limited vehicle.

And respect your customers before they've even purchased.

REFERRED CLIENTS

Past customers need to have had good experiences to get them



MARK GREENFIELD
Motorcentral

speaking favourably about your dealership.

You then need to ensure you keep in touch with them during ownership cycles so you stay present in their minds, and when they hear of someone looking

to buy, they recommend your dealership.

If you don't stay present through even the simplest customer relationship management (CRM) touchpoints, you run the risk of not being top of mind after the first month or so of ownership.

Don't be afraid to ask for a referral. You may want to do this through an incentive or gift for doing so. Be sure to thank your customers if they refer someone.

REPEAT CUSTOMERS

Again, they need to have received great service during their last purchase and throughout their ownership, so they want to engage with your dealership next time.

Keep in contact with them via soft touchpoints as part of your CRM practice.

Provide them with easy options to upgrade when the time is right. Existing customers are also great sources of vehicle stock.

Invest in them – they're your best return on investment, hands down.

BUYER'S PERSPECTIVE

Refining your focus and being proactive across all buyer types will positively impact on your

dealership's performance.

One way to see how you do in this area is to remove yourself from the business and look at it from your customer's perspective. All too often, your daily environment may have aspects you won't realise are sub-standard and they can influence customer experience negatively.

You can ask family and friends to get involved and take a look at your business, mystery shop, enquire online, call on the phone or test drive a car – all in an aid to provide you with constructive feedback.

Utilise customer survey and review tools, such as BuyerScore, which provides you with significant insight into not only purchasing customers' experiences, but also has a feature that helps you to understand why a customer didn't buy from you.

That being said, above all, please do something with the information you receive. Make a plan to implement changes based on feedback. You will be surprised how easy it could be to pick up an extra few sales a month by making basic changes starring you in the face.

Take 2019 by the horns and make it the year your dealership surpasses previous sales records and lays effective foundations for future success.

The team at Motorcentral is excited about 2019 and driving more innovative ways that enable the success of dealerships in New Zealand.

BuyerScore is coming to Trade Me.

Nothing is more influential than **trusted ratings & reviews** about your dealership and soon you'll be able to display that information right next to the vehicles you're selling on Trade Me.

Get ready now. Call 0800 623 687.

trademe



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All Trade Me directors intend to

Details on the takeover, an independent adviser's report, reasons for the directors' recommendation and meeting information is expected to be mailed to shareholders in March for a vote during April. The takeover should happen in the second quarter of 2019. ☎

Worst figures for road fatalities in decade

"This year we will be consulting

The official holiday period saw nine people killed in crashes – three less than in 2017/18. 🚗

Rate of change accelerating

Predicting future transport trends is difficult. One major challenge is the fact changing technology can create paradigm shifts with unforeseen consequences.

For instance, in London during the late 1800s one of the biggest challenges was the amount of manure generated by transport activities. In this case, a new technology emerged that solved the issue. As we know today, the solution was the automobile.

Often, the tools and methods used to predict the future are themselves a cause of our inability to do so. For instance, we often use statistical analytics to find trends, which can be extended to make predictions.

This methodology is flawed because it assumes that tomorrow will be like the past. The potential for error when trending increases the further into the future it's extended.

The one thing we do know about the future is the rate of change is accelerating, which means the potential for error in trending will also accelerate.

Another related hurdle is a bias towards the perception of incremental change. Most people view the changes of tomorrow as small ones that will improve on what we have today. We imagine the fleet of the future as being composed of vehicles with all of today's safety features, plus whatever new systems are developed.

We envision the transport system of tomorrow as the one of today with incremental tweaks to improve efficiency and think that by combining the tools of today in creative ways, we can build tools

to solve tomorrow's problems.

The assumption in all these cases is that improvement will be achieved in small steps and the solution it creates will be at similar or lower costs.

The reason we see the world of tomorrow through the lens of today is because it's often the case. We continue to use old technology for many reasons, including the fact everyone else does.

Many social platforms have come and gone, and many of these platforms might have been real improvements in functionality, the ability to connect and share, as well as privacy, but they were all doomed because our friends didn't use them.

We also have difficulty envisioning futures that stray from our own vested time and interests. This is especially the case when we talk about publicly owned assets. Public agencies tend to prefer to maintain existing solutions and even actively oppose innovation that might compete with nationalised solutions.



KIT WILKERSON
Policy adviser and analyst
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Then there's the near impossibility of predicting complete paradigm shifts.

Unfortunately, as mentioned above, forecasting through statistical trending cannot predict them. The best effort I've seen was work the Ministry of Transport did on

scenario building was on Transport Future. It didn't, however, even try to predict individual technologies or solutions, but painted four different visions of the future based on our need to commute – as opposed to doing everything virtually – and the cost of doing so.

The only methodology that has any success of predicting paradigm shifts is pure speculation but, then again, speculation is even more successful in predicting change that never occurs.

I recently got back from the ITS World Congress where the forefront of transport technology was showcased. My biggest takeaway was the observation that there were thousands of papers presented and only a handful of actual

demonstrations. This told me a lot of speculation was occurring, most of which will never be tried, much less become a real-world solution.

There are two other things I often see in work trying to predict the future – the “silver bullets” and the failure to account for socio-economic factors.

The silver bullet is the opposite of the incremental change bias. It's the expectation that technology will cause radical change over a short amount of time. While this can happen, it's not common and usually involves a technology that empowers consumers in entirely new ways.

Socio-economic factors have their own independent set of effects that are both complex and difficult to predict. If anyone had mentioned e-scooters to me a few years ago, I would've laughed at them. Aren't I being proven wrong now.

The future of transport will have to address many challenges, including the need for energy, environmental friendliness, safety and even security. The solutions will meet additional demands for mobility or offer alternatives to existing demand, and will have to provide increased flexibility and adaptability to both freight and passengers.

It's likely the costs and complexity of these solutions will be outside the scope of government to implement directly, leading to an increase in private initiatives and public-private partnerships.

Ultimately, it will always be the market that will be the decider of which solutions win out. It will be deregulation that creates the possibility. ☺

An autonomous shuttle at last year's ITS World Congress





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Industry movers

JON MACDONALD, chief executive officer of Trade Me, has opted to stay on with the company to "ensure continued good momentum in the business and a smooth transition to a new CEO".

Macdonald announced in June of his intention to stand down in December, but late last year he agreed to continue on an interim basis.



JOHN JOURNEE has become an independent director of the Colonial Motor Company following the retirement of Falcon Clouston.

Journee has had an executive career in retailing, including senior roles at The Warehouse, a period of self-employment, chief executive officer of Noel Leeming and managing director of Southern Hospitality.

He is a director of The Warehouse and chairman of Max Fashions. His previous directorships include Ezibuy and chairman of Powershop NZ.



DAN AMMANN is now chief executive officer General Motors' autonomous vehicles operation Cruise Automation.

New Zealand-born Ammann spearheaded the acquisition of Cruise in 2016 as president of GM.

Cruise co-founder Kyle Vogt is partnering Ammann to set strategic direction and will lead technology development.



NZ labour market report

MOST BUSINESS LEADERS

and managers feel anxious about having conversations with one of their team to address issues such as consistent lateness, poor performance or conflict in the workplace.

However, trying to avoid such discussions is the worst thing to do.

We may dread such issues or are unsure how to address or raise them because we hope that they will go away, which is never the case.

Difficult conversations may be a common occurrence at your dealership – in sales, servicing, administration or management – and they can extend to clients.

Not addressing issues can create a culture of accepting poor performance and mediocrity, and you can start feeling it in your business.

If you want to improve culture at your dealership and want a high-performing team like the All Blacks, then mastering the art of difficult conversations is a skill everyone must have regardless of their roles, but most importantly your leaders.

Many leaders are afraid of difficult conversations because they might stuff them up. However, there's nothing in employment legislation to prevent you from taking someone aside and having an honest talk – obviously delivery is important and the majority of the time this is where things go south.

But if you have the relevant facts, see patterns and approach issues from a practical point of view, people you address will know they're contributing to any issues being discussed.

Think of a situation you're currently facing or having difficulty with every time it comes up, then ask yourself why you find this problematic.

You need to understand why you avoid addressing things when they arise. It might be a skill, knowledge or courage, but you need to find a way to work through this.

One of the best ways to address a difficult conversation is to break it



WILL ALLAN
Hello Monday

down into parts to make it easy for you to process.

WHAT IS THE SITUATION?
Gather all the relevant facts. Ask yourself how long and why it has been happening, and how it started.

Does there need to be training?
Is there a personality clash?

WHAT IS REQUIRED?
If you see something in your dealership that goes against company values, culture, policies or procedures – such as equipment being used incorrectly or poor behaviour – address it immediately. Don't let it sit and fester.

TACKLE ANY ANXIETY
An aspect of the conversation may make you feel anxious and uncomfortable.
If you feel overwhelmed by having this type of talk, one of the best things to do is discuss with someone in your team or business about how you might address it. Sharing with someone else can help remove fear and anxiety.

The person you share it with can give you some tips or get you looking at the situation from a different view. After all, a problem shared is a problem halved.

SET THE SOLUTION
Always think about the outcome that you want to achieve when you need to have a difficult conversation.

It's a great idea for people to go into these situations with the objective of trying to understand what's behind the behaviour and why it's happening.

Employees don't just decide to be difficult. There's normally something behind the scenes. That's your responsibility as a leader to find out even if it is frustrating.

Remember, difficult conversations are hard. But get yourself into the right mindset to address them, don't let things build up, address them as soon as possible and always stick to the facts. ☺



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Protecting your customers

Protecta Insurance believes to get the best possible sales results from our automotive dealerships is to provide training not only on insurance products, but how to sell responsibly and comply with the law.

Over the past few years, we've seen many changes in legislation – not only with responsible lending and uninvited direct sales, but more recently with anti-money laundering requirements also tightening up.

Our national trainer, Erin Mills, has worked with Protecta dealerships for the past five-and-a-half years coaching, encouraging and educating business managers and sales people who write finance and insurance (F&I). We have proven that focused training does get results when it comes to sales.

Erin has worked in the automotive industry as a business manager, both in New Zealand and

Australia, for about 18 years. She has worked in new and used dealerships, and as a finance broker in the capacity as a business manager.

She believes to be a successful business manager you need several attributes. The first is a desire to ensure your customers are fully informed of all products available to purchase and do the absolute best for your clients.

To achieve this, you need to ensure you know your products really well, which will give you an air of confidence when presenting to clients. You also need an open, friendly personality because customers will buy from people they like.

After that is your own personal desire to get great sales results



COLIN MARSHALL
Direct sales &
marketing manager
Protecta Insurance

because the F&I department is a profit centre and needs to make money just like other departments are expected to.

Erin decided to change her career direction quite a few years ago, and qualified as workplace trainer and assessor. Coupled with this, she is a qualified finance and mortgage broker.

She started with Protecta in 2013 as a business coach looking after Nissan dealerships along with her training responsibilities. Her duties covered New Zealand nationally with two-day business manager training courses and by working alongside our consultants with one-on-one training in dealerships.

