

# autofile

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## Failings with NZTA under microscope

Autofile investigates four current reviews as industry suggests how the crisis-stricken agency can be improved moving forward

**L**ess red tape, more action, good governance and enforcing legislation are some of the suggestions a lead organisation in the automotive industry has made about the NZTA going forward.

Properly assessing entry compliance, enforcing legislation, policing procedures and tackling staff turnover with its resulting loss of institutional knowledge are others.

These concerns may read look like an end-of-year school report, but they are just some areas highlighted by VIA (the Imported Motor Vehicle Industry Association) about the way the government agency operates.

Its views, many of which will be echoed across the industry, have been officially recorded by those tasked with overseeing a Ministry of Transport review of the NZTA. The aim is to provide an independent assessment of regulatory requirements.

In September 2018, the



agency's board raised concerns its regulatory function wasn't performing as it should, principally relating to a huge backlog of compliance cases it has failed to manage appropriately.

These matters cover vehicle certifiers, providers of training courses, licensing agents, road-transport operators and drivers, with the scale of businesses and people affected by performance issues significant given the nature of the NZTA's work.

Now VIA has provided its feedback with chief executive David Vinsen fronting a 40-minute teleconference, which coincided with a board meeting so its members could also provide input on behalf of the association and automotive industry.

"We were able to make our points about the NZTA in regards to its regulatory capability and performance," Vinsen told Autofile.

A number of issues were raised about its quality assessment programme for the entry-compliance system. He says for some operators in this essential part of the supply chain, this type of quality control doesn't have the same measure of effect as unannounced random output audits.

"We're concerned entry-compliance procedures aren't being properly policed and enforced," says Vinsen.

"By writing to key service delivery partners and other service providers in advance – that the NZTA is coming – gives them time

[continued on page 4]



Specialised training that's proven to increase profits

p12

MITO's future under threat



New Supra finally unveiled

p14



High-tech systems on show

p20



Mystery over stink-bug ports

p25

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## GUEST EDITORIAL

# Nowhere to hide now there's accountability

A change of career, after 30 years with the same employer, sees Todd Fuller looking back at marketing changes in the vehicle dealership sector

When I started as an advertising cadet at the NZ Herald in 1987, the customer journey in automotive was a lot different to today.

Back then, customers would visit between six and 10 yards, and spend weekends walking through dealerships looking for the best prices on new and used vehicles.

Car-yard zones, such as Greenlane Boulevard of Cars and the Manukau Motoring Mile, would be promoted as destinations, inviting people to browse at various dealerships in that area.

Nowadays, customers visit 1.6 dealerships on average before buying. They tend to research makes and models online, visit websites, read blogs, access reviews and watch videos to narrow down choices about cars most suited to them.

Everything is now instant, even fixing errors. I remember once running a full-page advert from a year earlier. Then there was the infamous Prezzy card fiasco, where the wrong dealer was sent the proof and adjusted the ad from a \$50 Prezzy card – with every sale – to \$500.

Now errors are fixed immediately. Gone are the days of visiting a dealership to take photos of stock or get adverts approved.

Advertising has become a lot more intelligent, and information available to consumers is of much higher quality and easier to find.

Platforms such as Google and Facebook constantly track people's digital behaviour to allow advertisers



**TODD FULLER**  
General manager,  
AdTorque Edge NZ

to drill down and target those most likely to buy.

A digital campaign in the automotive space can be targeted to a specific type of individual who researched a particular car. Their data can then be used to retarget them on other sites, putting

relevant advertising in front of them and encouraging them to enquire.

Over time, information is also collected on the behaviours, demographics, locations and so on of those who enquire about a dealership's campaign. This allows advertisers to build lookalike audiences of people most likely to purchase a vehicle.

As customers become more aware, dealers also need to be more sophisticated in their research and marketing.

The reason for my move is to take advantage of current and emerging technology in this space. Custom-designed websites, Google and Facebook advertising, and call tracking can work together as a total advertising solution to deliver targeted campaigns to in-market customers and then assess the results.

The data we're able to pull and analyse nowadays means dealerships have visibility on how campaigns have performed, how many leads have been generated and return on investment. It's all about accountability – there's nowhere to hide.

One thing that hasn't changed is forming long-lasting relationships in the industry that add true value, and being able to celebrate over a beer and, of course, the odd long lunch. ☺

## autofile

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to have everything ready.

"Good governance is needed because the agency should be catching issues, but at the moment its way of operating is left open for short cuts. In a competitive market, some people taking short cuts means pressure is put on everyone else doing inspections and it becomes harder for them to compete.

"There's also a lot of stuff surrounding perceived conflicts of interest with operators. It looks like there will be a root-and-branch review of this area right down to basic levels."

Vinsen highlights how the NZTA deals with legislation as being another area with serious flaws. "When future laws are passed, they need to be put in place properly, managed and enforced as required.

"We would also like to see less bureaucracy and more action, and we're disappointed with the constant churn when it comes to change and staffing.

**"We're disappointed with the constant churn when it comes to change and staffing"**

**– David Vinsen**



"This has caused a real problem with institutional knowledge. We feel the agency doesn't have the resources to fulfil its work programme and this has been going for years.

"It's not just the NZTA that suffers from the turnover of people, so do many government departments.

"Our industry needs more consistency, perhaps with roles similar to account managers in

that there are specified people at the NZTA to deal with certain matters."

With the agency being a huge organisation of between 1,500 and 1,600 staff, it can be "hard to turn and change".

As for the consultation session on the review, Vinsen comments: "It was a frank discussion and we expressed concerns based on our experiences. We appreciated the opportunity to participate in this."

## RISK-BASED REGULATOR

The Ministry of Transport (MoT) says its review is looking into how the NZTA is delivering governance, leadership and capability, and the balance of education, engagement and enforcement. It's also investigating the agency's overall operation with a focus on whether it's performing as an effective, risk-based regulator.

As part of the process, Autofile can reveal a series of questions is now being put to external agencies.

General matters cover how organisations contribute to the land-transport system, their role in supporting the NZTA discharge its regulatory obligations, concerns in regards to this, its performance and how they have been addressed, and the "perception and experience of how things are going at the agency".

In regards to the NZTA's regulatory approach, specific feedback is being sought about overall capability and



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## Tale not so tall

David Vinsen, VIA's chief executive, believes regular restructuring has done little to help relationships with the NZTA or improve its effectiveness. He's come up with this tall tale to parallel the agency's recent history to raise a smile:

The chief executive officer of an NZX-listed company gets fired because it's failing to perform, which sends its share price spiralling downwards.

The new CEO takes up the poisoned chalice, hissing and roaring amid a blaze of publicity. That gets an immediate result – the share price rockets over a few months.

But at the end of year, it plummets back down and there's no sign of improvement elsewhere in the company.

The new CEO phones his predecessor for advice, who accepts the call for help and says there's an envelope in his desk.

Inside the envelope, there's a note. It says, 'blame the previous management'. The new CEO does just that, 'the last mob made a right mess of things and we're working through all the crap'.

The share price rebounds slightly when some minor changes are made, just enough to buy the new CEO some time.

Sadly for him, by the end of year two nothing much has changed. That share price just won't go up. The CEO calls the previous incumbent again. There's another envelope to be retrieved. This one proclaims, 'restructure'.

So the CEO gets on with this. It's all about a flatter structure, customer satisfaction and service delivery. He thinks he's found success with this magic bullet.

Alas, year three ends. No tangible improvement. The share price is woeful. He goes back to the old CEO. There's a third envelope. There's a note inside. The advice is, 'prepare three envelopes'.

◀ performance, what currently works well, how its focus has changed, and how its function is organised, operated and communicated.

How well the agency's regulatory role "intersects with its other functions" is being questioned, as is how it interacts with other organisations, such as the MoT and police, and if the NZTA's "responsibilities and accountabilities are clear and transparent".

Finally, catch-all questions cover if there are any issues on the horizon that may pose a regulatory risk for the agency and if other matters need tackling.

On top of all this, the NZTA's management of the motor-vehicle register is under investigation. This follows a request to Phil Twyford, Minister of Transport, from the State Services Commissioner resulting from a probe into government agencies using external security consultants.

In addition, independent consultant Martin Jenkins is providing external support for the MoT's review of itself.

Chief executive Peter Mersi says this will consider how the ministry is performing in monitoring the agency's performance of its regulatory function.

"To ensure transparency and independence, the terms of reference for the review have been agreed with the Minister of Transport, and the report will be provided from the consultant to the minister, the State Services Commissioner and me. The approach is consistent with similar reviews of agencies in the public service."

Mersi adds he's deliberately employing the same consultant as is being used for the review of the NZTA. "This is to ensure insights about the ministry's role from the broader review can be captured."

#### 'REVIEW' IS KEY WORD

If the review of the NZTA ordered by the agency's own board, the review ordered by the MoT into the NZTA and the MoT's review of itself into overseeing the agency aren't enough, there's a fourth



Entry compliance and vehicle inspections are on the NZTA's radar

review that has the potential to impact how the used-vehicle supply chain into New Zealand operates.

The NZTA has pulled a u-turn by pushing out the deadline for submissions on changes in conflict-of-interest rules governing entry certification.

The consultation period for "managing the integrity of vehicle-certification inspections and inspection organisations – operational policy" has been extended to allow more time for the automotive industry to give feedback on the proposals.

The original deadline for feedback was November 30. All submissions must now be received by no later than 5pm on March 22. They can be made in writing by email or letter. For more details and to submit, email [regulation@nzta.govt.nz](mailto:regulation@nzta.govt.nz).

"In response to strong industry interest and a request to extend the deadline, the NZTA decided to extend the consultation period," says an agency spokesman. "Several potential submitters also sought further information about the proposed changes. This extension will ensure submitters have the opportunity to make their submissions."

The agency expects a substantial volume of "significant" submissions, and says considering them and further policy development will take time. It anticipates this will be done between April and June.

As part of its process of publicly

notifying any policy decisions, it will provide a summary of submissions and an explanation of changes made as a result of considering them from July to September.

The NZTA then expects to announce the results of the consultation and any new policy between July and September, and will confirm its announcement date

at least one month in advance.

The appointment process for new deeds and notices of appointment, and any impacts of new policy, is expected in September with new appointments to be notified in November.

"We expect any new policy will take effect from December 31, 2019, when currently existing

[continued on page 6]

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[continued from page 5]

deeds and notices of appointment expire," says the NZTA. "The agency will ensure the reappointment process for certifiers is workable, sensible and takes into account the magnitude of any change."

Currently, all vehicles coming into the country must be checked, certified, registered and licensed before going on-road, while the agency's approach to assessing potential conflicts of interest (COIs) in this process is set out in its operational policy.

The NZTA says when the policy was created, some integration of the used-vehicle supply chain was anticipated, "but not to the extent that has subsequently occurred", meaning one business may potentially be responsible for some or all parts of entry certification.

The agency adds it needs to change and describes COIs – real or perceived – as unacceptable in modern business practice.

Its proposals include clarifying how COI is defined, strengthening

controls for appointing entry-certification inspectors and inspecting organisations of used vehicles to avoid conflicts, and ensuring the NZTA is informed about any as they arise.

People and organisations applying to operate in this sector would be banned from certifying vehicles they have ownership interests in, and barred from carrying out entry inspections of vehicles they or someone linked to them has previously inspected at the border.

"This is an important part of ensuring New Zealand has a safe land-transport system that the public can have confidence in," an agency spokesman says.

As to why the proposals are being put forward, the NZTA's board has decided the agency must "take a hard look at its approach to managing COIs" and current policy was last updated in 2014.

"As part of its consideration of issues, the agency identified an

## The legal stuff

The NZTA defines a conflict of interest (COI) as a situation when someone applying to carry out inspection or certification activities is, or could be, influenced – or be perceived to be at risk of being influenced – by professional, financial or personal interest in key parts of the entry and certification supply chain.

This includes an actual, potential or perceived conflict.

The agency believes policy changes will clarify assessing these COIs, which it considers must be avoided rather than be managed.

"This is because it may not be possible to eliminate the risk these types of conflicts could improperly affect, or appear to affect, certification decisions."

immediate concern regarding the approach to used light-vehicle entry certification," it says.

"Because used vehicles entering or re-entering the

fleet have their own histories relating to maintenance, usage, accident record and component replacement, the NZTA requires greater assurance any interest in selling or importing them, or repairing or modifying vehicles, held by border inspectors or certifiers will not compromise border inspection or certification standards.

"Entry certification for used light cars requires particular scrutiny given the high volume of such vehicles, vertical integration in the sector, and the high value to importers if repairs are avoided or damage isn't noted."

While the proposed changes may have implications around who can certify used imports, technical requirements will remain the same.

"We believe these changes will not affect the availability of used cars in New Zealand. If organisations do not comply with the policy, they may be subject to enforcement action." ☺

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# Vote on buy-out due next month

**T**rade Me has mapped out the road ahead in regards to its takeover by a private-equity investment group at the same time as announcing record revenues.

The company has signed a scheme of agreement for Titan AcquisitionCo, the New Zealand arm of UK-based Apax Partners, to purchase its shares at \$6.45 each.

It comes as interim financial results for the six months to December 31 show Trade Me's revenue climbing by up 7.3 per cent year on year to a record \$132.2 million. Classifieds continued to shine with revenue up 12.9 per cent to \$77.1m as operating net profit after tax jumped by 8.1 per cent to \$50.2m.

Chairman David Kirk says the company has delivered a "great result" to investors. He notes this year is different for the company with a scheme implementation agreement in place with Titan, "which means this may be our last interim results announcement".

Trade Me is working on the scheme agreed with Titan on December 12. Shareholders will receive a notice of meeting and scheme booklet this month, including an independent adviser's report in regards to the buy-out.

"The booklet will outline the board's reasons for supporting Titan to purchase Trade Me, subject to there being no superior proposal," explains Kirk.

"We'll be sending information to shareholders and hope the booklet will answer questions before they vote. They will also have the opportunity to speak to the board either in person or online at the meeting."