This became so popular that we decided Erin should focus not only

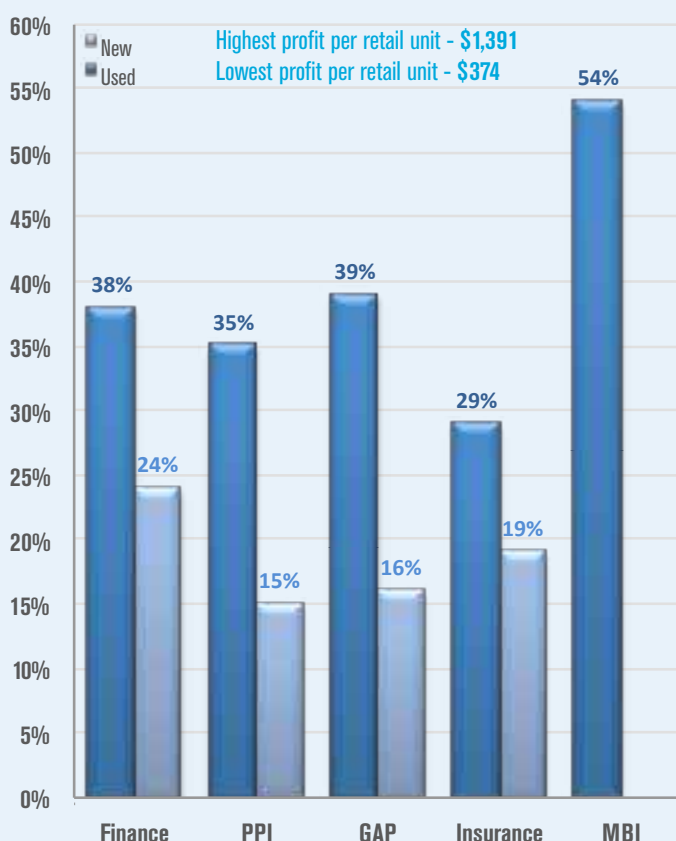
on business managers, but also dealerships that don't employ full-time business managers and have sales people performing this duty. She then became Protecta's full-time trainer and developed a one-day course focusing on sales people.

With legislation changes over the past few years, Protecta decided its dealerships would have the advantage of not only product and sales education, but also be fully informed of their legal responsibilities.

Going forward with imminent government changes, our dealers can be assured they are working with a totally education-focused company. If you would like assistance complying with legislation or increasing your profitability, please get in touch. ☎ Erin Mills



PROTECTA nationwide F&I results December 2018



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The month that was... January

January 28, 2005

Older cars of 'grave concern'

The ageing of the New Zealand vehicle fleet was a "grave concern" back in 2005.

Perry Kerr, chief executive officer of the Motor Industry Association, commented that improving safety and environmental performance of new vehicles would be diluted as long as the country kept on allowing the fleet to get older.

In 2004, the average age of New Zealand vehicles was 11.78 years, which had been climbing since 1992 when the average age was 9.93 years.

However, the Motor Trade Association's national communications manager, Andy Cuming, believed the ageing fleet was simply an economic reality – a reflection of the failure of real wages being unable to keep pace with living costs.

Cuming also had the view that just because a car was more than seven years old didn't mean it would cause more injuries or pollution.

In addition, Japanese deregistration certificates for vehicles from Japan were replaced with new documents known as export certificates, with the new ones being printed in English and Japanese.

David Vinsen, head of the Imported Motor Vehicle Dealers' Association, said it indicated the export of used vehicles from Japan was being recognised as an important economic activity by the government there.



January 19, 2007

Traders fined for lack of cards

Six motor-vehicles dealers were fined more than \$9,000 in total for failing to display supplier information notice (SIN) cards.

The traders, which were selling from car yards in Hamilton, Rotorua and Auckland, were fined up to \$300 for each vehicle that didn't carry a SIN. Another Rotorua trader – Growth Investments Ltd – pleaded guilty and was due in court in April for sentencing.

The dealers breached section 28 of the Fair Trading Act by failing to attach the cards to used cars. The activity was uncovered by Commerce Commission investigators on visits to car yards between November 2005 and January 2006.

Deborah Battell, the commission's director of fair trading, said: "Buyers are entitled to accurate information about what they're buying. The requirement for traders to display the SIN card came into effect in December 2003. Three years is more than enough time for motor-vehicle traders to understand their responsibilities."



January 13, 1997

Toyota opts for used imports

After a year of investigations and trial shipments, Toyota New Zealand was going ahead with its plan to bring in used imports for on-sale to its dealer network.

Just before Christmas, managing director Bob Field announced the company would bring in up to 3,000 units a year. That was 10 per cent of the total number of used Toyotas being imported.

The decision came when the industry was rife with rumours about the imminent demise of four major importers.

These rumours, despite being largely unsubstantiated, found their way into national newspapers resulting in a slowdown of registrations as punters waited to take advantage of expected fire sales.

The increased imports move was welcomed by a majority of the marque's dealers, who were previously prevented from selling used-imported Toyotas.

Greenlane Toyota dealer principal, Tony Andrew, said it would add value to the brand's relevance in the used-vehicle market while making a clear statement to reduce consumer suspicion.



January 19, 1998

Industry restructuring heats up

The Christmas break saw a major move in dealer rationalisation. However, the situation was nowhere near as bad as what was being broadcast by mainstream media.

Claims that up to a dozen traders had gone into receivership in 1997 appeared to be without foundation.

Imported Motor Vehicle Dealers' Association chairman, John Nicholls, said he hadn't seen large numbers of traders going into receivership or even voluntary liquidation.

However, there was a high-profile demise during this time with Giltrap City Toyota taking over Greenlane Toyota in Auckland.

The move was significant for the industry as it followed the takeover by John Andrew Ford of two North Shore Ford dealerships, which saw one of them close.

Both Giltrap City Toyota and John Andrew Ford were already the largest dealerships for their respective franchises in the country.

The move pitted the strength of the Giltrap Group against that of John Andrew Ford's Stuart Bowater, who announced his intention to open a satellite dealership at the end of the Greenlane Boulevard of Cars later that year.



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In A-Class of its own

Mercedes-Benz took out the top honour at the inaugural AA Driven New Zealand Car of the Year Awards.

The German marque's A-Class swept aside nine other finalists to scoop the title at a glittering ceremony at Shed 10 on Queen's Wharf in Auckland, attended by about 200 people.

"We are honoured to be presented with this important and prestigious award," said Ben Giffin, executive general manager of Mercedes-Benz NZ.

"This accolade confirms the new A-Class is not only the technology leader in its segment, but possibly across the market. Most people buying it are new to the brand."

Giffin also praised the awards for their "transparency", which has been welcomed across the industry.

Judges, consisting of AA staff and motoring writers, chose the A-Class after tests on finalists at Pukekohe Park Raceway.

Shortlisted vehicles included three Hyundais – the Santa Fe, Kona and i30N. The others were the Subaru Forester, Volvo XC40, Kia Stinger, Holden Commodore, Suzuki Swift Sport and Mazda CX-8.

Stella Stocks, general manager of motoring services at the AA, said the awards were the culmination of a comprehensive voting process.

"The AA Driven partnership means more New Zealanders than ever will be able to access information they need about the best cars on the market with definitive answers on safety and value for money," she added. "Two days of testing provided a robust method of measuring excellence."

"This year, the finalists and winners raised the bar for the industry with enhanced safety, technology and design features."



Ben Giffin, of Mercedes-Benz NZ, flanked by Stella Stocks, of the AA, and Greg Cassidy, general manager of digital ventures with Driven

These are the result of hard work by everyone in bringing these cars to New Zealand."

Among the people Stocks thanked were Brian Gibbons, chief executive of the AA, without whose "support we couldn't host this event", and NZME's Driven team, "which made the decision to partner for the awards so easy".

Liz Dobson, chief judge and Driven's editor-at-large, said two days of judging made the awards stand out with contenders driven over an extensive route and on-track exercises.

"Our route included everyday situations vehicles encounter – school zones, 50-100kph, urban driving, gravel road and the ability to use cruise control," she explained.

"Not only did we encounter the moose test at 50kph and 70kph, we also tested vehicles' abilities on the Pukekohe track at highway speeds."

"The ability to do back-to-back testing and real-time voting made this comprehensive and transparent testing – something the industry has asked for."

More than 53,000 Kiwis voted in the people's choice award and the safest vehicle award was determined by the highest ANCAP rating. Visit www.autofile.co.nz for more photos from the awards night on December 12. ☺

THIS YEAR'S WINNERS

MICRO/LIGHT CAR: Suzuki Swift Sport

Presented to Simon Terry by Donna Gaskin, of ANZ

SMALL/COMPACT CAR:

Mercedes-Benz A-Class

Presented to Ben Giffin by Sakon Bandasak, of BNT

MEDIUM/LARGE CAR:

Holden Commodore

Presented to Marc Ebolo by Stephen Glading, of Protecta Insurance

LUXURY CAR: BMW 5-Series

Presented to Karol Abrasowicz-Madej by Craig Polley, of ICG

SMALL SUV: Volvo XC40

Presented to Coby Duggan by Alan Leigh, of Experieco

MEDIUM SUV: Subaru Forester

Presented to Wallis Dumper by Trevor Sefont, of Fleetline

LARGE SUV: Mazda CX8

Presented to David Hodge by Euan Philpot, of JEVIC NZ

LUXURY SUV: Jaguar F-Pace

Presented to Ben Montgomery by Peter Ward, of Blue Star

SPORTS CAR: Mazda MX-5

Presented to David Hodge by Russell Miller, of Castrol Professional

UTILITY: Volkswagen Amarok

Presented to Roxane Merveille by Craig Burrows, of Supercity Towing

EV/PLUG-IN HYBRID: Hyundai Kona

Presented to Chris Blair by Bob Boniface, of the MTA

PEOPLE'S CHOICE: Suzuki Swift Sport

Presented to Simon Terry by Tony Verdon, of Driven

SAFEST CAR: Toyota Corolla

Presented to Soyoung Jung by Andrew Clearwater, of MITO



Stephen Glading and Marc Ebolo



David Hodge and Euan Philpot



Coby Duggan and Alan Leigh



Soyoung Jung and Andrew Clearwater



Karol Abrasowicz-Madej

Tough job staying at the top

The pressure is on at New Zealand's premier single-seater category ahead of its five-week and 15-race season in 2019.

Heading into Christmas week and the end of the business year, the 2019 Castrol Toyota Racing Series (TRS) had just 11 entries, down from 14 for the 2018 championship.

At the same time last year, all but two drivers, both Kiwis, had confirmed their intentions to race. A full grid is 20 cars and organisers say they remain confident of delivering a grid of 18 cars.

In previous seasons, the full 20-strong grid had been announced by the same point, leaving organisers free to focus on final vehicle builds at the operation's Hampton Downs base.

So far, the championship is attracting strong interest from

Australia and the US, although there are as yet no European entries and just one New Zealander.

Rookies dominate, with only Baltimore-based American Cameron Das returning for a second run at the championship.

By the end of December, unconfirmed rumours of entries covered UK hotshot Dan Ticktum, expatriate Kiwi Hunter McElrea, European F3 winner Mick Schumacher and two Prema drivers from the Italian team's 2019 F3 squad. Sources say Prema is considering the prospect as late as the last week of the year.

Then there's been talk about multi-season TRS racer Lucas Auer, who is the nephew of F1 great Gerhard Berger.

He's believed to be on his way to retune his skills to single-seater



So far, the TRS grid for this season is quieter than organisers would like

sharpness as he prepares to step out of the saloon-coupe based Deutsche Tourenwagen Masters and back into single-seaters – this time with Red Bull backing.

This would take the championship to 15 entrants. If it's unable to front at least 16 cars, the TRS faces its second troubled year with low revenues and high costs marring its recent form as an incubator of racing talent.

With drives priced at about \$220,000 and only 14 cars on the grid, the championship suffered a significant shortfall this year of more than \$1 million.

To remain relevant to the European driver base, which has traditionally added zest to the competition, the TRS must also change its fleet to a new chassis with the FIA-mandated "halo" driver safety structure and a fresh aerodynamics package.

That means 2019 will likely be the swansong for the FT50 Tatuus-Toyota cars just four years into their competition lives. The previous FT40 cars completed a full 10 years and the best of them are now being run as drive-school cars in Australia.

The first round of the 2019 championship was at Highlands Park, Cromwell, on January 12. 📍

Hartley going back to the future

As New Zealand's bid for a round of the FIA Formula E Championship awaits government endorsement at local and national level, race driver and World Endurance Championship (WEC) winner Brendon Hartley has been reconfirmed as a Porsche factory driver and will join the marque's maiden foray into Formula E.

Porsche was the team that powered Palmerston North-born Hartley and fellow Kiwi Earl Bamber to the WEC title, but freed the former to pick up a Formula One drive in late 2017. They retained him as factory driver in-absentia.

Although Hartley's form



Brendon Hartley will make a return to Porsche after being dropped by Toro Rosso F1

improved last year, it quickly became apparent Toro Rosso was never going to allow him to outshine his team-mate. By mid-season he was being used as a test donkey as the team trialed suspension components in actual races, which is a risky practice.

As media speculation about his

future mounted, Hartley hit back with a string of improving performances, but these were masked by car and component failures.

By season's end, the relationship had completely disintegrated, although engine manufacturer Honda valued Hartley's keen analytical skills and open

communication to engineers, and bid him farewell more graciously than Toro Rosso.

Hartley now steps back to the German team that brought him his finest racing results of all and he's looking forward to 2019 as the team prepares its Formula E challenge.

He is highly regarded by Porsche having taken the marque to WEC titles in 2015 and 2017, and winning the 2017 24 Hours of Le Mans race.

Hartley is also a high-profile ambassador for the domestic Toyota Racing Series having won its first race, and winning Formula Renault 2.0 in Europe in 2007.



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National platform for trade-ins

Dealer Trade Network (DTN) – a tool to help facilitate wholesale trades between dealers – will be launched this month by Autotrader in partnership with 4 Media.

DTN will revolutionise vehicle wholesale trading by giving dealers national awareness of, and access to, thousands of used cars traded in every month.

Thanks to the DTN tool, dealers will be able to optimise their used car stock, move on vehicles superfluous to their needs and improve trade-in yield.

GET BEST PRICE

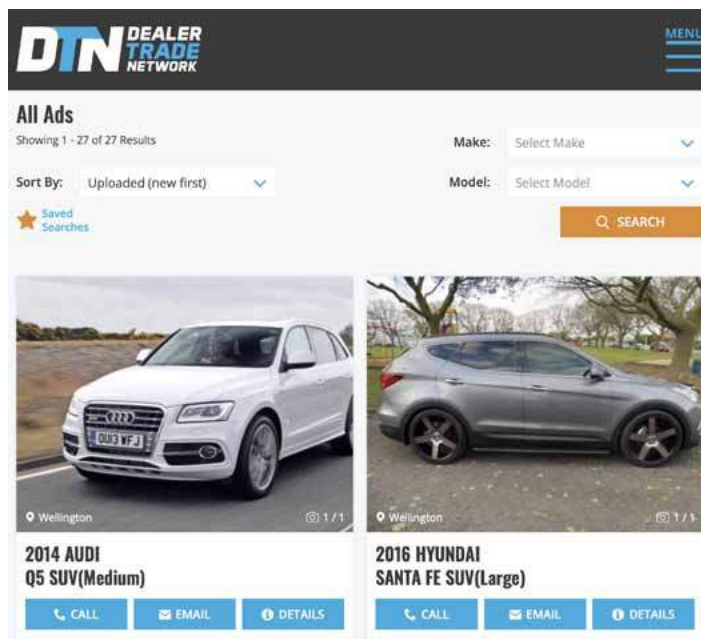
The software combines global best practice with Autotrader's and 4 Media's industry expertise to deliver a tool tailored to suit New Zealand's unique used-vehicle market.

DTN provides an easy and seamless way for dealers to wholesale unwanted trade-ins and aged stock while realising the best possible price, and at the same time helping dealers find new stock.

Using DTN to trade a vehicle is as simple as entering a licence plate, the odometer reading and taking a few photos. Your vehicle is then added to the network with other dealers looking to purchase vehicles being notified.

FULLY RESPONSIVE

Due to the fully responsive nature of DTN, you can list a vehicle for trade from whatever device is



handy – be that a mobile phone, tablet or desktop.

Dealers looking for vehicles can specify the make and model they're interested in, and will be notified whenever new vehicles matching their criteria become available. They can then make an offer. Once an offer is received the seller can accept it and complete the deal. It really is that easy.

CONNECT EASILY

DTN is a technology solution that allows sellers and buyers to connect easily. Buyers can create criteria to suit their stock requirements and receive alerts as soon as stock is listed they may be interested in.

Sellers can share their trades

immediately with dealers across the country, with the possibility that a trade-in purchase and sale can be made while the customer is still on the yard to reduce the risk in trading in a vehicle you wouldn't normally stock.

DTN V1.0 launches this month and

we expect to roll out additional functionality as the year goes on. We would love to get feedback on DTN, and hear about any

Special offer

Traders can take advantage of a special sign-up rate for a limited time while we continue to get everything ready for the launch of Dealer Trade Network.

Any dealer who signs up for six months before the end of January 2019 will get their first three months free and pay only \$49.99 plus GST per month for the remaining three months. In effect, that's paying \$149.97 plus GST for six months' access.

Call us on 0800-800-146 or talk to your Autotrader account manager and get set up with DTN.

suggestions and/or changes you think we should add to the product to make it even better. Just give us a call on 0800-800-146. ☎



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Buyer exceeds 'reasonable time' rule for refund but secures transmission costs

Background

The automatic transmission on Stephen Hunt's 2013 Ford Mondeo began shuddering while shifting between gears and from standstill.

It hunted for correct gears during acceleration and engine speed fluctuated. A transmission warning light illuminated. The car went into permanent limp mode, couldn't be driven and the transmission needed replacing.

The Turners Group refused to assist, so Hunt rejected the vehicle.

The case

There was confusion about who sold the vehicle. The invoice of September 2017 stated: "Turners enters into this agreement as agent for the owner".

Turners didn't initially disclose the owner's identity until the tribunal asked. It was Eclix Fleet Holding (NZ) Ltd, but Hunt was only told it was "a lease company".

Hunt complained to Turners on April 12, 2018, which initially replied the transaction would likely be reversed and provided a loan vehicle with the Mondeo left for assessment.

Two days later, Hunt was advised Eclix refused to consider any claim and he needed to phone Christchurch branch manager, Blair Butler.

On May 1, Butler told Hunt even though the vehicle wasn't bought at auction, Turners wasn't the supplier under the CGA so couldn't offer any remedy. He added Eclix was responsible and refused to assess the car fearing it would be held accountable.

Eclix was joined as a party to guard against the possibility that –

if Turners' advice was correct – Hunt would be left without a remedy.

On closer examination, Turners' advice was wrong. Part two of the CGA provides for consumers' right of redress against suppliers in respect of goods. A "supplier" is "a person [other than an auctioneer] who, in-trade, is acting as an agent for another whether or not that other is supplying in-trade".

Turners couldn't rely on the auctioneers' exemption. It was in-trade and supplied the car to Hunt by transferring ownership as an agent for Eclix. Turners was the supplier and shouldn't have said it wasn't.

Before selling the car, Turners prepared its standard vehicle-condition guide, which recorded a "pass" for the Mondeo's transmission, and no problems were detected on Hunt's pre-purchase assessment.

Ten days after buying the car on September 19, 2017, it was serviced by Avon City Ford. It reported the transmission was harsh and slow to engage. Hunt was told to "keep an eye on it". At this stage, the vehicle remained driveable.

On April 9, 2018, the vehicle started shuddering during shifts and taking off from standstill, and making noises. The "transmission limited function" warning light came on, but went out when the engine was switched off.

Avon City Ford advised Hunt the transmission needed replacing. He complained to Turners, which told him as neither Eclix nor Turners accepted liability, he needed to make a tribunal claim. He notified

Turners he was rejecting the vehicle on May 4.

After considering the possibility of supplying a replacement vehicle, Butler contacted Hunt 12 days later to confirm Eclix was unprepared to offer any remedy.

Hunt collected his car on May 25 and its condition had deteriorated. The transmission warning light was permanently on, it clunked engaging drive, wouldn't shift gears and could only be driven a short distance in limp mode.

Turners and Eclix criticised Hunt's lack of action after Avon City Ford reported in September 2017 the transmission was harsh and slow to engage. They said Hunt should have serviced it.

Eclix produced the service history, which showed the car's transmission was serviced on March 27, 2015, at 64,848km and on August 9, 2016, at 135,045km.

The tribunal's assessor said service intervals on automatic Mondeos with were 60,000km, which meant the car was next due its next service at 195,045km.

Avon City Ford's invoice of September 2017 recorded the odometer on 184,651km, so the transmission wasn't due for another service by then.

The finding

The buyer was advised the transmission needed replacing. The assessor agreed and added these Mondeos were known to experience such problems.

If the failure had emerged seven

The case: The buyer wanted to reject his vehicle under the Consumer Guarantees Act (CGA) because he had been advised the Ford Mondeo's transmission needed replacing because it was irreparable.

The decision: The adjudicator ruled the car failed the legislation's guarantee of acceptable quality, but the buyer had left it too late to reject it. Instead, Turners Group NZ Ltd was ordered to pay costs for the part to be replaced.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

months and 9,000km after purchase, when Hunt first observed the shuddering, the adjudicator wouldn't have found there was a breach of the CGA's guarantee of acceptable quality.

However, issues emerged about 10 days post-purchase. Even with the reasonably high mileage of 183,947km when supplied, a reasonable buyer of a four-year-old \$7,000 car would expect its transmission to last longer before having "near end of life" problems, so it failed the guarantee of acceptable quality.

Hunt sought a refund of the purchase price and mechanical inspection, and interest costs in buying a temporary replacement vehicle in May 2018.

The adjudicator agreed with Turners that if he wanted to reject the vehicle, he should have notified it earlier so he lost his right of rejection under section 20.

Hunt was, however, allowed to recover \$4,000 for a second-hand transmission, labour of \$1,058 and \$140 in overdraft interest payments for buying a temporary replacement vehicle.

Order

Turners had to pay Hunt \$5,198. ☎



Girlfriend 'concoction' failed to disguise 'private' sale was made by car dealer

Background

Samuel Langton purchased a 2007 Mazda RX-8 for \$7,000 from Austin MC Ltd on May 5, 2018. He had seen it advertised on Trade Me and was led to believe the car was being sold by a private individual.

He quickly discovered it had significant damage to its rotary engine and the supplier was a registered motor-vehicle trader.

Austin MC Ltd, despite receiving a notice notifying it of the time, date and location of the hearing, failed to attend.

The case

Langton said when he bought the vehicle he was led to believe it was being sold by Aaron Austin in a personal capacity. Austin said his girlfriend no longer wanted it, but Langton believed the car was supplied by Austin MC Ltd, a registered trader.

This was an important point because protections available under the CGA apply only when a consumer purchases goods from a dealer.

Langton claimed Austin was the director and sales manager of Austin MC Ltd, and the phone number used by Austin during his dealings with him was the same as displayed on advertising for Austin MC Ltd.

He added the vehicle had been purchased from Buy Right Cars about two weeks before it was sold to Langton, suggesting the person who bought the car from Buy Right Cars purchased it to on-sell it, and the Trade Me

listing stated "finance available".

The adjudicator accepted Langton's submission because these factors when taken together showed the vehicle was unlikely to have been sold privately.

He also agreed with Langton's submission that Austin's story the vehicle had previously been owned by his girlfriend was a concoction designed to disguise this transaction as a private sale.

Given the previous owner owned the vehicle for a little more than two weeks before it was sold to Langton, it was considered highly unlikely the car was owned or used by the girlfriend before being on-sold.

Shortly after purchasing the vehicle, Langton noticed the oil reservoir was low. He topped it up, but found a leak.

He initially thought this was a power-steering fluid leak, but Western Auto Services in New Plymouth advised the car appeared to have significant engine problems and he was referred to RoTech Services, which had expertise with rotary engines.

It found the engine was likely to be significantly damaged, caused by corrosion on its end plates as a result of a lack of anti-freeze in the cooling system. It considered a significant overhaul was needed at an estimated cost of \$7,059.36.