As well as a positive shareholder vote, which is slated for a meeting in early April, Overseas Investment Office (OIO) approval and high-court orders are needed before the deal can be implemented. As a result of the impending transaction, Trade Me is paying no interim dividend in March.

"We would need Titan's approval and any dividend would reduce the price per share paid to shareholders," says Kirk. "We considered what's best for shareholders. While an interim dividend would benefit some, it would negatively impact others due to tax circumstances. If the scheme doesn't proceed, the board will consider a special dividend payment."

Trade Me's board received two non-binding indicative proposals last year. The first was from Apax

**trademe**

**"If the scheme doesn't proceed, the board will consider a special dividend payment"**

**– David Kirk**

on November 21 at \$6.40 per share. The second, at five cents higher, was made by US-based Hellman & Friedman on December 5. Apax then matched it.

On December 12, Trade Me and Apax's incorporated company in this country, Titan, entered into a scheme implementation agreement for it to acquire 100 per cent of shares subject to conditions. Hellman & Friedman advised it wouldn't submit a superior proposal.

Jon Macdonald, chief executive officer, says: "We've been pleased to see Trade Me's strength being recognised by keen investors, who see an opportunity with our company at a valuation of \$2.56 billion.

"As well as a positive shareholder vote, which has special statutory thresholds, high-court approval must be given because it's being undertaken by a 'scheme of arrangement' rather than under the takeovers code.

"OIO consent is needed but Trade Me doesn't have sensitive land, so Titan has applied for consent under the investor test, which is generally a quicker process. At this time, we have no reason to believe the OIO condition will not be met. We will keep shareholders informed when we know more."

As for the company's first-half performance, Macdonald says Trade Me Motors, its largest classified vertical, had another solid half-year with revenue up by 8.8 per cent "underpinned by excellent growth in depth products".

"We anticipate revenue growth of between five and eight per cent above 2018, and operating profit after tax to grow at a similar rate," adds Macdonald. "In November, we expected to be in the top half of this range for both measures.

"Motor-vehicle market activity was weak between November and January, and this may impact listing volumes, but we remain confident of momentum in the business." ☺

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# Companies agree to settle over fees

**T**wo finance providers have agreed to refund a combined total of about \$590,000 to thousands of borrowers following settlement agreements with the Commerce Commission in regards to fees charged for loans.

Motor-vehicle lender Auto Finance Direct will return around \$460,000 in fees which, in the commission's view, were not reasonable. Pacific Loans will pay back more than \$130,000 in charges it accepts shouldn't have been levied.

"Consumers will benefit because both these lenders have entered settlement agreements, have changed their practices and have agreed to remediate borrowers affected by their conduct," says commissioner Anna Rawlings.

Auto Finance Direct has accepted it charged more than 7,200 fees that were likely to be unreasonable under the Credit Contracts and Consumer Finance Act (CCCFA) between April 2015 and August 2018.

Charged to more than 5,000 people, they were an establishment fee of more than \$190, an early-settlement levy over \$65 and more than \$55 for a variation fee.

"The commission has been actively monitoring credit fees charged by lenders to assess whether fees cover costs that are closely related to the particular loan transaction, as required by consumer credit law," says Rawlings.

"Proper fee-setting enables borrowers to better compare the cost of different loan products."

Pacific Loans assigned distressed loans to B&D Holdings, in liquidation, for collection. The company agreed it breached the Fair Trading Act (FTA) by representing it had the right to

add interest and fees to loan accounts after the repossession and sale of borrowers' assets, when this wasn't the case.

Adding those costs was prohibited under the Credit [Repossession] Act (CRA), now repealed, under which a loan balance was frozen when repossessed assets were sold.

Pacific Loans has agreed to return a total of \$134,779 to 82 affected creditors.

On this matter, Rawlings comments: "Pacific Loans undertook to credit loan accounts by February 28, 2019. It has stopped charging interest and fees after repossession and sale action."

Separately, B&D Holdings has been warned that – in the commission's view – it likely breached the FTA by representing it was entitled to add interest, fees and commission to debtors' loans after repossessing and selling loan securities.


In May 2016, the supreme court ruled in favour of the commission's view that credit fees should only cover costs that are closely related to the particular loan transaction.

The court stated it "was not permissible to take all operating costs, or virtually all, and allocate them to one fee or the other".

Fees shouldn't be used to recover general business costs or to generate profits because that is what interest is for.

The CRA sets out rules that applied when a creditor took possession of consumer goods under a security agreement covered by the act. It was repealed in 2015 and replaced by provisions in the CCCFA.

For contracts entered into after June 6, 2015, section 83 of the CCCFA provides that any debt that remains after repossession is frozen when goods are sold. Lenders cannot add further interest or fees after that point. ☺



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**CEO Provident Insurance, NEW ZEALAND.**

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# Upskilling for electric

**A**utomotive technicians can soon upskill with a new qualification focusing on the safe inspection, servicing and repair of electric vehicles (EVs).

MITO has worked with industry representatives to develop the level-five New Zealand certificate in electric-vehicle automotive engineering and qualified technicians will soon be able to enrol.

"It's a significant milestone for the industry," says Janet Lane, chief executive. "MITO has been at the forefront developing this to provide automotive servicing businesses the critical ability to upskill on EVs."

Funding was received from the government's low-emission vehicles contestable fund in January 2018 to develop the qualification's framework.

Lane says: "This enabled us to conduct international research into the qualification's design, content, structure and delivery models to understand and capitalise on

experiences of other countries, and how this could be applied here.

"It will allow automotive businesses to respond to a rapid pace of change – a strategy necessary for strong, sustainable and balanced growth of the industry. And it will enable consumers to have choice when purchasing service and repair services for EVs."

The programme includes practical training and assessment. This is undertaken during specific courses and delivered by an external provider, and e-learning with technicians completing theory elements in their own time.

The level-five programme is made up of 70 credits and is expected to take 11 months to complete. Applicants must have completed an automotive engineering qualification at level four, or provide evidence of equivalent skills and knowledge. Automotive technicians wishing to enrol can register at [www.mito.nz/ev](http://www.mito.nz/ev).

## IN BRIEF

### International guests to cover transport issues

This year's T-Tech Conference is being hosted by ITS New Zealand at Christchurch Town Hall from May 5-7.

It's the country's leading event to explore transport innovations, trends and research that will lead to a safer, more sustainable and efficient transport system.

T-Tech will feature presentations by overseas and local thought-leaders, technology experts, academics and innovators. In addition, it's a forum to learn about updates on government policy, major projects and initiatives.

Themes include future transport and cities, future freight, and sustainability, efficiency and beating climate change. Others are safety in cities and transport, and connectivity, cyber security, data and digital infrastructure. Visit [www.itsnz.org](http://www.itsnz.org) for more details.

### Updated model boasts extended range up to 458km

Nissan's all-new Leaf e+ is expected to arrive on these shores mid-year with pricing yet to be announced.

The "e+" refers to the battery pack's increased energy density and powertrain's higher output. It offers more than 40 per cent extra range up to 458km, produces 160kW of power and 340Nm of torque, and has a top speed of almost 160kph.

The battery can be replenished by 100kW fast chargers for a 40-minute top-up to 80 per cent.

The marque has revised the e-pedal software for smoother operation and enhanced feedback, especially in reverse, and for more rapid deceleration.



### Former general manager behind bars for theft

A woman has been jailed for two years and eight months on 225 charges of theft amounting to \$192,000 from Central Motor Group. The money Stephanie Elmiger stole will be repaid after assets from her property sale were frozen.

She met the Blakeney-Williams family after starting work at the Taupo dealership in November 2013 and was promoted to general manager, but her crimes went undetected for three years.

Elmiger used fake information, transferred up to \$11,600 at a time into her personal and other accounts, and used the company credit card to buy clothes and flights.

The judge said she stole the money to fund a "lifestyle of extravagance". He added: "You have shown little or no remorse." Visit [www.autofile.co.nz](http://www.autofile.co.nz) for the full story.

### Dealership tops car and van sales to take out double

Mercedes-Benz North Shore has won the marque's car retailer of the year award for the third time in a row – and has also landed the accolade for the marque's vans division.

Following the introduction of the X-Class utes, the dealership showed "exemplary performance in commercial sales" and was New Zealand's largest volume-selling Mercedes-Benz retailer during 2018.

Managing director Craig Innes says: "On behalf of Bruce Miles, myself and the team, I would like to extend a thank-you to customers. I would also like to thank our staff for their commitment to our values."

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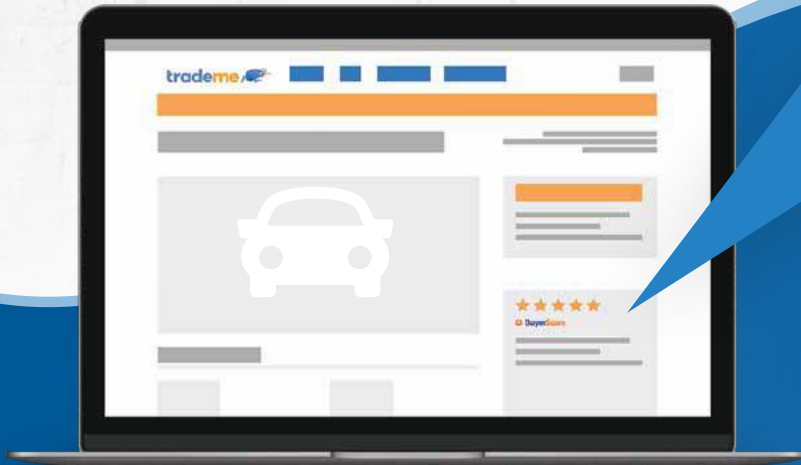
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# Training changes 'step too far'

The lead organisation for developing training programmes and qualifications in the automotive industry is opposing government proposals to overhaul vocational education.

The package announced by Chris Hipkins, Minister for Education, includes abolishing industry training organisations (ITOs) and replacing them with "industry skills bodies".

If the plan goes ahead, training delivery will be managed by combining the country's 16 polytechnics under an entity called the NZ Institute of Skills and Technology.

The aim is for this to be responsible for about 145,000 apprentices and trainees, 25,000 employers and some 110,000 polytechnic enrolments, while funding for vocational education

would become centralised.

But MITO is concerned the changes will exacerbate skills shortages, undermine the apprenticeship and training system, and amount to "a step too far".

Chief executive Janet Lane says: "The model managed by ITOs is effective and economically lean, but is sidelined in these proposals.

"ITOs work effectively with industry to develop workforce outcomes through qualifications and training programmes. We provide resources and assessment, often online, and visit the apprentice and employer where training happens. Our educational performance indicators highlight our value and effectiveness."

For every \$1 million invested in the tertiary sector, ITO-arranged training qualifies 300 skilled workers compared to 50 via polytechnics.



Janet Lane, chief executive of MITO

Lane does recognise the polytechnic sector is in a bad way – \$100m in extra funding has been invested in four polys over the past year and more are under siege.

"This sector needs to be stabilised and it will take some time to consolidate it. This should be the paramount priority and first step in future-proofing these community resources."

Lane stresses wider consultation on options is required because simply transferring 145,000 ITO apprentices and learners to a national institution will create unnecessary disruption when there are significant skills shortages across industries.

Hipkins released his proposals on February 13 and plans to close consultation on March 27.

Lane says the reforms represent the biggest shift in tertiary education and training for more than 25 years, and this timescale is insufficient for "robust debate and meaningful consideration of far-reaching implications".

The minister argues his proposals will strengthen vocational education so school leavers get high-quality training opportunities, employers get skills they need and workers are better equipped.

"The world around us is changing and our education system needs to keep up," says Hipkins. "At a time of critical skill shortages, too many polytechnics and institutes of technology [ITPs] are going broke.

"The strong labour market is encouraging young people to

move directly into the workforce rather than continue in formal education when it needs to accommodate both. Our system isn't geared up for the future economy where retraining and upskilling will be a regular feature."

Instead of ITPs retrenching, cutting programmes and closing campuses, Hipkins says they need to expand delivery in more areas. He believes redefined roles for education providers and ITOs will extend industry's leadership role, while bringing the 16 ITPs together will create "a robust regional network".

Courses and programme development will be consolidated to improve consistency, free up resources "to expand front-line delivery with more sharing of expertise, and more use of online, distance and blended learning".

The government envisages centres of vocational excellence, "powerhouses of expertise covering key sectors and industries", being established.

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), says MITO is doing a good job at understanding the industry's needs. For example, it has been responsive to technological changes, such as intelligent transportation systems and electric vehicles (EVs).

"It has been working with us and the industry to develop new units, standards and modules so automotive technicians, electricians and others can add these onto existing or new qualifications," he told Autofile. "This is important with some ideas coming from the EV leadership group to future-proof our training.

"MITO is a successful ITO running a good operation. It has even taken over a number of small ITOs that were struggling and, by using its systems and procedures, it's now meeting wider training needs.

"We see MITO as indispensable to the motor-vehicle industry. It's a dedicated training organisation, which has a good understanding

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◀ of our sector and is responsive to our needs.”

Vinsen notes issues with how ITPs are run need addressing, but doesn't want “to see the baby thrown out with the bath water” in the process.

In addition, VIA has been in discussion with the Motor Industry Association (MIA) and Motor Trade Association (MTA) about challenges to be faced by recruiters due to impending changes in employment laws and immigration rules.

Vinsen says the automotive industry is likely to be impacted in filling positions ranging from technical staff to sales people, when no local candidates are available.

“We may almost be precluded from employing migrants from overseas,” he adds. “What we need is a strong training pathway and continued access to suitably qualified immigrants.”

The MIA is also against scrapping ITOs, and says MITO does a good job for marques and franchised dealerships. It agrees that at the training provider level,

such as the ITPs, reform is needed. However, at programme design and apprenticeship level – that's to say ITOs – it opposes the proposed wholesale changes.

David Crawford, chief executive officer, says: “While there's a need to reform the way in which training is provided through polytechnics as this part of the system has been broken for some time, our view is the ITO model works well.

“It serves industry much better than the minister's proposals will. MITO is working well for distributors and franchised dealer networks. It doesn't need changing.”

The MTA hopes the government's reforms will result in more people training for trades.

“We welcome the proposal as an opportunity to address critical skills shortages – not just in automotive, but trades across the economy,” says chief executive Craig Pomare. “It's good to see employers will have a strong place in the structure.”

However, the MTA wants the

## Get submissions in

The government wants to transfer ITOs' support of workplace learning and assessment to vocational providers. ITOs' purchasing of provider-based courses for work-based trainees will transfer to the Tertiary Education Commission, while their advisory and brokerage functions could be based in various locations.

MITO has strong relationships with industry and employers to develop and deliver training their current and future workforces needs. It also works with them to promote their industries and careers to emerging talent, and to address skills shortages.

It believes the proposals will undermine these relationships, the strength of the industry training model will be dismantled and skills shortages may be exacerbated. It encourages industry to have its say via [www.mito.nz/haveyoursay](http://www.mito.nz/haveyoursay).

Visit [www.autofile.co.nz](http://www.autofile.co.nz) for an edited version of Chris Hipkins' speech. To comment on the reforms, log onto [www.conversation.education.govt.nz](http://www.conversation.education.govt.nz). Submissions close on March 27.

changes to include resources and support for thousands of employers training apprentices at their own cost.

“For small businesses, such as local garages, it's difficult to take on training an apprentice when you're flat out,” he explains. “You can lose time and money to that training in the first year or so.

“The MTA believes there are close to 2,000 vacancies for qualified mechanics and panel beaters. These jobs often remain unfilled for months or until the employer gives up. We need to grow more skilled tradespeople and help to do that.”

Pomare says almost all motor-trade businesses are owned and run by people who were once apprentices. “This career progression is the same in most trades – young people start as apprentices and many end up managing or owning the business. Ideally, this reform will include life-learning options to support this development.” ☺



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# Making its comeback 17 years on



The Supra is back – courtesy of Toyota Gazoo Racing

**T**he first global model of Toyota Gazoo Racing's GR sports car series is set to be launched in New Zealand later this year.

The wraps have finally come off the all-new Supra to mark the end of a 17-year hiatus with the previous model's production ending in 2002.

Ever since its inception in 1978, the previous four generations have been rear-wheel drive and powered by front inline six-cylinder engines.

The latest rendition is no exception. The three-litre twin-scroll

turbocharged unit's maximum torque of 500Nm is produced at 1,600rpm.

The Supra will accelerate from 0-100kph in 4.3 seconds – 0.3 seconds faster than its top-specification BMW Z4 M40i counterpart, which shares the same engine configuration, output and driveline.

Its two drive modes are normal and sport. The latter tweaks engine sound and response, transmission tuning, and damper steering and active differential settings. Traction can be toggled into track setting for increased slip.

The skeletal structure is



aluminium and steel. By increasing bonding strength among materials of differing composition, rigidity is up to two-and-a-half times higher than that of the '86. At 2,470mm, the two-seater's wheelbase is 100mm shorter.

The front-rear weight balance is 50:50, and 19-inch wheels, high-performance brakes and "extensive advanced safety features" will be on offer.

Akio Toyoda, Toyota's president, says the flagship sports car has come about due to customer demand.

"Even though Toyota had no plans to make a new Supra, just like a lot of other diehard fans I secretly wanted to make it happen," he told the media at this year's North American International Auto Show (NAIAS) in Detroit. "I can honestly say it's a car that's fun to drive and better than ever."

"The revitalisation of the iconic name is exciting for our brand," adds Neeraj Lala, Toyota NZ's general manager of product planning and new vehicles.

"As the halo model for our sports cars, the Supra points to a

new generation of driver-focused vehicles with dynamic styling and faithful handling at the limits of its performance.

"This will be a must-have collector's car and we're already receiving serious interest from customers."

## REDEFINING SEGMENT

Nissan is claiming a type of new vehicle – the "elevated sports sedan" – by revealing its self-driving, all-electric IMs in Detroit.

It says the concept is "closer to a sedan than a crossover", and pushes design as traditional sedans lose favour in some markets.

The IMs' ride height and 22-inch alloys allow for a high seating position and for the flat 115kWh battery pack, which provides a driving range of about 600km, to be located under the floor.

Up front, the marque's V-motion design element is used. Due to the 360kW and 800Nm dual-motor electric powertrain with all-wheel drive, there's no traditional grille.

The cockpit features a floating dual-layer transparent



The fifth-generation Supra retains the DNA of its predecessor from the '90s

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Infiniti's QX Inspiration concept



Nissan's self-driving and all-electric IMs concept



Lexus' RC F Track Edition

◀ digital instrument cluster, four infotainment displays and a zero-gravity seat for the driver.

When the IMs' autonomous driving mode is activated, its steering wheel and side-view cameras retract and front pews pivot inwards to face the second row, with the latter enabled by its lack of a centre console.

The IMs, which rides on adaptive air suspension, also features the marque's "invisible to vehicle" technology as revealed at the Consumer Electronics Show in Las Vegas.

#### OUTPUTS BOOSTED

Ram Trucks has revealed its new Heavy Duty 2500 and 3500 full-size pick-ups with three engine options, revised styling and upgraded interiors.

They will replace the existing 2500 and 3500, and will be bolstered by the next-generation DT 1500.

Both models destined down under next year will be powered by 6.7-litre Cummins turbo-diesel engines, which outputs 298kW of power at 2,800rpm and 1,356Nm of torque from 1,800rpm.

While outputs have risen by 13kW and 95Nm, the engine is 27kg lighter due to new pistons, a reworked cast-iron cylinder head and revised exhaust manifold.

Built on a new ladder frame, the 2500 and 3500 feature "98.5 per cent high-strength steel, six separate cross-members, hydro-formed main rails and fully boxed rear rails for optimal strength and mass efficiency".

Frequency-response damping shocks have been fitted at all four corners for a "sports car-like suspension for handling and a supple suspension for rough terrain".

The trucks come with a new instrument panel, seven-inch multi-information display, push-button start, active noise cancellation and a reversing

camera on the tailgate's handle.

Safety features include autonomous emergency braking, a surround-view monitor, tyre-pressure monitoring and cargo-view camera.

#### ELECTRIC PREMIUM

Infiniti unveiled its take on the premium mid-size all-electric SUV segment with the QX Inspiration concept – although its powertrain details were kept secret at the NAIAS.

The car "previews the brand's plan to launch a range of high-performance electrified vehicles [EVs], which promise an engaging drive and deliver range confidence", the marque claims.

The vehicle's grille has no air intakes, while the arches are clad in black plastic and filled with large-diameter wheels.

The QX Inspiration is part of the marque's plan to launch each of its new models from 2021 with an electrified powertrain, which may be drawn from parent company Nissan or fellow alliance members Renault and Mitsubishi.

A production version would line up against the likes of Audi's e-tron and the Mercedes-Benz EQC.

#### SHEDDING WEIGHT

Refined dynamics, improved acceleration, less weight and design tweaks are traits of the Track Edition version of Lexus' RC F.

The sports car's weight reduction results from hollow rear-axle shafts, a smaller intake manifold and air-conditioning compressor, and aluminium for the toe-control and upper suspension-support brackets.

There are stiffer bushings for the rear-suspension arms and steering rack mounts, while more rigid mounts efficiently transfer outputs from the five-litre naturally aspirated V8.

The marque is targeting

0-100kph in about four seconds for the Track Edition, which uses the same engine, drivetrain and transmission as the regular RC F.



Cadillac's first fully electric crossover concept

#### LOOKING TO FUTURE

Finally, for something truly American, Cadillac revealed its first fully electric crossover concept alongside its road-going and conventionally powered XT6 crossover.

The electric Caddy is the first model derived from General Motors' future EV platform. The high-rider has large wheels, futuristic looks, narrow headlights and flat body panels.

The marque is tight-lipped on specific details – even down to the vehicle's name. However, in a statement it hints the car will go into production in some form and expects to release new models at the rate of "roughly one every six months through 2021".

Steve Carlisle, Cadillac's president, says he has international expectations for its EV division, while the future electric Caddy could be partially developed across the ditch. ☺

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# Plug wars over electric vehicles

**T**oyota's latest advert shows its Corolla hybrid zooming past a guy anxiously looking at his watch while waiting for his electric car to charge.

Fair enough. On long journeys in an early-model with a small battery, you need to stop for about 30 minutes every 120km to recharge.

But the advert ends by referring to the Corolla as a "self-charging hybrid". It's a fun advert that cleverly exploits range anxiety, but in my opinion the tagline stretches the truth too far. All the energy that drives conventional hybrids comes from petrol in their tanks.

Apart from the sales spin, the advert does us all a disservice by confusing the terminology around what makes up an electric vehicle (EV).

Most experts agree that if

it hasn't got a plug, it's not really an EV. Definitions rapidly get further complicated even if the car has a plug. EVs are divided into battery electric vehicles (BEVs) and two types of plug-in hybrids – either a parallel PHEV, such as Mitsubishi's Outlander, or a series PHEV, for example BMW's i3 range extender, depending on whether it has a conventional drivetrain.

BEVs have no fuel tanks and are propelled entirely by an electric motor powered by the main traction battery being charged by electricity before the trip.

There's a hot debate in the EV community about the relative advantages of the PHEVs and BEVs. Some BEV owners are disparaging of PHEVs, referring



Henrik Moller, co-founder, Flip The Fleet

to them as "EV trainer wheels" and their own BEVs as "pure EVs".

Others see PHEVs as valuable transition technology needed until batteries improve, BEV costs come down and charging infrastructure expands.

Owners who place most emphasis on reducing greenhouse gas emissions worry PHEVs have small batteries and so can only go 35-50km on their electric motors before petrol or diesel takes over.

Nevertheless, a PHEV's regenerative braking and battery greatly improve energy efficiency even when the combustion engine cuts in. Used in the right way, a PHEV can deliver spectacular transport efficiency – way better than a conventional hybrid.

There hasn't yet been enough

research to reliably compare the average full life-cycle environmental footprint of PHEVs and BEVs.

Flip The Fleet sees a huge variation in the energy mode used by PHEVs. Some owners hardly ever put petrol into the vehicle because they do lots of short daily trips entirely on the electric motor. But we also know some PHEV owners who hardly ever charge their batteries, even for local trips.

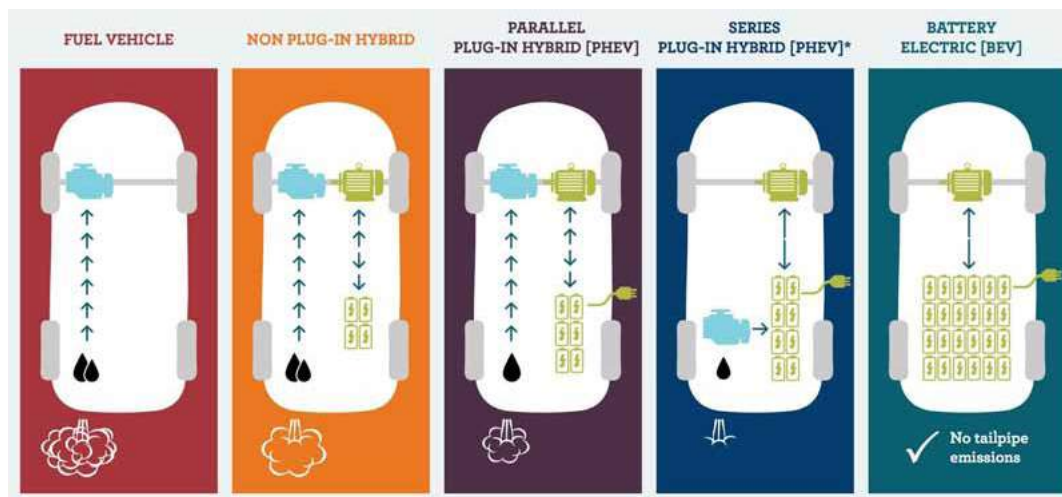
The net environmental outcome depends on what you need the car to do and what type of car you will be replacing when you buy either a BEV, PHEV, conventional hybrid or combustion vehicle.

PHEVs have the huge marketing advantage of eliminating range anxiety, but most BEV owners reckon range is more an imagined than a real problem.

Certainly, BEVs are less expensive to run than PHEVs because the latter has two different propulsion systems to maintain.

Range anxiety undoubtedly drives some people to buy a PHEV when a BEV would have been adequate, cheaper and greener.

But if you need it for lots of long and fast trips, the PHEV is probably a more practical choice. Provided you also keep it charged for local trips, it will probably also be a more environmentally friendly option than a conventional hybrid. ☺



It's important to distinguish between different types of low-emission vehicles. A "conventional" hybrid, in orange above, cannot be plugged in. All of its propulsion is powered by petrol or diesel, but it's more efficient than a fuel vehicle because regenerative braking recaptures energy into a small battery to drive an electric motor. A "parallel plug-in hybrid", black, has dual fuel and battery-electric motor systems. A "series plug-

in hybrid", blue, has a small subsidiary combustion engine to generate electricity for recharging the battery on the move. The wheels are turned entirely by an electric motor and this is sometimes called a "range extender". A "battery EV", green, has no on-board combustion engine and relies on being plugged in before the battery runs flat. Source: NZ Electric Car Guide – <http://www.electriceaven.nz/>

Henrik Moller is a retired sustainability scientist. Additional research by Daniel Myall and Dima Ivanov. Visit [www.flipthefleet.org](http://www.flipthefleet.org). To view Toyota's advert, log onto <https://youtu.be/okIH0Y95Sg>

## Live EV listings on Trade Me:

**+4.3%**  
Compared to  
last month

**+80.7%**  
Compared to  
prior year

## New EV listings on Trade Me:

**+16.1%**  
Compared to  
last month

**+52.7%**  
Compared to  
prior year

## EV watchlists on Trade Me:

**-2.6**  
Compared to  
last month

**+51.4%**  
Compared to  
prior year

# Funds for fleets to go green

A leasing and fleet management company is among 31 recipients of government money for projects to promote greener transport.