The tribunal's assessor advised Langton's evidence and the assessment showed it was likely the engine had suffered galvanic corrosion to the rear housing,

which allowed combustion gases to enter the cooling system and water to enter the engine. This in turn caused the car to overheat, become hard to start and lose performance.

He agreed the engine was likely to require significant overhaul, considered RoTech's estimate to be reasonable and given the short period of Langton's ownership that the damage would have existed at the time of purchase.

The ruling

The adjudicator was satisfied the car had a significant engine fault, which meant it wasn't of acceptable quality for the purposes of section six of the CGA.

This was because a reasonable consumer wouldn't expect a vehicle of this price, age and mileage to have a pre-existing damage costing more than \$7,000 to repair.

Section 21 of the act also applied to this case in that the problem was of substantial character because a reasonable consumer wouldn't have bought this car knowing the nature and extent of the pre-existing fault.

Under section 18 of the CGA, Langton was entitled to reject the vehicle because the fault amounted to a failure of a substantial character and, under section 23 he was entitled to recover the purchase price.

As stated in the Motor Vehicle Sales Act, the tribunal can award costs against a party when that party either fails to participate in

The case: The purchaser's vehicle had a significant fault with its engine that breached the acceptable quality guarantee as defined in the Consumer Guarantees Act (CGA).

The decision: The tribunal ruled the problem amounted to a failure of substantial character, so under the legislation the buyer was entitled to reject the Mazda RX-8 and secure a full refund of the purchase price. The dealer was reported to the Commerce Commission for its actions.

At: The Motor Vehicle Disputes Tribunal, Auckland.

pre-hearing settlement discussions or – after receiving notice of the hearing – fails to attend without reasonable cause.

The adjudicator was satisfied Austin MC Ltd, after receiving the hearing's notice, failed to attend without reasonable cause. Indeed, the trader provided no excuse for non-attendance.

This meant Langton was entitled to recover \$50, which was the filing fee for his application, while Austin MC Ltd was ordered to pay \$650 – the reasonable costs of the tribunal hearing.

In addition, the adjudicator referred this matter to the Commerce Commission because it was the agency responsible for enforcing the Fair Trading Act. This was in relation to Austin MC Ltd's conduct in attempting to disguise the transaction as a private sale might well have raised issues under that legislation.

Orders

Langton's application to reject the vehicle was upheld and Austin MC Ltd had to pay him \$7,050. The dealer also had to pay costs of \$650. ☺

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JAPAN	Moji	—	15 Jan	—	13 Feb
	Osaka	1 Jan	16 Jan	1 Feb	14 Feb
	Nagoya	3 Jan	17 Jan	2 Feb	16 Feb
	Yokohama	4 Jan	18 Jan	3 Feb	17 Feb
NEW ZEALAND	Auckland	20 Jan	5 Feb	19 Feb	7 Mar
	Wellington	27 Jan	9 Feb	26 Feb	12 Mar
	Lyttelton	2 Feb	8 Feb	2 Feb	13 Mar
	Nelson	4 Feb	13 Feb	4 Feb	16 Mar

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Total new cars
7,681

2017: **8,151** ▼ **5.8%**

Total imported used cars
11,061

2017: **14,102** ▼ **21.6%**

Whangarei

NEW: **166** 2017: **171** ▼ **2.9%**
USED: **232** 2017: **335** ▼ **30.7%**

Auckland

NEW: **3,823** 2017: **3,711** ▲ **3.0%**
USED: **5,157** 2017: **7,037** ▼ **26.7%**

Hamilton

NEW: **343** 2017: **359** ▼ **4.5%**
USED: **719** 2017: **846** ▼ **15.0%**

New Plymouth

NEW: **67** 2017: **113** ▼ **40.7%**
USED: **175** 2017: **170** ▲ **2.9%**

Wanganui

NEW: **86** 2017: **62** ▲ **38.7%**
USED: **116** 2017: **88** ▲ **31.8%**

Palmerston North

NEW: **225** 2017: **197** ▲ **14.2%**
USED: **319** 2017: **327** ▼ **2.4%**

Nelson

NEW: **72** 2017: **85** ▼ **15.3%**
USED: **253** 2017: **336** ▼ **24.7%**

Westport

NEW: **0** 2017: **1** ▼ **100.0%**
USED: **6** 2017: **3** ▲ **100.0%**

Greymouth

NEW: **5** 2017: **10** ▼ **50.0%**
USED: **33** 2017: **34** ▼ **2.9%**

Thames

NEW: **69** 2017: **86** ▼ **19.8%**
USED: **81** 2017: **146** ▼ **44.5%**

Tauranga

NEW: **229** 2017: **245** ▼ **6.5%**
USED: **432** 2017: **557** ▼ **22.4%**

Rotorua

NEW: **105** 2017: **103** ▲ **1.9%**
USED: **167** 2017: **243** ▼ **31.3%**

Gisborne

NEW: **20** 2017: **26** ▼ **23.1%**
USED: **60** 2017: **61** ▼ **1.6%**

Napier

NEW: **171** 2017: **157** ▲ **8.9%**
USED: **311** 2017: **293** ▲ **6.1%**

Masterton

NEW: **60** 2017: **71** ▼ **15.5%**
USED: **79** 2017: **73** ▲ **8.2%**

Wellington

NEW: **475** 2017: **561** ▼ **15.3%**
USED: **818** 2017: **1,007** ▼ **18.8%**

Blenheim

NEW: **46** 2017: **68** ▼ **32.4%**
USED: **52** 2017: **70** ▼ **25.7%**

Christchurch

NEW: **1,444** 2017: **1,752** ▼ **17.6%**
USED: **1,444** 2017: **1,702** ▼ **15.2%**

Timaru

NEW: **34** 2017: **38** ▼ **10.5%**
USED: **72** 2017: **115** ▼ **37.4%**

Oamaru

NEW: **4** 2017: **4** ■ **0.0%**
USED: **15** 2017: **20** ▼ **25.0%**

Dunedin

NEW: **129** 2017: **224** ▼ **42.4%**
USED: **372** 2017: **442** ▼ **15.8%**

Invercargill

NEW: **108** 2017: **107** ▲ **0.9%**
USED: **148** 2017: **197** ▼ **24.9%**

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Imported Passenger Vehicle Sales by Make - December 2018

MAKE	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	2,419	3,617	-33.1	21.9%	33,693	22.8%
Nissan	2,239	2,775	-19.3	20.2%	28,760	19.5%
Mazda	1,846	2,289	-19.4	16.7%	24,307	16.5%
Honda	1,181	1,410	-16.2	10.7%	15,208	10.3%
Suzuki	579	651	-11.1	5.2%	7,943	5.4%
Subaru	563	729	-22.8	5.1%	8,243	5.6%
Mitsubishi	520	477	9.0	4.7%	5,316	3.6%
BMW	408	566	-27.9	3.7%	5,967	4.0%
Volkswagen	334	361	-7.5	3.0%	4,581	3.1%
Audi	222	244	-9.0	2.0%	2,939	2.0%
Mercedes-Benz	153	232	-34.1	1.4%	2,505	1.7%
Lexus	89	69	29.0	0.8%	1,126	0.8%
Ford	68	109	-37.6	0.6%	1,068	0.7%
Volvo	65	69	-5.8	0.6%	778	0.5%
Jaguar	46	47	-2.1	0.4%	543	0.4%
Chevrolet	41	40	2.5	0.4%	556	0.4%
Land Rover	38	43	-11.6	0.3%	457	0.3%
Hyundai	29	43	-32.6	0.3%	295	0.2%
Holden	27	36	-25.0	0.2%	424	0.3%
Jeep	21	20	5.0	0.2%	334	0.2%
Chrysler	20	17	17.6	0.2%	238	0.2%
Mini	18	36	-50.0	0.2%	377	0.3%
Peugeot	15	17	-11.8	0.1%	178	0.1%
Dodge	14	18	-22.2	0.1%	333	0.2%
Porsche	10	29	-65.5	0.1%	248	0.2%
Daihatsu	7	11	-36.4	0.1%	97	0.1%
Renault	7	35	-80.0	0.1%	109	0.1%
Cadillac	5	5	0.0	0.0%	60	0.0%
Fiat	5	5	0.0	0.0%	41	0.0%
Infiniti	5	2	150.0	0.0%	21	0.0%
Pontiac	5	3	66.7	0.0%	58	0.0%
Alfa Romeo	4	10	-60.0	0.0%	45	0.0%
Bentley	4	2	100.0	0.0%	39	0.0%
Buick	4	5	-20.0	0.0%	27	0.0%
Citroen	4	7	-42.9	0.0%	56	0.0%
Others	46	73	-37.0	0.4%	667	0.5%
Total	11,061	14,102	-21.6	100.0%	147,637	100.0%

Imported Passenger Vehicle Sales by Model - December 2018

MAKE	MODEL	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	Axela	584	592	-1.4	5.3%	7,411	5.0%
Suzuki	Swift	500	567	-11.8	4.5%	6,727	4.6%
Nissan	Tiida	500	615	-18.7	4.5%	6,600	4.5%
Honda	Fit	487	565	-13.8	4.4%	5,876	4.0%
Mazda	Demio	479	637	-24.8	4.3%	5,925	4.0%
Toyota	Prius	315	314	0.3	2.8%	4,024	2.7%
Mitsubishi	Outlander	296	284	4.2	2.7%	2,993	2.0%
Toyota	Vitz	279	256	9.0	2.5%	3,093	2.1%
Toyota	Wish	276	321	-14.0	2.5%	3,429	2.3%
Nissan	Leaf	260	198	31.3	2.4%	3,351	2.3%
Mazda	Premacy	247	207	19.3	2.2%	2,809	1.9%
Subaru	Legacy	224	365	-38.6	2.0%	3,811	2.6%
Nissan	Dualis	221	194	13.9	2.0%	2,324	1.6%
Nissan	Note	213	221	-3.6	1.9%	2,408	1.6%
Mazda	Atenza	212	304	-30.3	1.9%	3,044	2.1%
Subaru	Impreza	191	156	22.4	1.7%	2,320	1.6%
Toyota	Aqua	174	37	370.3	1.6%	1,231	0.8%
Nissan	X-Trail	157	172	-8.7	1.4%	1,654	1.1%
Honda	Stream	155	162	-4.3	1.4%	1,883	1.3%
Toyota	Auris	153	155	-1.3	1.4%	1,884	1.3%
Toyota	Corolla	130	211	-38.4	1.2%	1,977	1.3%
Nissan	Serena	128	78	64.1	1.2%	922	0.6%
Toyota	Blade	127	156	-18.6	1.1%	1,890	1.3%
Nissan	Skyline	113	126	-10.3	1.0%	1,696	1.1%
Honda	Odyssey	93	163	-42.9	0.8%	1,403	1.0%
Nissan	Bluebird	91	116	-21.6	0.8%	1,345	0.9%
Mazda	Verisa	90	104	-13.5	0.8%	1,337	0.9%
Toyota	MarkX	86	266	-67.7	0.8%	2,042	1.4%
Honda	Accord	82	92	-10.9	0.7%	1,031	0.7%
Nissan	March	81	126	-35.7	0.7%	1,137	0.8%
Nissan	Juke	77	67	14.9	0.7%	819	0.6%
Honda	CRV	76	136	-44.1	0.7%	1,262	0.9%
Nissan	Fuga	75	73	2.7	0.7%	853	0.6%
Mitsubishi	Galant	73	42	73.8	0.7%	692	0.5%
Toyota	Ractis	72	123	-41.5	0.7%	1,177	0.8%
Others		3,744	5,901	-36.6	33.8%	55,257	37.4%
Total		11,061	14,102	-21.6	100.0%	147,637	100.0%

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Used car import sales fall

First-time registrations of used imported passenger vehicles tumbled by 10.9 per cent last year.

There were 147,637 units sold in 2018, which was 18,017 less than 2017's total of 165,654.

Toyota was the number-one marque for used imported cars, with 33,693 units being sold in 2018 for a market share of 22.8 per cent.