ORIX NZ has secured \$135,451 from the low-emission vehicles contestable fund, which is run by the Energy Efficiency and Conservation Authority, for an electric-vehicle (EV) initiative.

Called ORIX NZ EVi, businesses with 16 or more lease vehicles on a sole supply agreement – and that meet other criteria – can upgrade one in their fleet to a selected EV at the same rate as its fossil-fuel equivalent.

The project, which includes installing an on-site charger and providing an opening charging credit, aims to remove barriers businesses face when trying to incorporate an EV into fleets.

ORIX NZ has seen more interest in fleets going electric, but the reality is most companies are reluctant to invest the higher upfront costs.

The company believes its initiative will integrate EVs into a wider range of businesses over a three-year period so they can be fully evaluated.

The money allocated to ORIX NZ EVi comes from a record \$11 million in total from the latest round of the low-emission vehicles contestable fund.

Megan Woods, Minister for Energy and Resources, says: "This funding is made up of \$4.3m of government co-funding and \$7.3m from the private sector. That's a smart investment with maximum benefit for taxpayer spend.

"This round focuses on projects that expand the use and possibilities of EVs and other low-emissions technology. It's about making it available to help Kiwis get around, lowering carbon emissions and contributing to our economy.

"From 100 per cent electric campervans to solar-panel charged EVs and trialling smart chargers in people's homes, we're

backing technologies that will make a difference.

"We're also funding 34 public-charging spaces for EVs, including at South Island tourism hot-spots. This is about creating a national charging infrastructure.

"Transport is responsible for about 18 per cent of New Zealand's greenhouse gas emissions, so an effective way for us to help tackle climate change is to transition our fossil-fuelled fleet to run on clean, renewable energy sources."

Another grant recipient is Skene Holdings to the tune of \$125,150. This will help The Pit Shop buy a fleet of courtesy EVs for clients to use, and set up dedicated service bays kitted out with tools and equipment needed to service, repair and charge EVs at four workshops in Christchurch.

Ebbett Waikato has received \$93,499 to help replace its nine loan cars with 100 per cent electric Volkswagen e-Golfs. The company will install chargers at its dealerships and commit to the EV

loan fleet for at least two years.

It expects about 2,500 clients per year to experience the e-Golfs, with expertise and advice on-hand so they can learn about them.

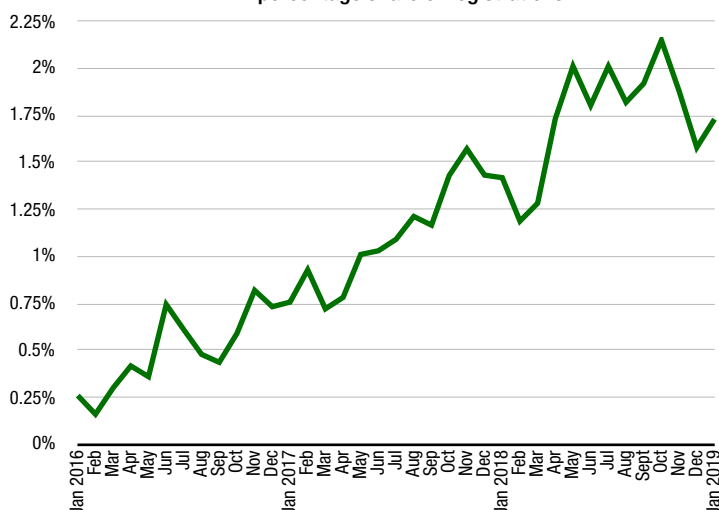
And DHL Express has been awarded \$62,685 to purchase three LDV EV80 electric vans to be used as a pilot in the courier industry with one operating from distribution depots in Auckland, Wellington and Christchurch. A charger will be installed at each location. ☺

## Total EVs by region

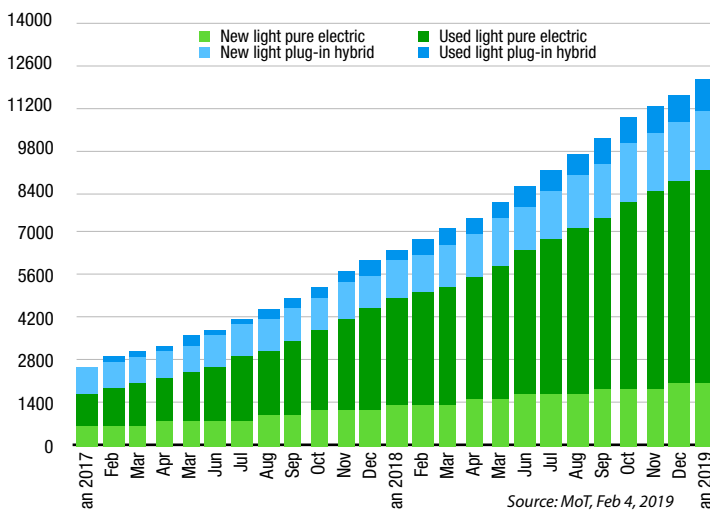
Northland	391
Auckland	5,394
Waikato	598
Bay of Plenty	386
Hawkes Bay	200
Gisborne	41
Taranaki	152
Manawatu/Wanganui	372
Wellington	1,724
Nelson/Marlborough	405
Canterbury	1,739
West Coast	10
Otago	698
Southland	87

Source: Ministry of Transport, Feb 4, 2019

EV percentage share of registrations



EV fleet size 2017-2019



Source: MoT, Feb 4, 2019

## Top 5 EV models

listed on Trade Me this month:

- Nissan Leaf
- Mitsubishi Outlander
- BMW i3
- Tesla Model S
- Hyundai IONIQ

Average listing price for the month:

**\$24.9k**

\* Figures as per the end of February 2019

## Eye on EVs



# Trade Me Motors launches new and improved Super Feature

**T**rade Me Motors is always investing in new ways to help get dealers selling more vehicles and the new improved Super Feature, which was launched at the end of February, should do just that.

Super Feature listings historically get on average more than four times more views than Basic listings, although many motor-vehicle traders have seen performance in excess of this.

So what does Super Feature offer your dealership?

## Much larger listings to view

The first and most obvious thing is the sheer size difference of the listings.

Super Feature has images that are four times bigger on desktops than a Feature or Basic listing, so when compared to other listings it really does stand out quite substantially.

In such a fast-paced world, most people are dealing with massive volumes of information daily.

Car buyers skim over content and take what they need and ignore the rest, so getting them to pay attention to your listing can be tough.

That's when the power of an image comes into play. With vision being the most dominant of all the senses, buyers are literally hardwired to respond to images.

## Scrollable gallery in search results

Having the ability to scroll through images in the search results gives buyers the opportunity to quickly make up their minds about whether or not they want to click into a listing to view the rest of it, or watch-list it directly from the search results.

It's the equivalent of having a menu displayed outside a restaurant, giving patrons the option to browse before they commit to anything.

First impressions matter and never before have great photographs mattered more.

## Prime position in search results

Super Feature listings appear ahead of all Feature and Basic listings. This is



We're committed to finding innovative ways of helping our customers achieve the most out of their listings

- Alan Clark, head of Trade Me Motors

where Super Feature finds another sweet spot – the one between standing out and getting in first.

Time-poor buyers want to find what they're looking for as quickly as possible, so featuring ahead of other listings gets you ahead of the rest and gives you a massive advantage.

It's about appearing to the right buyers at the right time with the right offering and attracting more leads to help dealers grow their bottom lines.

## Boosting your brand awareness

Larger listings give you the chance to really maximise your brand, with your logo appearing front and centre in front of Trade Me Motors' large buying audience.

With about 250,000 people heading to Trade Me Motors each day, it's really a great opportunity to enhance your brand awareness.

Establishing brand awareness is valuable when marketing and promoting your company and product. Although it's an intangible metric, it doesn't make it any less important.

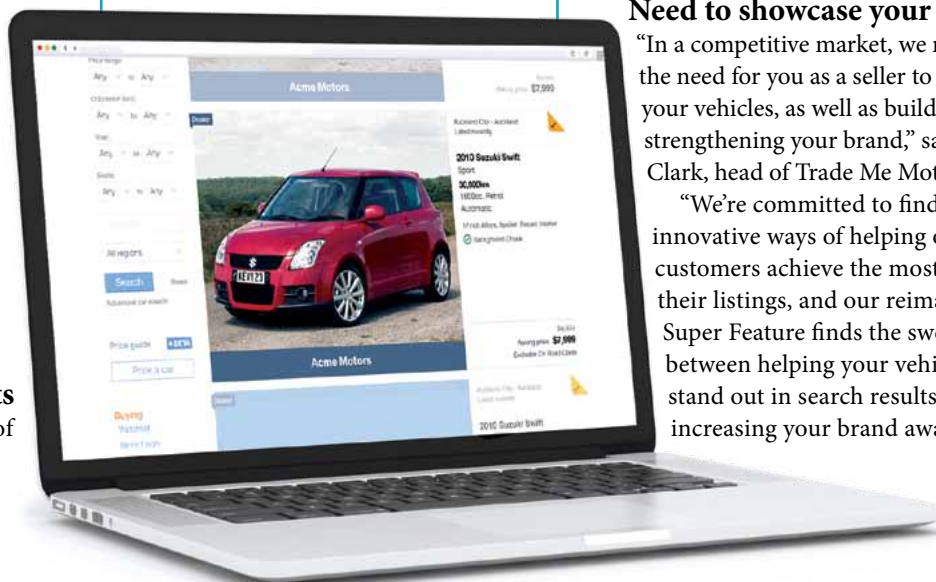
It builds trust. Once buyers have positive experiences with your brand, they're more likely to make repeat purchases without much thought to other options.

It also builds brand equity, which refers to a brand's perceived value determined by customers' experiences. Positive perceptions result in positive brand equity, and also drives referrals and recommendations to friends and family.

## Need to showcase your vehicles

"In a competitive market, we recognise the need for you as a seller to showcase your vehicles, as well as building and strengthening your brand," says Alan Clark, head of Trade Me Motors.

"We're committed to finding innovative ways of helping our customers achieve the most out of their listings, and our reimagined Super Feature finds the sweet spot between helping your vehicles stand out in search results while increasing your brand awareness."



# Super Feature

Your ultimate listing solution

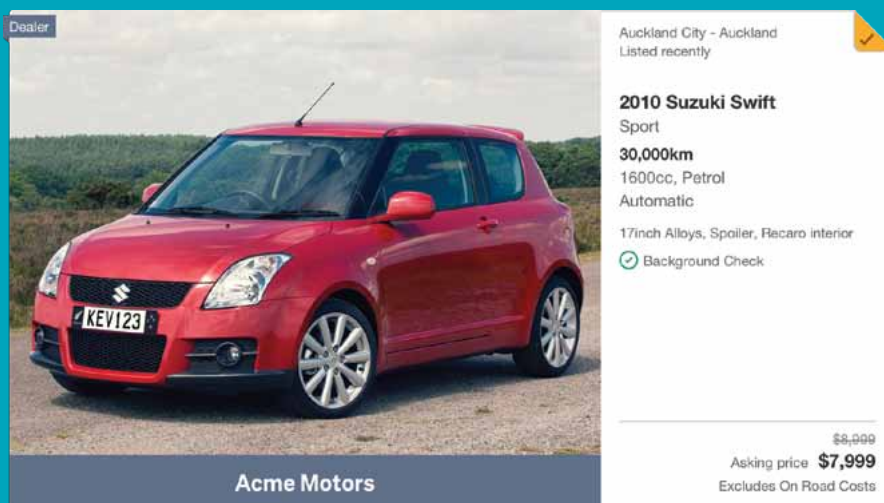
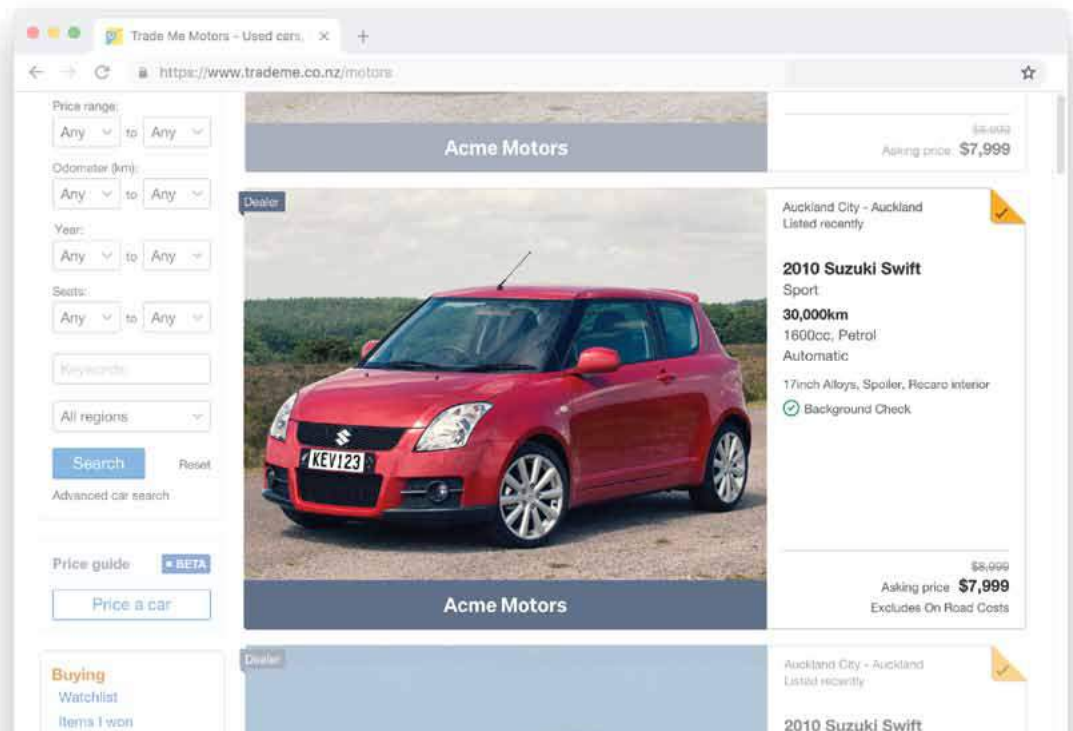
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# Artificial intelligence on show

Between connected home technology, giant televisions and robots, this year's Consumer Electronics Show (CES) didn't let down mobility enthusiasts.