Nissan and Mazda were second and third respectively with 28,760 and 24,307 registrations, and 19.5 and 16.5 per cent market shares.

Mazda's Axela topped 2018's models ladder with 7,411 sales for a market share of five per cent. The Suzuki Swift's share was 4.6 per cent thanks to 6,727 sales. Nissan's Tiida was third with 6,600 units and 4.5 per cent.

The Nissan Leaf continued its sales growth with 3,351 registrations last year, an increase of 31.3 per cent on 2017.

Dave Boot, the owner of EV City in Christchurch, believes this year will be similar to 2018.

"There will be a point when stock of the 30kW Nissan Leaf is almost dried up and there's not much more coming out of Japan," he says.

"The 40kW Leaf is still too expensive, so there may be a point for a year where there's no real sweet-priced EV as 30kW supply almost extinguishes. But once that 40kW model gets cheaper, we will have a ripper future with EVs in New Zealand.

"There's also a push for a law change in Australia to allow the importation of second-hand Leafs

and demand for them has put a noticeable strain on pricing in Japan."

While there has been some talk about Australia "gobbling up a lot of our used EV import market", Boot stresses you can't have an electric car across the Tasman and argue you're driving it for green reasons "because most of the country's power is coal-fired and there's little hydro-power".

"The Australian Capital Territory is getting into solar power, but there's not a great supply of electricity from renewable energy. You can't buy an EV in Australia and argue you're doing it to be environmental."

High levels of customer service and product knowledge are essential when selling EVs, says Boot.

"You just can't go and hand a buyer the keys and say, 'all the best'. There needs to be good conversations about purchasers' expectations as far as range is concerned, and making sure

the vehicle fits their lifestyles and what their intentions and purposes are.

"There are too many dealers not doing a good job of the consultation process. Often customers quickly find out the EV they've bought just doesn't suit their needs or doesn't meet expectations due to a simple lack of education on behalf of traders who may not know what limitations are regarding charging times, for example.

"Getting the car back on the road in the time the owner is expecting and its actual range are important. You just can't go on the range quoted on the internet, so there's a lot to learn to do it well."

Boot says some car dealers, such as Drive EVs Ltd, GVI and Coventry Cars, do a good job in the EV space as electric becomes more mainstream. However, other traders may think they're missing a slice of the market and are "just getting into it for the money –

and not doing the groundwork beforehand".

He adds: "We need to ensure sales people are well-educated about what they're selling because the next round of customers will have different expectations than early adopters.

"They may not have done as much research as early adopters and will be relying on what sales people are telling them. If the information is wrong, then it only takes one bad experience to ebb the flow of EV uptake a bit.

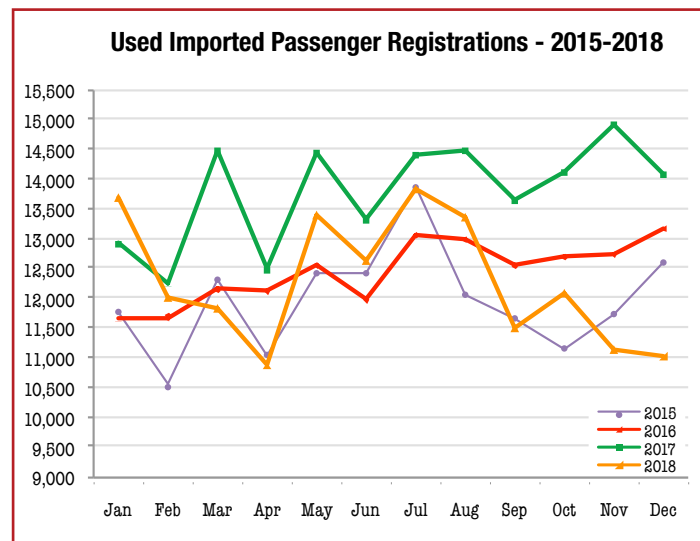
"If someone has a bad experience, then they tell their friends their electric car is terrible because they can't get to work and back every day, for example. But there's nothing wrong with the EV, it's just the buyer hasn't got the right one for his or her lifestyle."

Owen Gibbs, salesman at Royale Cars in Hamilton, says October was slow for about three weeks, but otherwise the business had a good year and wasn't impacted by stink bugs at the start of 2018.

"Even during that crisis, we were still selling about 80 to 90 cars a month," he adds. "As soon as vehicles came in, they were sold. We were back up to speed in November and have been very busy since."

Gibbs says customers want small hatchbacks because they are cheaper to run. "People do want to trade in their bigger cars for one."

As for 2019, "next year should be good for us as long as we work to improve our sales, do things differently to keep ahead of the game and be industry leaders". ☺





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Massive drop in used imports

There was a substantial decrease in used cars crossing the border in 2018 – 142,773 units compared to 171,543 in 2017 represented a fall of 16.8 per cent.

The biggest drop in used passenger vehicle imports came in last year's first quarter when the stink-bug crisis brought the industry to a virtual standstill.

The numbers plummeted from 43,958 in the first three months of 2017 to 28,937 in the same period of 2018, or by 34.2 per cent.

They jumped from 45,131 to 50,863 – an increase of 12.7 per cent – in the second quarter, but

tailed off again during quarters three and four of last year by 23.3 and 23.9 per cent respectively.

During 2018, 134,510 used cars came in from Japan. Australia's total was 4,183 and Singapore took third place on 1,531.

Jack Thompson, owner of RT Motor Company in Christchurch, is researching the viability of importing used cars from Australia, the UK and Singapore.

At the moment, he imports from Japan and buys second-hand vehicles from franchises in the city, but is looking at other markets because of supply-chain issues during the high-risk stink-bug season – although that

comes with other problems.

Thompson says with used vehicles from Japan needing heat treatment before being loaded, issues with deliveries can arise.

"By the time they get to showrooms, dealers may have too many cars," he adds. "Business is up and down because vehicles all arrive at once. That's probably why dealers are tapering back on buying – they have so much stock, they're probably tapped out."

"A lot of traders are looking at Singapore at the moment because the dollar is right. A lot of dealers have bought from the UK, but the exchange rate is tough."

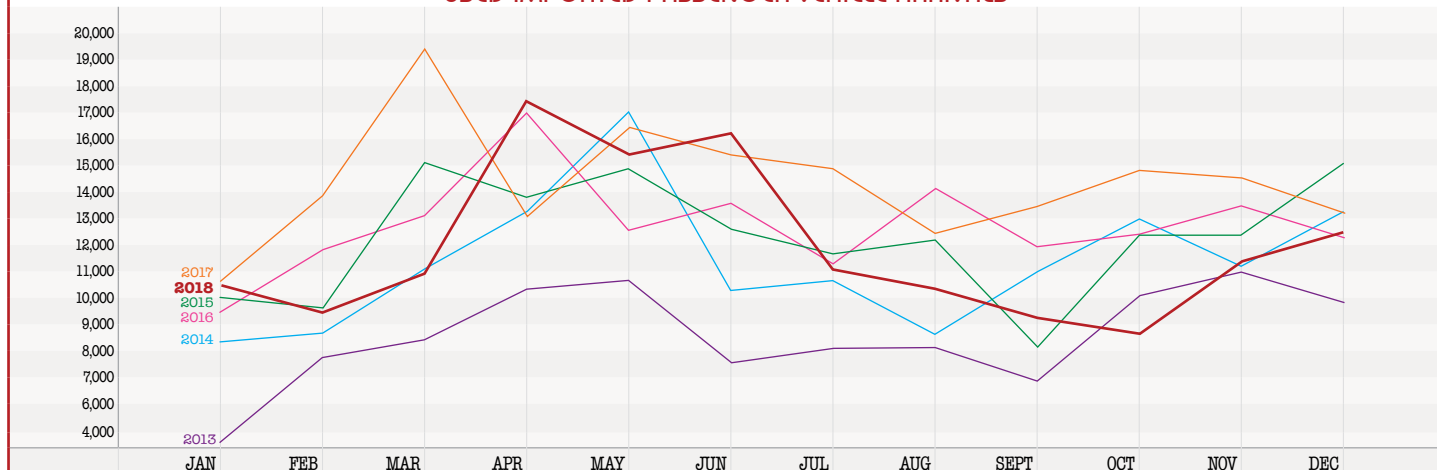
"Most imports from Australia are damaged. Those cars may have hail damage that needs to be fixed, so they come in flagged. That's a tough issue for buyers."

"It's all unknown territory for dealers right now and I have no idea how the next few months will go."

Meanwhile, 117,947 new cars crossed the border last year, which was an increase of 2,928 units – or 2.6 per cent – compared to 2017.

The total for new light commercials of 36,859 resulted in a year-on-year drop of two per cent, while 6,759 used light commercials represented a decrease of 9.5 per cent. ☎

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2018													2017	2016
	JAN '18	FEB '18	MAR '18	APR '18	MAY '18	JUN '18	JUL '18	AUG '18	SEP '18	OCT '18	NOV '18	DEC '18	DECEMBER MARKET SHARE	2018 TOTAL	TOTAL % SHARE
Australia	435	360	375	335	384	335	321	335	294	357	320	332	2.7%	4,183	5,540 3.2%
Great Britain	123	63	94	82	77	70	73	72	90	82	109	91	0.7%	1,026	2,173 1.3%
Japan	9,681	7,014	10,020	18,775	14,748	15,339	10,380	9,678	8,588	7,917	10,664	11,706	94.0%	134,510	160,822 93.8%
Singapore	132	111	95	124	128	99	122	122	142	133	118	205	1.6%	1,531	1,202 0.7%
USA	80	102	99	104	97	86	104	57	104	123	67	85	0.7%	1,108	1,419 0.8%
Other countries	28	36	89	18	30	32	28	18	27	57	23	29	0.2%	415	387 0.2%
Total	10,479	7,686	10,772	19,438	15,464	15,961	11,028	10,282	9,245	8,669	11,301	12,448	100.0%	142,773	171,543 100.0%



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Market starting to ease back

There was an easing in sales of second-hand cars last month with 17,391 units sold by traders to members of the public – a decrease of three per cent on December 2017.

There were 11,663 trade-ins for a 1.7 per cent drop on December 2017's total of 11,868.

As for public-to-public sales, 39,691 units changed hands last month, which was down 3.1 per cent on December 2017.

New Plymouth returned the biggest percentage rise in dealer sales at 10.7 per cent, while trade-ins rose by 111.1 per cent in Greymouth.

Looking back on 2018, Nathan

Abernethy, of Regional Ford in Gore, reports a drop in used-vehicle sales especially during the last five months of last year, but trade climbed up in December "to where we want to be".

He says: "Because new sales have been so good, used haven't grown as much as franchises are perhaps sending more used trade-ins to other outlets that specialised in imports in the past, but they now have more New Zealand-new stock being offered to them."

Brandon Keit, of Motive Trading in Silverdale, retails used Holden Commodores, Ford Falcons, European sedans and utes.

"We tidy them up, lower them

down, and put big wheels and grunty exhausts on them," he says. "People then buy them as weekend cars. These buyers aren't worried about the price of fuel because they have a small car to use during the week."

Being located close to the Hibiscus Coast Highway means the business benefits from "huge traffic volumes – you can't really lose on that".

Dave Boot, of EV City in Christchurch, is pleased EVworld South was held in the city for the first time late last year and his business had a site at the event, which boosted the local market.

"We did some filming about

the cut-away Leaf that has been featured in a number of magazines and publications."

On the impact on the electric market with the change in government, he says: "Labour and the Greens made me feel more comfortable in thinking they may abstain from introducing road-user charges on EVs."