Many car makers exhibited at the event in Las Vegas, which serves as a glimpse into the future.

Hyundai, in collaboration with Swiss start-up WayRay, unveiled the world's first holographic augmented reality (AR) navigation system inside its Genesis G80.

The two parties have developed it for mass-produced vehicles with long-term road tests in South Korea aimed at minimising system errors.

The marque believes mobility windshields will be more than just bits of glass, with AR holographic power being a platform to provide services and open up in-car experiences.

It claims the biggest advantage of such a navigation system is



the stereoscopic image being displayed on the road and adjusted for the motorist's viewing to give accurate driving guidance.

The driver can enjoy vivid and precise images with no headset. Movement direction is kept accurate by real-time speed, and navigational alerts are projected through the windscreen onto the

road for safe navigation while looking ahead undistracted.

While conventional head-up displays show reflected images indirectly through an LCD screen, holographic AR projects them through the windshield.

WayRay's display also showed advanced driver-assist systems (ADAS), such as lane-departure and forward-collision warnings.

The companies will expand holographic AR to display people, objects, buses, bike lanes and crossings, and further develop advanced ADAS functions, such as a rear-side warning system.

They also expect vehicle-to-everything (V2X) technology and connectivity features will allow data – such as traffic signals, surrounding vehicle information, and road and weather conditions – to be provided in real time.

In a bid to realise a collision-free society, Honda has developed the

Safe Swarm concept with the aim of enabling vehicles to wirelessly communicate and move efficiently.

It uses V2X tech, which allows it to talk with surrounding vehicles and share key information, such as location and speed. Along with the on-board sensors, the driver or automated systems can determine the safest course of action in merging with traffic or avoiding hazards.

The Safe Swarm concept made its debut at CES 2017 and Honda has been conducting closed-course testing since then.

It will next evaluate it in a real-world environment on the 33 Smart Mobility Corridor, Ohio, reported to be the world's longest stretch of continuously connected vehicle-to-infrastructure road.

A real-world test was staged at the NAIS of the Honda Autonomous Work Vehicle, which combines its all-terrain chassis with emerging advanced autonomous technology.

Designed by Honda R&D Americas, the four-wheel-drive prototype features GPS and sensor-based autonomy capable of guiding itself most environments.

Another technology presented was the marque's Developer Studio, which will use the all-new 2019 Honda Passport to show off its enhanced Dream Drive experience.

This allows occupants to make restaurant reservations, and pay for goods and services from a connected car mobile wallet.



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Honda's Dream Drive concept can find fuel stations, make dinner reservations and book movie tickets



FZI's facial recognition system

Passengers can also use Dream Drive for mixed-reality games, movies and travel applications, and access to radio and cabin features, from the mobile device.

The second-generation CLA sedan, due down under in the third quarter of 2019, boasts an updated Mercedes-Benz User Experience (MBUX) infotainment system. It includes gesture control and an "energising coach" function to individualise interior settings.

The CLA's interior elements are the most noticeable and centre on a freestanding widescreen display for the all-digital instrumentation and MBUX. It has an advanced multi-function steering wheel, infotainment touchpad controller and ambient lighting.

Building on the MBUX's debut at last year's CES, the updated version offers better speech recognition. The voice assistant no longer gets confused by other people talking and only responds to the person who last said "hey Mercedes" to activate.

The hands-free interior assist system enables the adaption of content when a hand approaches the touchscreen on the dashboard



Veoneer's Pilot Assist Level 2+

or the centre console's touchpad.

A facial recognition system created by the FZI Research Centre for Information Technology can detect and monitor a driver's vital parameters.

A prototype uses an in-car camera to continually measure factors, such as heart and blink rate, head pose and emotions. Using a stock webcam, it recognises facial areas, and determines fatigue and stress levels using image and signal processing algorithms.

It can also establish the driver's attentiveness and excitement levels without using sensors and special lighting. FZI says this will allow for better communication between vehicle and motorist.

The technology will be able to be used with other aids such as fatigue and distraction warnings, and emergency brakes, to provide safer and more predictable driving.

Swedish company Veoneer has showcased solutions to support vehicle evolution into the 2030s by when it predicts most cars sold will include technologies for "collaborative interaction" with drivers, while a fraction of the market may be fully autonomous.

It says with collaborative driving the car handles parts of the operation, but the motorist is still engaged to provide more safety and convenience.

Pilot Assist Level 2+, which enables the vehicle to steer, brake, accelerate and guide itself with the driver in the loop, will be used in more situational conditions.

Veoneer and its partner Zenuity will deliver their first pilot-assist functions in 2020 with increasing functionality after that.

Forward-looking cameras using deep-learning technologies will feature in more reliable advanced ADAS, such as next-generation highway pilot assist.

Enabled by Veoneer's partnership with Ericsson, 5G connectivity will let drivers and vehicles interact with surroundings including real-time roadside assistance, and engagement with service providers, such as traffic controllers. ☺

## Best of the rest

People in a car park at CES had a surprise when BMW showed off an autonomous motorbike, which it has no plans to develop for the public.

It has advanced assistance systems that fuse its gyroscope, which determines angle of lean, with safety features such as adaptive cruise control, emergency braking and collision avoidance.

Toyota's latest self-driving prototype is the Guardian 4.0, which is based on Lexus' LS-500H. It can assist drivers when an accident "feels" imminent by correcting oversteering or braking.

Nissan unveiled invisible-to-visible technology via an augmented reality demonstration. Its combs real-time



BMW's autonomous motorbike

data from roads, vehicles and other devices to help motorists during city driving, on motorways or looking for a parking spot.

Mercedes-Benz self-driving Vision Urbanetic and Chinese company Byton's M-Bite EV with level-three autonomy were also unmasked. And BMW took the wraps off its Vision iNext – a self-driving luxury car that's a "living room on wheels".

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# The month that was... March

March 30, 1998

## Customs ordered to return seized cars

A victory for importers and setback for Customs, or just a lucky break? That was the question being asked after a Wellington judge ordered 10 cars seized from importer Bathurst Developments to be returned after clocking allegations.

The importers' institute said two important points relevant to importers came out of the court case, which was the first to follow the implementation of new provisions of the Customs and Excise Act.

The first was that Customs was only permitted to seize goods when its officers had some reasonable cause. The second was that both the decision to seize and subsequent decision to continue detention of the goods could be argued in court.

In the Bathurst case, Customs seized 10 Japanese used cars on the basis of its own odometer expert's opinion. However, the importer had the odometers inspected by other experts, who said only one had been tampered with.

Judge Willy found no reliance could be placed on the Customs expert's views. He said while the department was justified in relying on them to seize the vehicles, it failed to prove there was reasonable cause to continue holding them.



March 30, 2007

## Flaws in proposal for emissions

A Ministry of Transport report that outlined the possible impacts of emission standards on used imports had been supported by the industry.

The report, prepared by Covec – an applied economics company – analysed how proposed legislation would change the fleet's structure over time, environmental effects and potentially adverse flow-on effects.

It stated: "If implemented, these standards would effectively limit the age of used imports and have a number of effects. These include reductions in the total number of imports, increases in average import prices, increases in the value of vehicles in the fleet and longer lives for existing vehicles to offset reductions in import numbers."

The analysis suggested emissions standards would have limited environmental, social or economic effects.

David Vinsen, chief executive of the Imported Motor Vehicle Dealers' Association, said the report accurately summed up the situation.

"The line we've been running for 18 months is that too-drastic restrictions on imports will have the unintended consequence of increasing the age of the fleet as people will hold onto their older cars for longer."



March 8, 1999

## Luxury distributor into used imports

BMW/Rover New Zealand said it would become the first luxury distributor to begin importing genuine ex-overseas used vehicles.

It planned to import stock only from BMW Group sources in Japan and Singapore, and to provide documentation attesting to German and English dates of assembly.

Mark Gilbert, the company's sales and marketing director, said the decision was in response to market demand, and the realities of the new environment for new and used vehicles in New Zealand.

In 1998, BMW opposed the importation of new BMWs by Auckland dealer Michael Clark. Such stringent compliance restrictions were imposed he eventually gave up. Clark moved on to sell new Mercedes-Benzes bought from an Indonesian importer.

John Steele, general manager of official Mercedes-Benz importer German Motor Distributors, said it had looked at importing used vehicles in the past, but there were no plans to do so in the future.

He added the country was moving towards becoming a nation of used-car buyers, rather like in the 1950s and 1960s.



March 6, 2000

## Is one-price selling the answer?

Retail selling of new cars should be on a "one price for everyone" basis. This would get rid of haggling, and most of the bitterness and funny dealings that plagued the industry.

That was the view of Max Pennington, owner of Max Pennington's Autocity, which was a multi-franchise dealership for four marques in New Plymouth and held 40 per cent of North Taranaki's new-vehicle market.

Pennington had decided to change his whole basis for selling new cars. "I just wanted to take all the rubbish out of selling them and give everyone a fair deal. The old way of having a relatively high-stickered price, and then negotiating downwards, just wasn't me."

Instead, he gave the suggested fair retail price he had determined from studying various matters, such as competitors' pricing, the manufacturer's discount and his dealer rebate. He ended up with an absolute bottom-line price no salesman could change and wouldn't include any extras.

After two months of operating under the "one-price selling" umbrella, Pennington was pleased with the result. "I will never go back to the old negotiated price method of selling cars."



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# Handling customers' dealer reviews

**T**rader reviews are rapidly growing in importance as a part of any dealership's business.

Internally, you can learn, adapt and celebrate in real time as feedback from customers is received. Externally, there will be prospective clients only wanting to see vehicles, and engage with dealerships that have been rated and reviewed by past buyers.

Think about your own decision-making, whether it be about a café, restaurant or accommodation, and how online ratings – or lack of them – influence your decisions.

For example, do you take your family to a place that has no rating and reviews, when around the corner there's one that has hundreds of positive ratings?

They have established a place in many customers' minds. Being rated and reviewed is one thing, but making the effort to respond takes your online reviews to another all important level of credibility and client perception.

The way in which you respond to reviews can show prospective customers how much you truly value them by demonstrating how much you've valued past ones. Can they trust you post-sale, or do you ignore them once you've sold them a car?

## HANDLING NEGATIVE REVIEWS

Leaving a negative, or less-than-positive review unanswered adds fuel to the fire. It can take them from being a little smoke about your dealership to somewhat more ablaze, and something that will raise concerns when read. If this is consistent across your reviews, it

doesn't give anyone confidence in doing business with you.

That said, if you respond to negative reviews in an empathetic way – even with unreasonable buyers – you should articulate what efforts you made to make it right or improve their experiences and place context for consideration around those reviews.

What it shows prospective customers is that you care, they can see you've tried to make the client happy or provided some understanding of the situation around the review. A negative review replied to by the dealership with thought and client-focused effort significantly throws water on that fire so it barely smoulders.

There are all sort of statistics out there, but replying well reduces negative connotation by more than 50 per cent compared to no reply. Remember, always reply, and look to calm negativity and not add fuel to the fire.

## HANDLING POSITIVE REVIEWS

All I can say is reply to every single one. Customers have taken their time to write a review about your dealership, which helps convert more new buyers to choose your business. These are just as important as replying to negative reviews.

Whatever you do, don't just reply with a generic "thanks" across them. Make an effort, not only because your buyer deserves it for submitting the review, but it also shows prospective customers you value clients and communicate



MARK GREENFIELD  
Motorcentral

with them post-sale.

Remember, most customers are down to choosing which two, maybe three, dealerships they visit to look at specific vehicles they have found.

Reading through reviews and seeing a

dealership that has replied with gratitude to all customer reviews compared to one that has replied to none – or a dealership that doesn't have any reviews – starts to influence people's decision-making as to what businesses they will visit.

Another consideration is that replying to reviews also increases the chances of buyers taking their time to leave reviews about their experiences.

Especially when making decisions, they see you replied to past customers and were thankful, so when they reply you have given them proof you care and are thankful for their efforts in completing reviews. If you never reply to any, you aren't showing you care to receive their reviews either.

## LEARNING JOURNEY

Another component in handling reviews is what you do with them internally. This is what you can learn about your dealership and your people from customers.


- ▶ What are consistent areas you can improve on? What does your customer not like?
- ▶ What are the aspects of the dealership and customer journey, or people, you need to recognise and celebrate? What do your customers love?

- ▶ Who are your top performers? Who could benefit from constructive coaching to help create customer experiences more in-line with what your dealership is trying to achieve?

One area I know dealers receive the most constructive feedback about is customer parking, but most do nothing about it.

I would happily argue stocking five less cars and giving people easy access to parking will only have a positive effect on the business, its client experience and financial performance. Poor or no available customer parking is a great way to annoy prospective buyers before they have even got out of their cars, and generate frustration, negativity and reasons why not to buy from you.

Whichever way you cut it, reviews are hugely important to your business today and will be more so in the future. Handling them with external visibility, or based on what you can learn internally, will lead to a better overall experience at your dealership – and ensure you leverage customer experience online – to have a presence for consideration on a buyer's online research journey.

A comprehensive customer rating and survey tool being used by a growing number of dealerships is BuyerScore. Now is the time to take control of reviews and make one thing for certain – that they are from your buyers, and you can leverage the results online and offline. Visit [www.motorcentral.co.nz/buyerscore](http://www.motorcentral.co.nz/buyerscore) to learn more. 