"There are rumours around feebates – government incentives to try to accelerate EV uptake. I'm sort of against that. I don't think it needs to happen. As soon as the government tells people they should go and buy a Leaf and get a rebate, the price of Leafs will go up." ☺

SECONDHAND CAR SALES - December 2018

	DEALER TO PUBLIC					PUBLIC TO PUBLIC				PUBLIC TO DEALER		
	DEC'18	DEC'17	+/- %	MARKET SHARE		DEC'18	DEC'17	+/- %		DEC'18	DEC'17	+/- %
Whangarei	556	591	-5.9	3.2		1896	1,867	1.6		234	314	-25.5
Auckland	6001	5,896	1.8	34.5		13324	13,977	-4.7		4541	4,494	1.0
Hamilton	1345	1,391	-3.3	7.7		2983	3,053	-2.3		913	1,002	-8.9
Thames	278	294	-5.4	1.6		613	647	-5.3		176	129	36.4
Tauranga	825	838	-1.6	4.7		1814	1,881	-3.6		540	509	6.1
Rotorua	392	362	8.3	2.3		919	969	-5.2		129	125	3.2
Gisborne	165	157	5.1	0.9		387	354	9.3		55	70	-21.4
Napier	653	613	6.5	3.8		1355	1,449	-6.5		364	348	4.6
New Plymouth	383	346	10.7	2.2		912	864	5.6		200	210	-4.8
Wanganui	240	226	6.2	1.4		567	602	-5.8		141	95	48.4
Palmerston North	729	734	-0.7	4.2		1584	1,548	2.3		573	552	3.8
Masterton	204	239	-14.6	1.2		457	476	-4.0		102	124	-17.7
Wellington	1619	1,526	6.1	9.3		2889	3,049	-5.2		969	1,063	-8.8
Nelson	306	298	2.7	1.8		1033	1,010	2.3		188	248	-24.2
Blenheim	143	175	-18.3	0.8		429	429	0.0		73	106	-31.1
Greymouth	63	67	-6.0	0.4		163	163	0.0		38	18	111.1
Westport	2	4	-50.0	0.0		37	28	32.1		0	0	0.0
Christchurch	2159	2,813	-23.2	12.4		4778	5,019	-4.8		1697	1,671	1.6
Timaru	189	205	-7.8	1.1		464	521	-10.9		96	82	17.1
Oamaru	23	34	-32.4	0.1		98	99	-1.0		2	9	-77.8
Dunedin	715	687	4.1	4.1		1949	1,934	0.8		379	441	-14.1
Invercargill	401	428	-6.3	2.3		1040	1,020	2.0		253	258	-1.9
NZ Total	17,391	17,924	-3.0	100.00		39,691	40,959	-3.1		11,663	11,868	-1.7

Vehicle Information Reports now include Takata airbag recall alerts*.

*Not all manufacturer data is available yet

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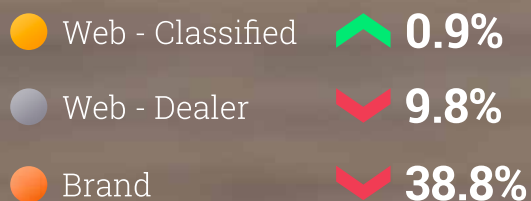
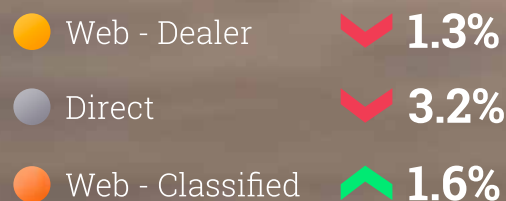
New Passenger Vehicle Sales by Make - December 2018

MAKE	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	2,176	2,397	-9.2	28.3%	21,366	19.7%
Holden	772	669	15.4	10.1%	8,394	7.8%
Mazda	712	645	10.4	9.3%	10,170	9.4%
Mitsubishi	504	662	-23.9	6.6%	7,609	7.0%
Hyundai	492	445	10.6	6.4%	7,350	6.8%
Nissan	425	354	20.1	5.5%	4,666	4.3%
Volkswagen	366	178	105.6	4.8%	4,048	3.7%
Suzuki	330	490	-32.7	4.3%	6,479	6.0%
Kia	327	251	30.3	4.3%	6,898	6.4%
Ford	252	210	20.0	3.3%	5,314	4.9%
Honda	225	363	-38.0	2.9%	5,311	4.9%
Subaru	179	179	0.0	2.3%	3,641	3.4%
Mercedes-Benz	166	194	-14.4	2.2%	2,251	2.1%
Jeep	120	162	-25.9	1.6%	1,564	1.4%
Skoda	70	79	-11.4	0.9%	1,579	1.5%
Lexus	66	66	0.0	0.9%	808	0.7%
Haval	63	35	80.0	0.8%	565	0.5%
Audi	59	146	-59.6	0.8%	1,813	1.7%
Land Rover	58	76	-23.7	0.8%	1,068	1.0%
SsangYong	47	50	-6.0	0.6%	673	0.6%
BMW	40	139	-71.2	0.5%	1,651	1.5%
Jaguar	34	20	70.0	0.4%	408	0.4%
Volvo	30	46	-34.8	0.4%	639	0.6%
Peugeot	25	65	-61.5	0.3%	876	0.8%
Alfa Romeo	18	7	157.1	0.2%	153	0.1%
Mini	18	35	-48.6	0.2%	609	0.6%
Renault	16	44	-63.6	0.2%	261	0.2%
Isuzu	15	16	-6.3	0.2%	278	0.3%
Tesla	15	21	-28.6	0.2%	254	0.2%
Porsche	11	15	-26.7	0.1%	348	0.3%
Seat	8	2	300.0	0.1%	122	0.1%
Yamaha	8	12	-33.3	0.1%	96	0.1%
Can-Am	7	4	75.0	0.1%	53	0.0%
LDV	6	5	20.0	0.1%	80	0.1%
Citroen	5	10	-50.0	0.1%	234	0.2%
Others	16	59	-72.9	0.2%	581	0.5%
Total	7,681	8,151	-5.8	100.0%	108,210	100.0%

New Passenger Vehicle Sales by Model - December 2018

MAKE	MODEL	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Corolla	732	1,116	-34.4	9.5%	7,303	6.7%
Toyota	RAV4	515	516	-0.2	6.7%	4,966	4.6%
Toyota	Highlander	326	182	79.1	4.2%	2,684	2.5%
Mazda	CX-5	252	227	11.0	3.3%	3,698	3.4%
Volkswagen	Tiguan	221	68	225.0	2.9%	1,880	1.7%
Nissan	X-Trail	210	142	47.9	2.7%	1,860	1.7%
Mitsubishi	Outlander	202	160	26.3	2.6%	2,407	2.2%
Toyota	Camry	191	136	40.4	2.5%	894	0.8%
Mazda	Mazda3	175	103	69.9	2.3%	2,114	2.0%
Nissan	Qashqai	169	176	-4.0	2.2%	2,165	2.0%
Mitsubishi	ASX	166	287	-42.2	2.2%	2,436	2.3%
Suzuki	Swift	163	188	-13.3	2.1%	3,036	2.8%
Kia	Sportage	161	159	1.3	2.1%	3,295	3.0%
Toyota	Yaris	160	272	-41.2	2.1%	2,009	1.9%
Hyundai	Kona	136	129	5.4	1.8%	1,707	1.6%
Hyundai	Santa Fe	126	113	11.5	1.6%	1,569	1.4%
Holden	Astra	124	79	57.0	1.6%	1,014	0.9%
Holden	Commodore	124	105	18.1	1.6%	1,850	1.7%
Toyota	Landcruiser Prado	117	36	225.0	1.5%	1,159	1.1%
Holden	Captiva	98	156	-37.2	1.3%	2,015	1.9%
Holden	Trax	98	71	38.0	1.3%	942	0.9%
Hyundai	Tucson	98	131	-25.2	1.3%	1,820	1.7%
Honda	HR-V	97	69	40.6	1.3%	1,261	1.2%
Mazda	Mazda2	91	81	12.3	1.2%	1,215	1.1%
Ford	Escape	83	58	43.1	1.1%	1,359	1.3%
Holden	Equinox	81	72	12.5	1.1%	901	0.8%
Holden	Barina	75	38	97.4	1.0%	471	0.4%
Mazda	CX-9	71	115	-38.3	0.9%	1,016	0.9%
Holden	Acadia	70	0	7,000.0	0.9%	164	0.2%
Mazda	CX-3	70	89	-21.3	0.9%	1,343	1.2%
Honda	CRV	67	144	-53.5	0.9%	1,622	1.5%
Mitsubishi	Eclipse Cross	66	25	164.0	0.9%	1,660	1.5%
Suzuki	Vitara	65	78	-16.7	0.8%	1,170	1.1%
Holden	Spark	63	63	0.0	0.8%	636	0.6%
Subaru	XV	61	44	38.6	0.8%	1,192	1.1%
Others		2,157	2,723	-20.8	28.1%	41,377	38.2%
Total		7,681	8,151	-5.8	100.0%	108,210	100.0%

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Toyota top car brand

Total sales of new passenger cars and SUVs in 2018 were down by 0.4 per cent, or 398 units, on 2017's volumes – 108,210 units compared to 108,608.

However, it was a fifth record year in a row for registrations of new vehicles overall. They climbed by one per cent, or by 1,650 units, above 2017's total of 160,115 new-vehicle sales.

Toyota was the top new-car marque last year with 21,366 sales. Second spot went to Mazda with 10,170 units and Holden was third on 8,394.

Toyota claimed a models one-two with the Corolla selling

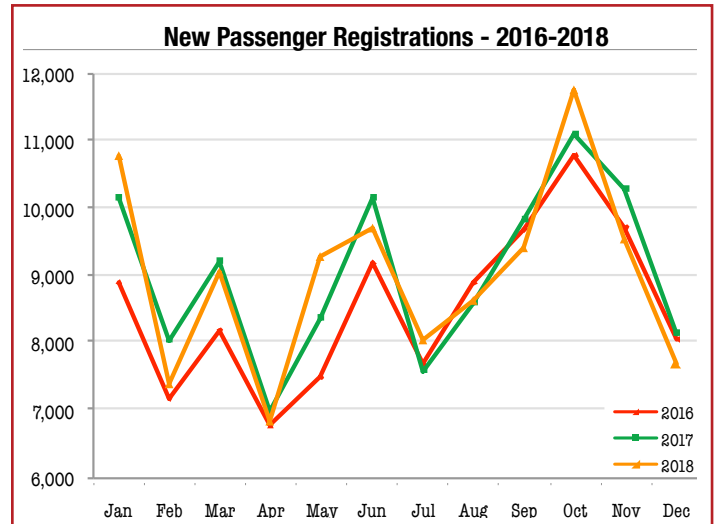
7,303 units and the RAV4 on 4,966. Mazda's CX-5 came third with 3,698.

Toyota NZ is now celebrating 31 years as the country's dominant car marque despite its business shift at the start of 2018.

"Offering a full range of models has helped us maintain market leadership," says Neeraj Lala, general manager of new-vehicle sales. "It's a fantastic result given changes we made with driveaway pricing on April 1."

Lala says its increase of SUV sales aided Toyota in 2018 and he predicts the marque will remain top for car registrations this year.

Mercedes-Benz topped the



luxury car sector with 2,251 registrations, followed by Audi with 1,813 and BMW on 1,651.

Last year's top segment was medium SUVs with a market share

of 17 per cent. It was followed by pick-ups and chassis-cab four-by-fours with 15 per cent.