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# Mystery over stink-bug ports

Statistics obtained by Autofile show 13 live brown marmorated stink bugs (BMSBs) were intercepted by biosecurity officers during the first half of the high-risk season.

They were discovered among a total of 42 interceptions made by the Ministry for Primary Industries (MPI) between August 13 and January 9. Figures released following an Official Information Act (OIA) request also show 516 dead BMSBs were found.

All but five interceptions were made on vessels. Christchurch and Wellington each accounted for one interception, with the rest being in Auckland.

There were two interceptions in September, three in October, 12 in November, 20 in December and five up to January 9.

There were 14 aggregations with 10 or more BMSBs – dead or

**BMSB interceptions for 2018/19 season (to January 9)**

Country of lading	Interceptions	Live males	Live females	Dead males	Dead females	Dead unknown	Total bugs
Unknown	28	4	8	209	214	2	437
Japan	11	0	0	36	28	1	65
USA	3	0	1	17	9	0	27
Totals	42	4	9	262	251	3	529

*The period covered in the table is from the first reported interception date of August 13, 2018, up to January 1, 2019. Source: MPI*

alive – found in one location.

However, mystery remains as to where most of the BMSBs hitched their rides on ships to New Zealand because the country of lading was classed as “unknown” by the MPI for 28 interceptions. These accounted for 12 of the 13 live stink bugs, or 92 per cent. There were 437 live and dead BMSBs in the unknown category – 83 per cent of overall total.

No live BMSBs were found among 11 interceptions from

Japan, but 64 dead ones were. Three searches of vessels from the US yielded 27, with all but one dead.

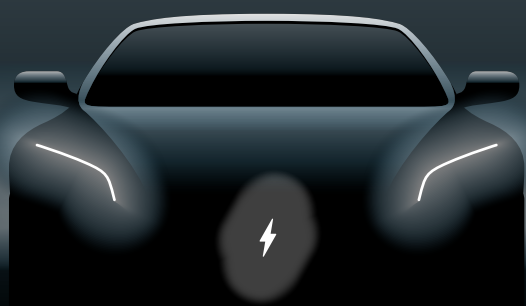
Steve Gilbert, director of border-clearance services, says: “Ports of loading are not stated as vessels frequently stop at multiple ports or countries on the way to New Zealand. When insects are found on-board upon arrival, it’s not always possible to be certain of their origin or identity.”

He adds the MPI doesn’t capture operators’ names because this “is not required for import purposes”.

“All cars ships are inspected until the MPI is satisfied they don’t pose a biosecurity risk. All suspected BMSBs found on vessels are sent for positive identification at the MPI’s plant health laboratory and are exterminated as part of this process.”

The names of the vessels on which BMSBs were discovered have been withheld under section 9(2)(b)(ii), 9(2)(ba)(ii) and 9(2)(ba)(ii) of the OIA.

These covers matters such as unreasonably prejudicing “the commercial position of the person who supplied or is subject to the information” to releasing such information “would be otherwise likely to damage the public interest”. ☎



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# Seeking permission or forgiveness

There seems to be a growing problem with innovation occurring faster than regulation can keep up, and this trend is accelerating.

Tech companies, in particular, have adopted a strategy of asking for forgiveness as opposed to permission. Two prominent examples are Uber and Lime.

Both have created a product or service that was without competition. They created their own markets and moved quickly to introduce them as wide as possible, as quickly as possible. It's more difficult to find the political will to remove a service that's in use and highly in demand.

Regulators, on the other hand, didn't know what to regulate until the service or product was already on the market. Because of this, many are asking whether these companies are acting ethically.

Most start-ups or companies that produce a truly innovative product or service end up having to address the question of their offering's legality. Some regulator or politician might look unfavourably on the product, someone might be injured using the product.

The question that must be addressed is whether to proceed to market and ask for forgiveness when the inevitable occurs, or to seek permission by trying to quell any objections beforehand.

Of course, the answer is largely cultural. Some cultures embrace innovation and change, others denounce it. I like to think New Zealand fits in the first group.

There are others who might object to change, largely the group

being disrupted by any innovation. The amount of power said group has is also a factor innovators need to consider.

Innovation offers many benefits and is cumulative. It not only offers us better ways to accomplish things we do, it also helps us identify flaws or deficits with our current system.

With e-scooters, for instance and without making an argument for or against them, I can recognise some of the benefits of their introduction.

For one, their popularity is showing us "transit deserts" – areas where people are not adequately served by current



network, they called it microblogging, but it was hard to define because it didn't replace anything. There was this path of discovery with something like that, where over time you figure out what it is.

"Twitter actually changed from what we thought it was in the

beginning, which we described as status updates and a social utility. It is that, in part, but the insight we eventually came to was Twitter was really more of an information network than it is a social network."

Some jurisdictions have tried to curb the use of Twitter, others have embraced it, but all after the fact.

Because of the evolving

Amazon is exploring the use of delivery drones, but it requires approval from the US because it is a regulated activity. By the time the Federal Aviation Administration approved Amazon's drone, it was already obsolete and the company was already testing a more advanced version.

Innovative wares and services seem to have been dropped on cities globally with reckless abandon. With the rate of technological change increasing, new solutions are being developed at an increasing rate and one society will continue to have difficulty keeping up with.

But there is another way to look at the problem. We should embrace the assumption of legality. In other words, if not explicitly forbidden, it should be allowed. The alternative is that we say it is illegal unless explicitly allowed and I think most of us – at least in New Zealand – would not be willing to accept that.

One thing we can count on is that the rate of change will continue to accelerate, so what can we do to keep up with innovation?

For one, regulation should be more general and inclusive. For instance, instead of distinct laws governing taxis, Uber or even Lime, we should have laws that apply equally to any transport service.

This will also have the effect of making innovators certain of the laws in areas they are servicing and making it easier to answer the question of whether an innovation is a positive contribution or not. It will make clear whether they will need to ask for forgiveness or permission. ☺

**"Permissionless innovation allows us to create truly new things for each other to enjoy – things the experts may not understand or approve of, but that nonetheless hold the potential to transform the world"**

**– Michael Munger, American economist, 2017**

options in our transport system. The quick uptake of e-scooters and their continued popularity illustrates that we have a shortage of quick, convenient options.

Another example of where innovation has filled a gap is Twitter. When it was created, no one – not even its creators – knew for what it could or should be used.

Ev Williams, Twitter's co-founder, said in 2013: "They called it a social

nature of innovation, it's almost impossible to regulate proactively. Regulators often have no idea of the scope and impact of a new technology or product. Even when aware and explored in detail, such with automated vehicles, there's no guarantee the technology will fit within the scope of the regulation when delivered.

An example of this is the system in the US to regulate drones.



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# Industry movers

**GREG MACDONALD** has been appointed general manager of marketing at Kia Motors NZ.

He has 23 years' experience in the automotive industry. This includes launching Isuzu's passenger and ute range under its own banner, and most recently being national sales and marketing manager of Fiat Chrysler focusing on Jeep.

Todd McDonald, general manager of Kia Motors NZ, says MacDonald brings considerable knowledge to the business and strengthens its senior management team.



**IAN TILL** has been appointed as financial controller of Automotive Holdings Group (AHG) NZ. He comes from a successful career in the fast-moving consumer goods sector.

Till, who is also a commercial pilot and flight instructor, started his career at Inland Revenue before moving to Deloitte Auckland as a senior analyst.

He then went to Foodstuffs North Island. His final position there before joining AHG NZ as manager of group reporting and insights.



**MARK DARROW** has stepped down as an independent director with the Motor Trade Association (MTA), but is staying in the sector.

Over the past three-plus decades, his roles in the automotive industry have included managing director of Continental Car Services, executive director of GE Money, MITO board member and director at AA Finance. He is chairman of Armstrong Motor Group's advisory board and a ministerial appointment on the NZTA's board.

Darrow was offered another term with MTA. He would have stayed on for another couple of years, but felt it was time to go and could see conflicts emerging with his NZTA role.

**CHARLIE KIRKBY** has joined Trade Me Motors' sales team as an account manager and will be looking after its South Auckland region.

His previous role at Janssen Insurance has provided him with a good understanding of the motor-vehicle industry, which combines well with his customer-centric focus.

Kirkby says: "I'm excited to be a part of such an iconic Kiwi brand and keen to be working with traders to help them grow their bottom lines."



**HENDRINK VON KUENHEIM** has taken responsibility for BMW Group's sales and marketing operations in Asia-Pacific, which includes New Zealand but excludes China.

His remit also includes Eastern Europe outside the EU, the Middle East and Africa, which he previously oversaw. All these areas have been integrated into one sales region.

**MYLES PERRY** has been appointed acting chief financial officer of Heartland following David Mackrell's resignation in December.

Perry has been head of internal audit since August 2017 and held senior management roles at Air NZ for 10 years.

**GENEVIEVE TEARLE** has been appointed chief marketing officer of ERoad, the transport technology services company.

She most recently held the same title with Fisher & Paykel Appliances.

# NZ labour market report

## YOU SHOULD ALL KNOW

the most important assets in any dealership are your people – without them, you wouldn't have a business.

So how do you best engage them so they stay longer and contribute to the success of your business and for themselves?

When you think of employee engagement, you think of surveys, collecting data, interpreting it and formulating a plan on the feedback.

The engagement I want to discuss focuses on relationships you build and develop as leader at your dealership, which leads to discretionary effort made by your team to get things done – not because they have to do it, but because they want to.

Strong engagement and capable leadership builds your culture. Engagement levels will then flourish and transform your business to another level.

New Zealand's top 10 employers – such as Air NZ, the Department of Conservation, Healthcare of NZ and Flight Centre – are there because they care about their people and there's no reason why your dealership couldn't be there.

Yes, they may have big budgets and teams running recruitment and development programmes, but look at their operating models and study what they're doing with their workforces to fit their business models. This is what sets them apart.

Air NZ, for example, has worked hard at its customer journey. It has made it easy for people to book flights, check-in and get to destinations with minimal disruption. This process involves people along the way from booking the flight to check-in, boarding and picking up bags at the other end.

Take a step back and review your dealership's business and operating model. See how your people fit into each part of your customer journey, and how staff influence outcomes that have an impact on service, brand,



**WILL ALLAN**  
Hello Monday

reputation and culture.

You may be surprised by how much an engaged workforce impacts on systems and processes to deliver a high level of service so buyers keep coming back.

To help improve employee engagement, there are few things to review, such as roles and responsibilities. Are roles defined and do your people know what outcomes they're driving? Do they have the skills and capabilities to do their jobs? Do you need further training or development? And do you have the right people on-board?

Leadership style in the 21st century is about coaching conversations and feedback. The days of "do as I say" have faded. People want to know how they are doing daily and where they can improve. Don't wait for the end-of-year review – it's too late by then.

Employees leave because of their managers. You want leaders, not managers, who understand and inspire people. They need know how to get the best out of individuals and teams, play on their strengths and build confidence in areas of improvement.

What does your dealership stand for? You don't just sell cars, you change lives through service and product. Get staff on the journey of your purpose, vision, mission and values. If you give meaning to your business, your people will follow.

Reward and recognition are important because people want to know they're doing a great job. If you have a reward system, ensure it aligns to your business' purpose and values. People in your dealership buy into what it's about. When you recognise and reward the right behaviours, you start operating at an extraordinary – not ordinary – level.

There isn't much between your business and the likes of Air NZ. All you need you to do is make some tweaks and you're heading into the right direction of being an extraordinary dealership. ☺

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

# Key to increased profitability

**S**elling extra insurances as part of a vehicle sale can create more profit, and is a great way to increase customer satisfaction and retention.

You have more knowledge than your clients and you have the ability to provide them with better-suited products than they will be offered elsewhere.

Selling these insurances isn't as difficult as it seems because customers often need or are required to buy them anyway.

The question is whether they will purchase from you or somewhere else. Maybe the bigger question is will you offer it to them. If you don't, clients are going to arrange this elsewhere, which gives other providers the opportunity to steal your finance sales and possibly whole vehicle transactions.

Consumers prefer a one-stop shop from a specialist and that's you.

Nobody can look after your customers better than you can, so how do you sell these insurances?

The answer is with quality training and selling processes, which will give you the confidence and skills to be successful. It's also free.

Comprehensive motor-vehicle insurance is usually either wanted by customers or required by financiers to protect their assets.

This obviously provides good opportunities to present motor-vehicle insurance to them. Their want or need should give you the time to present your product. Be enthusiastic – it works.

Protecta's motor-vehicle insurance has the unique benefit of not charging the customer extra for paying by instalments and



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Direct sales &  
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boasts a free accident management service.

The latter includes a 24/7 nationwide service, pick-up and delivery of the customer's vehicle from his or her home or workplace, courtesy car, prioritised repairs to minimise time off the road, an unconditional workmanship guarantee and valet at completion.

Other insurers don't provide either of these benefits, which makes your offering a lot easier to sell.

Selling motor-vehicle insurance also provides an insight into how the customer intends to finance the purchase because all insurers need to know if there's going to be a security, or finance, on it. Once you know this, it gives you the knowledge and competitive advantage to sell your finance option.

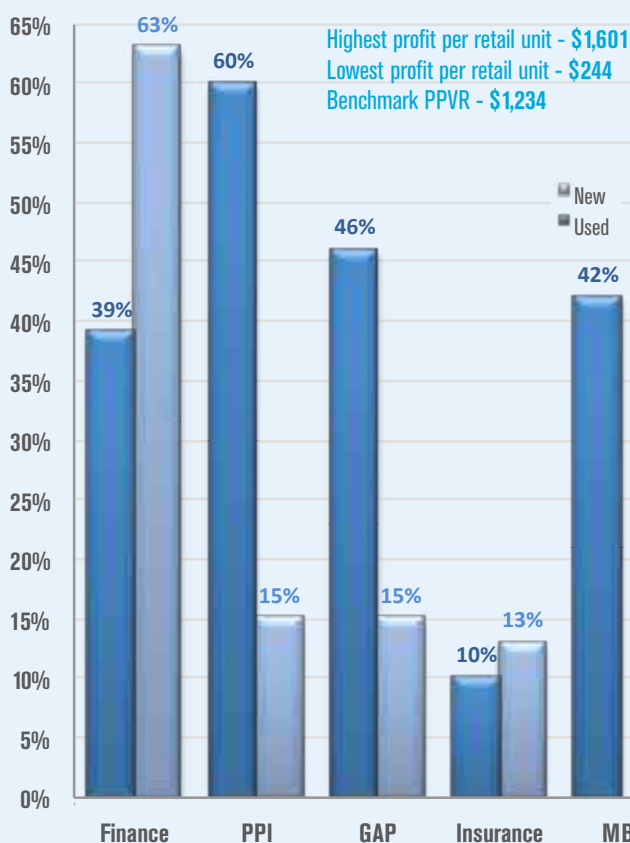
Remember, as a dealer you are the specialist when it comes to selling, financing and insuring vehicles.

Erin Mills, Protecta's training manager, spends a lot of time providing free training for our customers. With her experience and our systems, it's a combination that's increasing our dealers' profitability.

Motor-vehicle insurance is a key component of training provided to dealers. It gives them the knowledge and skills to sell this product, which can also be invaluable for customer satisfaction and retention.

Many traders are "catching on" and sales of Protecta's motor-vehicle insurance are booming. With competitive pricing and unique benefits – and a fast, easy and intuitive online sales system – it provides the catalyst to increased dealer profits. ☺

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# Working up through the ranks

After suffering debilitating chemical poisoning while running his own panel-beating business, Steve Ward had no difficulty switching his focus to the market for used cars.

"It was a natural progression to open my own yard. The advantage I had was that I knew cars inside out, whereas a lot of salesmen know nothing about the product."

Ward began his panel-beating apprenticeship aged 15 with Colin Lake Panelbeaters in Kingsland, Auckland.

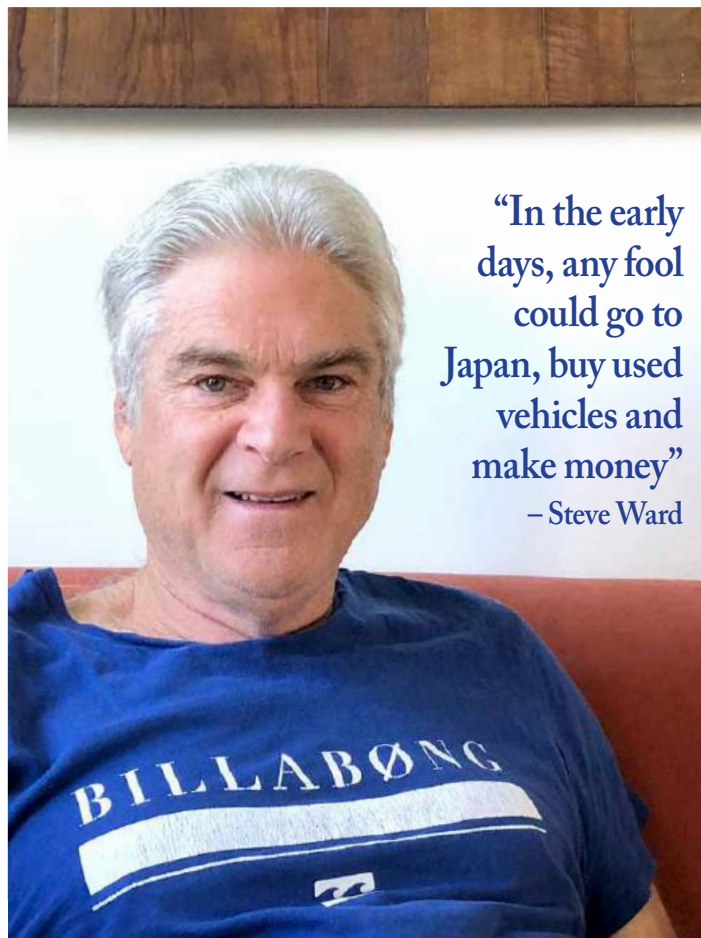
"He was the best boss I've ever had and we're still friends. But when I was 21, I thought, 'you don't want to be an old tradesman on those wages', so I started my own panel-beating business in Onehunga."

However, six years later, Ward was struck down by chemical poisoning after getting exposed to "some nasty stuff". He had to sell his business when he was 27.

"I saw a doctor, who had worked with the guys from an ICI chemical plant fire in 1984. He suggested taking high-dose vitamin C and I spent time in a decompression chamber. I have permanent liver damage because of that, which has probably caused other health issues I'm fighting."

Ward was unable to work for two years. By then, it was the early 1980s. He already had in-depth knowledge of the used-vehicle industry – his father and brother-in-law also worked in it – so he decided to sell cars.

Ignoring doctor's orders to



**"In the early days, any fool could go to Japan, buy used vehicles and make money"**  
– Steve Ward

ease back into work, he joined the most "high-pressure organisation in Auckland" – a dealership in Grey Lynn, which used "the Australian idea of pushing people into buying".

"The guy who ran it had strong rules on how to sell a car, which didn't go down well with me. I was often given a day's notice, but I kept my job because I sold about 17 vehicles a month. After five months, I walked away, but learned a lot from the job and picked out

the good bits. They had a system from start to finish for selling, so I sold a car using their system back to front just to annoy them.

"I wanted to work for Selwyn Gordene at Top Mark Motors, but he put me in contact with Andrew Gummer, of Civic Car Centre on the North Shore. He was famous for bits and pieces. I was supposed to be a salesman, but ended up doing everything."

Ward struck out on his own with Frontier Motors in New Lynn when he was about 28. His father Graham, who was a well-known motorbike racer, bought the property and gave him the leg-up.

"I needed him because I wasn't registered. Getting a licence was complicated back then to protect the public. It wasn't like the free-for-all we have now, which is a joke. Many people are getting burnt because of backyard dealers. You go back looking for someone if you have a problem and they're not there.

"Back in that era, building good relationships was important to get stock. I drove across the country for government auctions in the early days. That was lucrative and then the Japanese side kicked off."

## LAND OF RISING SUN

Ward started going to Japan in 1986 and flew over monthly for 18 years. His company moved to bigger premises and went fully wholesale.

"We didn't need the retail location, just more space. I was probably the first parallel importer to bring in new cars. In the early days, any fool could go to Japan, buy used vehicles and make money. If you made a mistake, you made less money. If you make a mistake now, you lose money.

"I saw market changes all the time and tried to stay ahead of them. I bought exotic vehicles and still do, but originally it was 'passport cars'. In the beginning, you had to fly people to Japan to use their passports to bring cars back here in their name.

"Margins were unbelievable. I made \$20,000 from my first Mazda RX-7. We brought in Datsun 280Zs, Mitsubishi Starions – that sort of thing. We later imported rear-wheel-drive Mitsubishi Galants because they were big sellers. The imports didn't rust and were full of extras New Zealand-new cars didn't have, such as air conditioning, electric windows and power steering.

"When the first used imports came in, many brands rubbished their own products and said they wouldn't supply parts. Then they decided to supply parts at five times the price. I brought in lots of Lexus models, which were badged differently. My mother-in-law had the world's worst ES 300 because when I wanted a part, I would use her chassis number. I was told NZ-new parts wouldn't fit, but they did."

## LEGAL WRANGLINGS

Ward has ended up in court with the NZTA about five times over the



Steve Ward with wife Christine in the 1965 black Sunbeam Tiger he bought when he was 18



Steve Ward behind the wheel of his blue Formula 5000 at Whenuapai in the late 1990s



Ward racing his Ford GT40

## From early rides to racing

Steve Ward's first car was a Ford Model A in burgundy red with grey mudguards. As a 15-year-old, it cost him about \$1,600.

"At school, I was flat out wheeling and dealing. I did up bikes and surfboards to sell, and made more money than as a panel-beating apprentice."

Ward left school at 15 with passes in maths and engineering, and spent most of the fifth form on Auckland's west-coast beaches with mates. Not much school work was done.

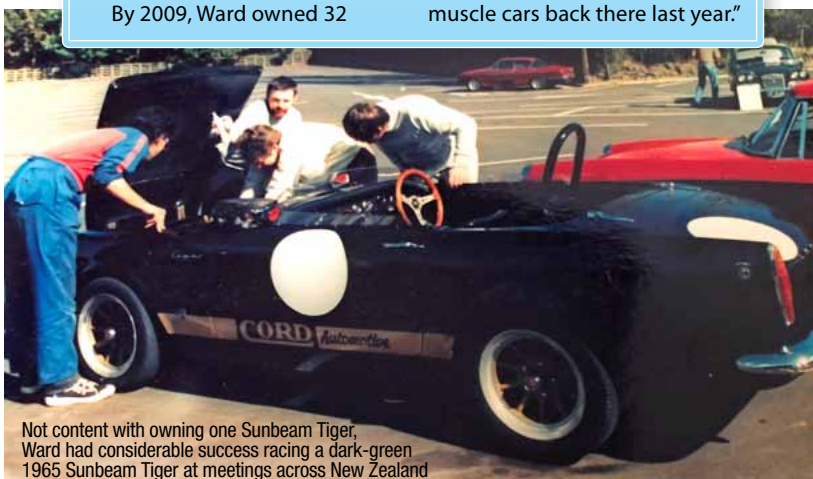
A more significant purchase was his Sunbeam Tiger when aged 18. He still has it, and plans to strip back its paint and make it roadworthy.

By 2009, Ward owned 32

exotics and classics, and motorbikes. After his first bout of cancer, he sold many. "We now have about 12 classics and use a convertible 1966 Mustang GT the most."

"Until recently, I've been racing Formula 5000s, which have had a resurgence in New Zealand. We were based in Europe for two seasons and in the second year, 2011, we shipped my Ford GT40 to the UK for an endurance series. Sadly, I became ill and we came home early."

"I'm not going to get back into racing so my Formula 5000 has to go. I like buying and selling Ferraris and classics from all over the world, and still do that. I sent about five Australian muscle cars back there last year."



Not content with owning one Sunbeam Tiger, Ward had considerable success racing a dark-green 1965 Sunbeam Tiger at meetings across New Zealand

Years later, Ward got a pay-out for costs over complying a Lexus from Hong Kong as the frontal-impact rule came in. "I got the decoding for its specifications and it was basically identical to a NZ-new car. The judge asked along the lines of, 'do you expect me to believe a Lexus isn't made to a decent standard no matter where it's going in the world? Of course, it was the same car.'"

Around the turn of the century, Ward started Optimech, which specialised in mechanical and aircraft engineering, and fatigue analysis.

"We had the perfect team for speedometer inspections. We also helped Rod Milner when he was falsely accused of speedo tampering. We took it to court. It was proven the clock hadn't been wound, but had been pushed forward and damaged to make it

look like it was wound.

"Some people still think I was charged with speedo winding, but I've never had a charge against me for that. I did make the mistake of sharing a building with someone involved with that, though."

Another issue got dragged out in 2007/08. Ward and business partner Jerry Clayton took the NZTA to court over the compliance of a Ferrari imported from Singapore.

"The lawyer made out it was unsafe for New Zealand because it was built to European regulations. We won because it complied. The agency was a slow learner back then. When you regularly get defeated in court, you think you would change how you do things."

### CHANGE IN DIRECTION

Another bout of serious ill health in 2009 prompted Ward to reassess his life. "I had tumours by the time I turned 50. I saw an Asian doctor who treated me with alternative medicine for two years and many of them shrank."

He and his wife sold their businesses and properties before travelling around the US in an RV. "We didn't have a winter for four years," he recalls.

Ward's health has never fully recovered. He now has multiple tumours and two immune disorders. He says he's still alive through "sheer will power – mind over matter".

That said, poor health hasn't stopped the 63-year-old from buying and selling exotic and classic cars across the world from his avocado orchard near Tauranga. He's glad to no longer be in the automotive industry, but smiles, "I was never popular with the new-car industry". ☺

years and still gets calls from dealers "seeking advice on issues with it".

In the early 1990s, Ward "caused a stink" by bringing in about 30 new Isuzus, but was told they were no good as they had been crash-test vehicles. The issue dragged on for six months and was only resolved when he got documents from the marque in Japan, the validity of which were questioned.

"Back in the early days you could self-comply, which was a nonsense. I told the NZTA, 'I've had enough'. Even a trained mechanic looked at them and said they hadn't been damaged or repaired."

"I had buyers lined up, but was unable to sell the vehicles and almost went broke. The new-car industry felt threatened by parallel imports. You could see why. It didn't want a free-for-all and smaller margins. It threatened legal action, but never followed through."

In the late-1990s, the NZTA raised issues with thousands of used Lexuses from Japan. "It said their seatbelts had to be changed, which in turned might have caused the airbags not to work."

Ward, supported by the Independent Motor Vehicle Dealers' Association, spent years trying to get the authorities here to acknowledge the incompatibility between the airbags and seatbelts.

"I said, 'you've made a mistake'. When you got in one of the cars and started it, the seatbelt sign came on the dashboard and when you clicked it in, the airbag system was armed."

"None were recalled. At the end, they realised I was right. Now, because of their age, more than half of those vehicles will be off the road."

## IN BRIEF

### Rules to help passing

Kevin Magnussen says F1's new aerodynamics rules allow cars to better follow each other.

Wider and simpler front and rear wings aim to help improve overtaking after racers ran close together on-track in 2018.

"It feels better than last year and I could follow," says the Haas driver. "I was faster than the guy I was following in testing and passed him. The cars feel more consistent and stable behind another one."

### Display boost for fans

IndyCar Series cars will have new LED displays in 2019 to help fans follow sessions and races after the previous system was ditched four rounds into 2018 for "performance inconsistency".