Visit www.autofile.co.nz for more analysis of 2018's statistics. 📄

NEW VEHICLE SALES BY BUYER TYPE - December 2018

	DEC '18	DEC '17	MTH %	2018 YTD	2017 YTD	% YTD
Passenger	2,782	3,405	-18.3	40,239	45,038	-10.7
Private	655	848	-22.8	13,734	15,807	-13.1
Business	838	1,016	-17.5	15,831	17,413	-9.1
Gov't	56	55	1.8	2,078	1,930	7.7
Rental	1,233	1,486	-17.0	8,596	9,888	-13.1
SUV	4,893	4,693	4.3	67,592	62,881	7.5
Private	1,618	1,850	-12.5	28,464	27,225	4.6
Business	1,723	1,907	-9.6	28,393	25,441	11.6
Gov't	125	87	43.7	1,185	1,120	5.8
Rental	1,427	849	68.1	9,550	9,095	5.0
Light Commercial	3,024	2,850	6.1	46,078	44,234	4.2
Private	728	793	-8.2	11,336	10,893	4.1
Business	2,098	1,817	15.5	30,605	29,621	3.3
Gov't	118	146	-19.2	2,119	1,808	17.2
Rental	80	94	-14.9	2,018	1,912	5.5
Sub Total	10,699	10,948	-2.3	153,909	152,153	1.2
Private	3,001	3,491	-14.0	53,534	53,925	-0.7
Business	4,659	4,740	-1.7	74,829	72,475	3.2
Gov't	299	288	3.8	5,382	4,858	10.8
Rental	2,740	2,429	12.8	20,164	20,895	-3.5
Heavy Commercial	352	450	-21.8	6,349	5,905	7.5
Other	99	145	-31.7	1,311	1,851	-29.2
Total	11,150	11,543	-3.4	161,569	159,909	1.0

NEW VEHICLE MARKET SEGMENTATION - December 2018

	DEC '18	DEC '17	MTH % DIFF	2018 YTD	2017 YTD	% YTD
Passenger	2,782	3,405	-18.3	40,200	44,982	-10.6
SUV	4,893	4,693	4.3	67,590	62,868	7.5
Light Commercial	3,024	2,850	6.1	46,069	44,218	4.2
Heavy Commercial	352	450	-21.8	6,349	5,905	7.5
Other	99	145	-31.7	1,311	1,851	-29.2
TOTAL MARKET	11,150	11,543	-3.4	161,519	159,824	1.1
Micro	130	162	-19.8	1,231	1,716	-28.3
Light	727	917	-20.7	12,792	12,481	2.5
Small	1,279	1,654	-22.7	16,812	19,268	-12.7
Medium	325	344	-5.5	4,091	5,556	-26.4
Large	178	182	-2.2	3,055	3,196	-4.4
Upper Large	2	17	-88.2	93	116	-19.8
People Movers	106	39	171.8	871	956	-8.9
Sports	35	90	-61.1	1,255	1,693	-25.9
SUV Small	1,324	1,379	-4.0	20,937	17,309	21.0
SUV Medium	1,970	2,057	-4.2	27,162	26,507	2.5
SUV Large	1,541	1,217	26.6	18,574	18,326	1.4
SUV Upper Large	58	40	45.0	917	726	26.3
Light Buses	27	62	-56.5	811	1,042	-22.2
Vans	415	347	19.6	6,344	6,322	0.3
Pick Up/Chassis Cab 4x2	1,012	952	6.3	15,044	14,683	2.5
Pick Up/Chassis Cab 4x4	1,570	1,489	5.4	23,870	22,171	7.7
Heavy Commercial	352	450	-21.8	6,349	5,905	7.5
Other	99	145	-31.7	1,311	1,851	-29.2
TOTAL MARKET	11,150	11,543	-3.4	161,519	159,824	1.1

December 2018 (📈 vs November 2018)

SALES

🟡 Web - Dealer ▼ **4.7%**
 🟠 Web - Classified ▼ **7.2%**
 🟢 Repeat ▼ **12.9%**

autoPLAY

Smart Digital Tools

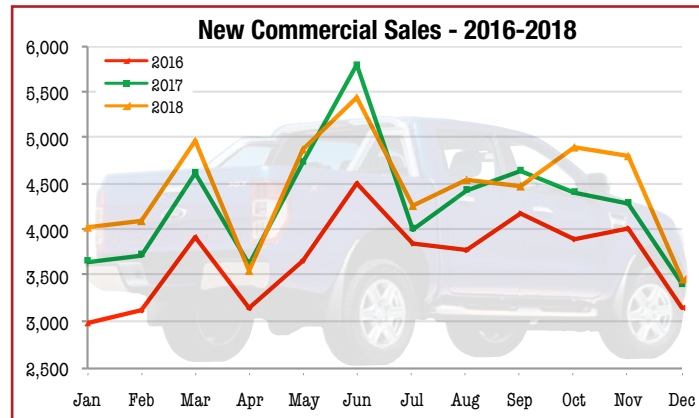
Blue oval takes out double

Ford NZ has secured an impressive double in the market for light commercials – best-selling marque and model of 2018.

The Ranger with 9,906 registrations beat the Toyota Hilux's total of 8,095 by 1,811 units. The blue oval's ute was also best-selling overall new vehicle for the fourth year in a row and was the country's top commercial for the fifth consecutive year.

Ford's success in the commercial market was boosted by its new Transit Custom, which experienced 22 per cent year-on-year growth.

"While the Ranger's popularity continues, we're also happy about the positive response the Transit has



enjoyed among commercial buyers and fleets that keep the country working," says Simon Rutherford, managing director of Ford NZ.

"We are proud of the achievement. We thank our

customers for choosing Ford and our dealer network for providing fantastic service that made it possible."

Last year's new commercial vehicle market grew with 53,555

registrations. This was an increase of four per cent compared to 2017's total of 51,507 to make 2018 the best year on record.

Demand for utes continued to run hot with third spot on last year's models ladder being taken out by Mitsubishi's Triton. Its sales came to 4,724 for 8.8 per cent of the market. The market shares for the Ranger and Hilux were 18.5 and 15.1 per cent respectively.

Fourth spot went to Holden's Colorado, which sold 4,592 units in 2018. Nissan's Navara was fifth with 3,673 registrations.

The best-selling van was Toyota's Hiace on 2,492 units. It was followed by Fiat's Ducato with 1,097 and Hyundai's iLoad on 734. 📊

New Commercial Sales by Make - December 2018

MAKE	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	725	595	21.8	20.9%	10,924	20.4%
Ford	647	657	-1.5	18.6%	11,061	20.7%
Mitsubishi	405	285	42.1	11.7%	4,725	8.8%
Holden	240	473	-49.3	6.9%	4,677	8.7%
Nissan	240	191	25.7	6.9%	3,673	6.9%
Isuzu	199	285	-30.2	5.7%	3,517	6.6%
Mercedes-Benz	188	68	176.5	5.4%	1,432	2.7%
Volkswagen	138	81	70.4	4.0%	1,875	3.5%
Mazda	116	145	-20.0	3.3%	2,076	3.9%
LDV	106	118	-10.2	3.1%	1,918	3.6%
Fiat	93	82	13.4	2.7%	1,101	2.1%
Hyundai	71	45	57.8	2.0%	758	1.4%
Hino	37	53	-30.2	1.1%	707	1.3%
Renault	34	10	240.0	1.0%	247	0.5%
Fuso	32	96	-66.7	0.9%	856	1.6%
Great Wall	30	10	200.0	0.9%	257	0.5%
Iveco	28	30	-6.7	0.8%	296	0.6%
Foton	27	43	-37.2	0.8%	456	0.9%
Alexander Dennis	22	0	2200.0	0.6%	150	0.3%
UD Trucks	20	18	11.1	0.6%	271	0.5%
Others	72	135	-46.7	2.1%	2,578	4.8%
Total	3,470	3,420	1.5	100.0%	53,555	100.0%

New Commercial Sales by Model - December 2018

MAKE	MODEL	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	Ranger	604	597	1.2	17.4%	9,906	18.5%
Toyota	Hilux	588	442	33.0	16.9%	8,095	15.1%
Mitsubishi	Triton	405	284	42.6	11.7%	4,724	8.8%
Nissan	Navara	240	191	25.7	6.9%	3,673	6.9%
Holden	Colorado	233	439	-46.9	6.7%	4,592	8.6%
Toyota	Hiace	121	137	-11.7	3.5%	2,492	4.7%
Mazda	BT-50	116	145	-20.0	3.3%	2,076	3.9%
Mercedes-Benz	X-Class	107	0	10700.0	3.1%	315	0.6%
Isuzu	D-Max	104	153	-32.0	3.0%	2,277	4.3%
Fiat	Ducato	92	81	13.6	2.7%	1,097	2.0%
Hyundai	iLoad	69	42	64.3	2.0%	734	1.4%
Volkswagen	Amarok	59	48	22.9	1.7%	940	1.8%
Mercedes-Benz	Sprinter	58	53	9.4	1.7%	892	1.7%
Ford	Transit	43	60	-28.3	1.2%	1,155	2.2%
Isuzu	N Series	40	75	-46.7	1.2%	466	0.9%
LDV	T60	39	33	18.2	1.1%	839	1.6%
Isuzu	F Series	38	37	2.7	1.1%	489	0.9%
Volkswagen	T6	31	15	106.7	0.9%	432	0.8%
Great Wall	Steed	30	10	200.0	0.9%	257	0.5%
LDV	V80	29	62	-53.2	0.8%	626	1.2%
Others		424	516	-17.8	12.2%	7,478	14.0%
Total		3,470	3,420	1.5	100.0%	53,555	100.0%

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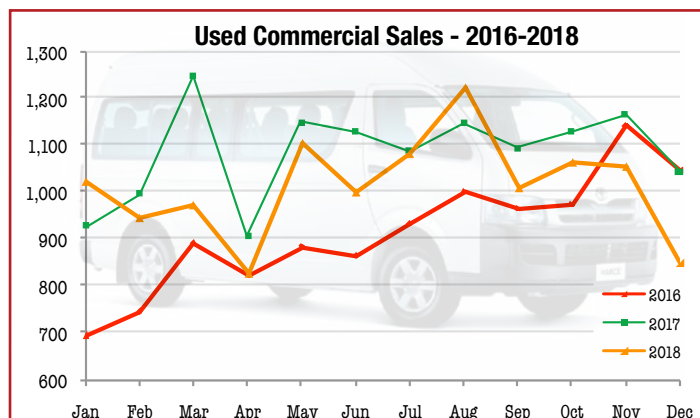
Vans secure top three positions

There were 12,167 used commercial vehicles sold in New Zealand last year, which was a 6.6 per cent drop compared to 13,032 registrations in 2017.

Toyota's Hiace dominated model registrations last year with a market share of 33.9 per cent thanks to 4,127 sales. Nissan's Caravan was second with 780 and Mazda's Bongo third with 581.

The best-selling marque was Toyota. Its 349 sales in December, which were down by 12.8 per cent on the same month in 2017, took its total for last year to 5,397 units for a total market share of 44.4 per cent.

Nissan came second overall with a market share of 20.8 per cent and 2,533 units, with Mazda



a distant third on 723 registrations and 5.9 per cent.

Brandon Keit, of Motive Trading Ltd in Silverdale, runs "a \$10,000 yard without importing from Japan" and buys used

utilities from across New Zealand.

He's constantly on the look-out for utes to keep up with demand from tradies and small businesses needing them for workers.

"If we can keep getting stock

we want during 2019, it should be alright," says Keit. "We do get trade-ins. We get a lot of builders wanting flat-deck utes and vans. That's our market.

"Last year was average, although we had a couple of good weeks during the end of November and start of December. That was good, but it always needs to be better."

Owen Gibbs, salesman at Royale Cars in Hamilton, says many would-be buyers are after used Ford Rangers with most coming from outside the city.

"Everyone wants a ute, especially the Ranger. We only have two Rangers available on the yard because I've just sold one. We've bought more stock. We have our sources and can get utes when we need them." ☺

Used Commercial Sales by Make - December 2018

MAKE	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	349	400	-12.8	41.1%	5,397	44.4%
Nissan	169	204	-17.2	19.9%	2,533	20.8%
Ford	48	51	-5.9	5.7%	509	4.2%
Isuzu	45	47	-4.3	5.3%	669	5.5%
Mazda	39	55	-29.1	4.6%	723	5.9%
Mitsubishi	36	36	0.0	4.2%	422	3.5%
Hino	33	25	32.0	3.9%	404	3.3%
Fiat	28	94	-70.2	3.3%	268	2.2%
Chevrolet	20	24	-16.7	2.4%	214	1.8%
Holden	19	20	-5.0	2.2%	220	1.8%
Volkswagen	10	13	-23.1	1.2%	66	0.5%
Daihatsu	7	2	250.0	0.8%	62	0.5%
Dodge	5	6	-16.7	0.6%	69	0.6%
Mercedes-Benz	5	14	-64.3	0.6%	79	0.6%
GMC	4	9	-55.6	0.5%	59	0.5%
Suzuki	4	6	-33.3	0.5%	77	0.6%
Factory Built	3	1	200.0	0.4%	17	0.1%
Kenworth	3	2	50.0	0.4%	22	0.2%
Land Rover	3	4	-25.0	0.4%	19	0.2%
Citroen	2	1	100.0	0.2%	17	0.1%
Others	17	30	-43.3	2.0%	321	2.6%
Total	849	1,044	-18.7	100.0%	12,167	100.0%

Used Commercial Sales by Model - December 2018

MAKE	MODEL	DEC'18	DEC'17	+/- %	DEC'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Hiace	269	301	-10.6	31.7%	4,127	33.9%
Nissan	Caravan	59	60	-1.7	6.9%	780	6.4%
Mazda	Bongo	29	47	-38.3	3.4%	581	4.8%
Nissan	NV200	29	31	-6.5	3.4%	499	4.1%
Fiat	Ducato	27	91	-70.3	3.2%	258	2.1%
Isuzu	Elf	26	24	8.3	3.1%	396	3.3%
Nissan	Vanette	25	41	-39.0	2.9%	350	2.9%
Toyota	Regius	24	21	14.3	2.8%	411	3.4%
Nissan	NV350	22	32	-31.3	2.6%	391	3.2%
Mitsubishi	Canter	21	19	10.5	2.5%	194	1.6%
Nissan	Atlas	20	14	42.9	2.4%	247	2.0%
Toyota	Toyoace	18	14	28.6	2.1%	205	1.7%
Toyota	Dyna	17	27	-37.0	2.0%	385	3.2%
Hino	Dutro	16	11	45.5	1.9%	192	1.6%
Ford	Ranger	15	22	-31.8	1.8%	163	1.3%
Toyota	Hilux	12	21	-42.9	1.4%	145	1.2%
Holden	Colorado	11	9	22.2	1.3%	92	0.8%
Hino	Ranger	11	8	37.5	1.3%	158	1.3%
Ford	Transit	11	9	22.2	1.3%	135	1.1%
Ford	F150	9	5	80.0	1.1%	82	0.7%
Others		178	237	-24.9	21.0%	2,376	19.5%
Total		849	1,044	-18.7	100.0%	12,167	100.0%

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Nine months' supply in stock

Some 9,317 new passenger vehicles crossed the border last month – up by 6.7 per cent on the same month of 2017 and up by 19.1 per cent on November's total.

Last month saw 7,681 units sold. However, this was down by 19.5 per cent on November and 5.8 per cent on December 2017.

When taking into account new car imports last month minus sales, there was an increase in stock of 1,636 units, ending the year with 80,938 units yet to be registered.

If sales remain at 296 per day, as averaged over the past 12 months, there are 273 days' stock on-hand in New Zealand – or nine months' supply.

There were 117,947 new cars imported last year and 108,210 sold, so at year-end there were 9,737 more units in stock than at the end of 2017.

Graeme Gibbons, chief executive of Colonial Motor Company (CMC), says 2018 saw the overall automotive industry notch up its ninth year of continuous growth from the low point of the global financial crisis.

He notes CMC, as a group of vehicle dealerships, has benefitted from the strength of the Kiwi economy, which has been behind automotive growth.

The light end of the market – passenger cars, SUVs and light commercials – slowed their rate of growth last year, says Gibbons, to down by about 2.5 per cent year over year compared to 14 per cent more than a year ago.

"The extra-heavy truck part of the market, while smaller in numbers, has continued to grow at a stronger rate," he adds.

"The vehicle industry continues to be intensely competitive with

every brand pushing for every sale and each point of market share. Product continues to be king."

Ford's light commercials with the Ranger and new Transit Custom, and Mazda, with its strong SUV range, "excel in their respective segments".

Gibbons says: "New models and competitors' actions to win back business ensure we need to be on our game every month."

"The sheer volume of vehicles coming in – both new and used imports – continues to require more capacity than the domestic vehicle-distribution system can cater for. It leads to delays in delivering vehicles."

As for the future, Gibbon says: "Factors that have driven the New Zealand and world economies for the past decade are changing – fundamentals and international trade policies have the potential to disrupt."

"The political tune in New Zealand is leading to change. What is unsure is how these changes might affect future economic prospects. Meanwhile, we will continue to look to the future, make the most of today, and be prepared to adapt and change at any time."

John Hutchinson, dealer principal of Team Hutchinson Ford in Christchurch, says: "As new cars become more affordable, I think we will see a switchover to people choosing to buy new rather than used. With a new vehicle, maintenance costs are low and you have a warranty."

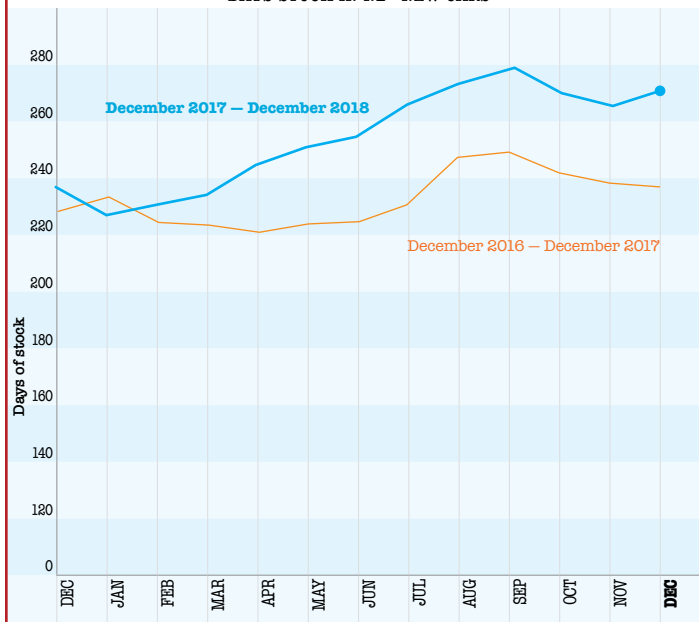
That said, he doesn't expect to see a drop in the price of used cars.

"There's always someone who comes in to buy a used car, even an older used vehicle that's still five or 10 years newer than their current drive," says Hutchinson. ☺

Dealer stock of new cars in New Zealand

	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	10,382	9,431	951	82,869	298	278
Oct '18	9,921	11,765	-1,844	81,025	300	270
Nov '18	7,820	9,543	-1,723	79,302	298	266
Dec '18	9,317	7,681	1,636	80,938	296	273
Year to date	117,947	108,210	9,737			
Change on last month	19.1%	-19.5%		2.1%		
Change on Dec 2017	6.7%	-5.8%		13.7%		
	MORE IMPORTED	LESS SOLD		MORE STOCK		

DAYS STOCK IN NZ - NEW CARS



'Challenging' year for imports

There were 29,738 used imported passenger vehicles sitting in stock at the end of 2018 after a total of 12,448 units crossed the border during December and 11,061 were sold.

When taking into account imports minus registrations, there was an increase in stock last month of 4.9 per cent – or 1,387 units – when compared to November.

Despite this rise in stock, the end of 2018 was still 14.1 per cent down on 34,602 units of stock held in the same month of 2017.

If registrations remain at 404 per day as averaged over the past 12 months, there are 74 days of stock on-hand – or just over two months' of supply on dealers' yards or in storage facilities.

December's daily sales average was down by 50 registrations on December 2017's total of

454 – and seven down on 413 in November 2018.

Last year, there were 142,773 used cars imported compared to 147,637 registered fresh imports. This reduced stock over the previous year by 4,864 units.

Greg Hedgepeth, who is the chief executive officer of Turners Group NZ, describes last year as having been challenging for the used car import industry, which makes up a small proportion of its business.

"I have heard people say 2018 was a 'perfect storm' for those in the world of Japanese used imports," he says.

"There were supply issues at the start of the year and then there was plenty of stock available.

"In August, Trade Me had a record number of used cars listed for sale and they weren't selling through as fast as they had been."

Hedgepeth says it's unclear exactly why the used car market has slowed. But he suggests there has been a lack of consumer confidence compounded by the rising cost of fuel and the tough housing market.

"It's worse in Auckland than the rest of the country," he adds. "But I think growth has slowed across the market. Dealer numbers are not shrinking, however there have not been many new dealerships opening.

"January to March are usually strong months and we're seeing signs already [in December] that the market is improving in the short term.

"We had a busy run into the Christmas period. There are additional costs for imports, but the market will adapt and 2019 will be a better year.

"It will be interesting to see what happens during the stink-bug season. There will be delays, and it

will affect new and used dealers."

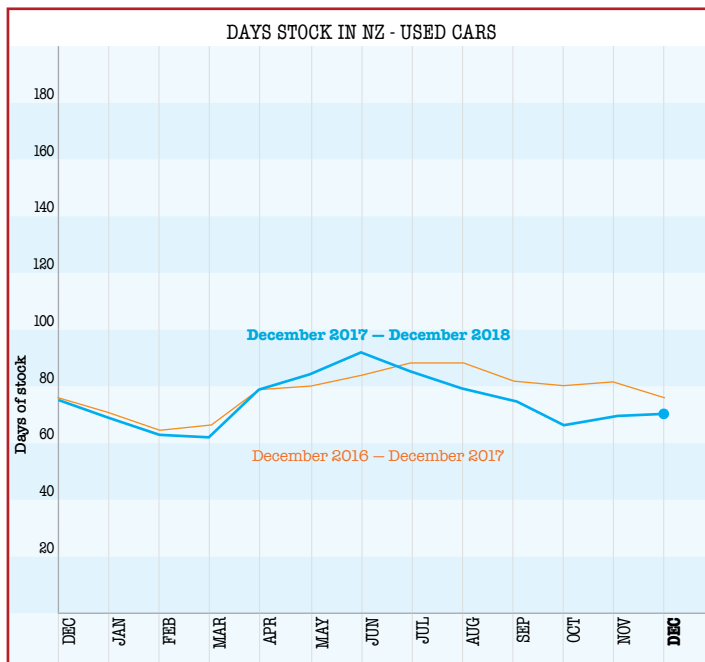
Torben Freer, general manager of Giltrap Skoda in Auckland, says: "Last year, we were getting people trading in used Subaru Legacys or Hyundai Santa Fes, and purchasing Octavias, Superb wagons and a lot of SUVs.

"We struggled a little bit in terms of having good used SUVs because the Kodiaq and Karoq are still in their infancy in the New Zealand market.

"I'm confident that – as we go into 2019 – our used sales will get stronger and stronger.

"Getting used stock is difficult for Skoda at the moment. We are a growth brand. We don't have Japanese or UK-imported Skodas, which is good in one sense because it helps our new-vehicle residuals when they come back into the used market.

"But it also makes it very difficult to get good-quality used Skodas." ☺



Dealer stock of used cars in New Zealand

	CAR SALES				DAILY SALES	DAYS
	IMPORTED	REGISTERED	VARIANCE	STOCK	- 12-MONTH AVERAGE	STOCK AT HAND
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	9,245	11,533	-2,288	31,637	429	74
Oct '18	8,669	12,100	-3,431	28,206	423	67
Nov '18	11,301	11,156	145	28,351	413	69
Dec '18	12,448	11,061	1,387	29,738	404	74
Year to date	142,773	147,637	(4,864)			
Change on last month	10.1%	-0.9%		4.9%		
Change on Dec 2017	-5.0%	-21.6%		-14.1%		
	LESS IMPORTED	LESS SOLD		LESS STOCK		

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