Fans trackside and watching on television will now know a car's running position, when the driver has engaged overtake assist and pit-stop times.

The new panel will also inform the safety team so it gets cars back into action faster.

### Rally host to be decided

The Dakar Rally may off to the Arabian Desert. It looks like Southern Africa countries want to be hosts with Saudi Arabia apparently in the running.

The rumour has been sparked by an Instagram post by driver Mohammed Altwaijri, who wrote the rally was heading to Saudi Arabia for a five-year term.

It has yet to be confirmed where future Dakars will run, but the change may happen by 2020.

# Steering way to the top

The alumni of the 2019 Castrol Toyota Racing Series (TRS) are off to various championships around the world.

Champion and rookie winner Liam Lawson has announced he will contest the Formula European Masters – and, more to the point, will do so as a Red Bull Junior.

In the week before the New Zealand Grand Prix, he was evaluating no less than 11 offers from teams and championship talent spotters. His chosen competition uses cars identical to last year's Formula Three.

Marcus Armstrong, who finished a close second in the championship, is already testing his car for the upcoming FIA F3 series.

The championship blends GP3



TRS driver Lucas Auer was the most consistent driver this season and moves to the Japanese Super Formula Championship

and F3 into a new specification as part of the "formula ladder" devised by Gerhard Berger. The series follows the Formula One calendar and is a support category on F1 race weekends.

Like Lawson, Armstrong races under the wing of an elite driver organisation – in this case, the Ferrari Driver Academy.

Gerhard Berger's son-in-

law, Lucas Auer, was the most consistent international challenger in the TRS' five-week season.

He will compete against New Zealand's Nick Cassidy – a multiple TRS champion – in the Japanese Super Formula Championship, which features open-wheeler cars with performance close to those in F1. Like Lawson, Auer is also a driver for Red Bull. ☎

## Series aims to pick up best from rest

Australia's Supercars racing series is looking to borrow the best ideas from similar championships around the world as it works to "reimagine" itself based on the possible grid at Bathurst two years from now.

Under the microscope are the German DTM series, NASCARs in

the US and the British Touring Car Championship.

The series across the Tasman has been working behind the scenes on its "look and feel" beyond the restrictions of its generic Gen2 chassis, which has been somewhat restrictive when applied to coupe body styles, such as Ford's new Mustang.



The Mustang may have got a lukewarm response when first announced but it ran hot at the first round of the Supercars Championship

Australian media reports the enforced modifications to the Mustang's shape – and a vocal public backlash – have apparently halted studies to assess the feasibility of a Camaro joining the Supercars Championship.

In a bid to stay relevant after the recent axing of the Falcon road car, GM-Holden's switch to an Opel world-car platform for its Commodore and the lukewarm reception for the odd-looking Mustang racer, the organisers are even wondering about hybrid technology.

Also under consideration is the decline in gate numbers affecting categories all over the world. Visit <https://bit.ly/2N6Rf5C> to view the 2019 Supercars entry list. ☎



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# Stepping up to European series

**L**ando Norris, Lance Stroll, Robert Shwartzman, Liam Lawson – all Toyota Racing Series (TRS) champions and all run in the competition by Hamilton-based team M2.

Led jointly by Mark Pilcher and Jonathan “Flex” Moury, M2 Competition is the current TRS champion team that ran Liam Lawson, Marcus Armstrong and Lucas Auer among a six-car entry in this year’s series.

Since its debut in 2011, it has consistently been the team to beat, but its 2019 campaign was statistically its most prolific. For the first time in TRS history, M2 won 14 out of the 15 races with each of its six drivers winning at least once.

Moury and Pilcher have made the most of their Kiwi-Belgian origins to bring the best European drivers to New Zealand, and put them alongside this country’s finest rising stars.

This year, the team will step up to Formula Renault in Europe, which raises intriguing opportunities for Kiwi drivers.

There’s no doubt M2 attracts the top driving talents to grant it an advantage over its rivals, but operationally it has also consistently proven itself the outfit to beat in all conditions.

That should transfer well when it makes its European racing debut in the tough Formula Renault Eurocup later this year. But it will be a more level playing field with a new car, new tyre supplier and the departure of two experienced teams – Josef Kaufmann Racing and Fortec Motorsports.

M2 has signed Kush Maini to its European programme and could conceivably call on some of the



Jonathan Moury, left, congratulates this year's NZGP champion, Liam Lawson

many talents it has run in the TRS.

Moury says the team began after the A1GP global series ended. Both had been working for A1 Team NZL. “Mark contacted me asking if I wanted to start a race team with him. It was a no-brainer as we’re like brothers.”

The team ran three drivers that season – rookies Kotaro Sakurai and Jordan Skinner, and Ivan Lukasevic, who scored their first podium points. But the best year is a harder call.

“The best season is difficult to single out, especially with the new car, but 2015 and 2018 come to mind because of the dynamic of the whole team,” recalls Moury. “In 2016, I lost my father and flew back in the middle of the series, so not the best time, and in 2017 we lost the drivers’ title at the last race with Pedro [Piquet].”

Perhaps 2019 was the best so far as M2 locked out the championship emphatically?

“This year was mentally draining with the battle between Marcus and Liam. It was, however, a pure display of sportsmanship and talent. I hope people realise what we had this year was exceptional.”

The other big news is the team will expand into Europe this year. “It’s always been our aim to grow, it

just took us a bit of time.”

Moury and his wife Elise will oversee this operation, but there’s a significant crossover between both projects engineering and mechanically wise.

“Mark and [chief mechanic] Matt will still oversee the operation in New Zealand, and will go to Europe this year as well for some events.”

The Eurocup initiative is about that series’ relevance, and the chance to move drivers, engineers and mechanics between TRS and Formula Renault.

“It will benefit Kiwis, at least we hope so. This is what we tried hard to do with Liam. But his management chose another route, which we fully understand considering the offer they had. We’re already discussing about 2020 for him to do TRS again, however.”

Moury says M2 will work step by step and establish itself in Europe now.

“We aim at doing a good job in the Eurocup, then see where that takes us. We’ll remain in TRS for as long as it’s there unless something dramatic happens. The TRS is an incredible platform and training tool for drivers competing in the northern hemisphere in the New Zealand winter.” ☺

## PROPOSED REFORM OF VOCATIONAL EDUCATION

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The Government has announced wide-ranging reforms to vocational education that will affect industry training in the automotive industry.

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Do you **agree** or **disagree** with the following?

- One national institution would be good for industry
- Transferring 145,000 apprentices/learners currently enrolled in ITOs to the national institution, joining its 110,000 students, would be good for industry
- ITOs should be disbanded, including MITO.

Have your say - complete the survey at [mito.nz/haveyoursay](https://mito.nz/haveyoursay) before 27 March 2019.

mito



The M2 Competition TRS team

# Absent dealer ordered to foot bill for repairing oil leaks and hearing costs

## Background

In late April 2018, Lynne Ellingham bought a 2006 BMW 320i from Wellington's Underpriced Cars for \$5,999. Shortly after delivery, its alternator pulley seized and oil was found leaking from its engine.

Ellingham said Underpriced Cars didn't disclose these problems to her before she purchased the vehicle.

She asked the dealer to fix the engine problems, but she claimed it refused so she asked the tribunal to order it to pay for the repairs.

Underpriced Cars didn't attend the hearing and failed to provide a report on the buyer's claims.

## The case

Ellingham saw the BMW advertised on Trade Me as being in "immaculate condition". She texted Underpriced Cars to indicate her interest and asked if there was "anything that needs doing or any issues I should know about".

The manager, Chris Esler, texted back saying the vehicle had no issues, was very tidy and he was "looking to throw in a 12-month mechanical warranty".

Ellingham replied that she would buy the car along with the warranty offer. She lived in Waipukurau and was unable to inspect the vehicle prior to purchase.

She paid for the car on May 3 and said she could pick it up on May 16, but Esler offered to transport the BMW to Waipukurau for \$140. She asked him to supply the warranty documents plus a receipt for the vehicle purchase.

Ellingham said she then had considerable difficulty finding out from Esler how and when the vehicle would be transported to her.

The BMW was delivered to her on May 21 without the warranty and consumer information notice.

Prompted by concerns arising from the slow delivery process and lack of warranty, Ellingham had the vehicle checked by Hawkes Bay BMW.

It reported there were oil leaks in the cam cover, vacuum pump and sump gasket. It noted an engine noise, which sounded like the alternator pulley had seized, and a possible issue with the cam chain.

Hawkes Bay BMW estimated it would cost \$1,680 to fix the oil leaks, alternator, wiper blades and do a wheel alignment. Ellingham paid \$72 for the report.

At Underpriced Cars' request, Ellingham then took the BMW to Global Autoworks for an inspection. It found oil leaking from the rocker cover gasket, vacuum pump and seals.

It noted oil had leaked along the sump area making it appear the sump was also leaking, and added the car needed a new fan belt and the front pulley was seized. Global Autoworks' estimate was \$1,098.

Initially, Underpriced Cars and Ellingham hoped the repairs would be covered under her mechanical breakdown insurance policy, but the insurer rejected her claim for repairs because they related to pre-existing defects.

Although the dealer didn't

attend the hearing, it acknowledged via email that it accepted fault in the matter and acknowledged it would be covered under the Consumer Guarantees Act (CGA).

## The finding

The tribunal ruled the BMW failed to comply with the CGA's guarantee of acceptable quality because of the oil leaks, vacuum pump and seized pulley.

These defects were apparent very soon after purchase. The tribunal didn't consider a reasonable consumer would find them to be acceptable in a vehicle of this age, mileage and price.

There was a dispute between the parties over the evidence about existence of an oil leak from the sump.

The adjudicator accepted Underpriced Cars was entitled to accept Global Autoworks' recommendation that this potential leak should be monitored once other leaks were remedied.

If leaks reappeared at the sump, then Ellingham would be entitled to make a further claim to the tribunal.

Likewise, it was uncertain whether the cam chain needed to be repaired, so the tribunal suggested the buyer wait for a further report from Hawkes Bay BMW as to whether this was required.

Ellingham had tried to get Underpriced Cars to repair the BMW since May 2018. Esler claimed he offered to pay up to \$700 for

**The case:** Soon after purchase, the buyer had her 2006 BMW inspected by her mechanic. Oil was found leaking from the engine and its alternator pulley had seized. The dealer, who failed to attend the hearing, also had the powerplant inspected, but refused to repair all of the car's faults.

**The decision:** The trader was ordered to pay the buyer \$1,099, her application fee and the tribunal's hearing costs.

**At:** The Motor Vehicles Disputes Tribunal, Wellington.

repairs in June 2018 and produced texts to that effect.

Her sworn evidence was she never received those texts. The tribunal agreed with the buyer that the dealer's communication in respect of the need for repairs had been poor.

## Orders

The tribunal ordered the dealer to pay the purchaser \$1,099.

It also ruled that if the buyer's mechanic found a leak at the sump or the cam chain needed replacing, Ellingham must – before getting repairs carried out – seek to recover the estimated remedy from Underpriced Cars. If the trader refused, she would have to file another application with the tribunal.

Finally, the tribunal said it could award costs against a party if that "party, after receiving notice of hearing, fails to attend without good cause".

Esler informed the tribunal on the morning of the hearing that he wouldn't be attending. The dealer was ordered to pay tribunal costs of \$650 and \$50 to the buyer for her application fee. ☺



# Case dismissed after parties opting out of consumer legislation ruled invalid

## Background

House And Home Ltd purchased a 2014 Toyota Prius for \$25,000 from Mossca Services on June 9, 2017.

The plug-in hybrid developed a fault with its charging unit about a year later.

The buyer obtained an estimate of \$4,107 to repair the system and asked the dealer to rectify the fault.

Mossca Services refused to remedy the problem saying the buyer had agreed to contract out of the CGA so it wasn't entitled to a remedy.

The trader added that if the legislation did apply, then the fault had occurred too long after purchase for it to have any liability.

## The case

The tribunal investigated whether the sale agreement complied with the CGA's requirements for the two parties to contract out of it.

It found that both were in-trade and had signed the vehicle offer and sale agreement (VOSA) on June 9, 2017.

The document contained an acknowledgement that they had agreed to contract out of the legislation. It stated: "I am acquiring this vehicle for business purposes and agree the CGA does not apply."

However, the tribunal wasn't satisfied it was fair and reasonable that the parties should be bound by the exclusion clause.

House And Home's director, Huy Ly, said the Prius was bought principally for his personal use and occasional use by the property management business.

The agreement was in Mossca Services' standard form and its terms didn't appear to have been subject to negotiation.

Mossca Services was also a registered motor-vehicle dealer, whereas House And Home didn't have the same experience in dealing with, or negotiating, vehicle sale and purchase contracts.

The tribunal said it was relevant to its assessment of fairness and reasonableness that House And Home received no advice – either from a lawyer or Mossca Services – on the effect of the exclusion clause.

However, the dealer knew of the effect of the exemption clause contained in the fine print of the VOSA, which was the trader's standard-form agreement, and the purchaser didn't have this extent of familiarity with its content.

Ly said he didn't understand the true effect of the exclusion clause and seemed to be more concerned with ensuring House And Home would be able to claim GST on the transaction than he was with the effect of excluding the CGA from the sale.

The tribunal then went on to consider if the car's fault breached the CGA's guarantee of acceptable quality.

In early June 2018, Ly noticed that a warning light appeared on the dashboard and had it assessed by I-Tech Automotive, which found a fault with the on-board charging unit. It cleared the relevant fault code and the problem didn't appear to return.

Ly said the Prius continued to charge properly until September when the warning light came on again. He took it to Auckland City Toyota, which confirmed a fault with its charging unit and that it needed to be replaced. Mossca Services also inspected the vehicle and stated it had a problem with its charger.

## The finding

In regards to both parties contracting out of the CGA for the Prius' sale agreement, the tribunal was satisfied there was a real risk House And Home didn't realise it was agreeing to exclude the important protections in the CGA.

Ultimately, it is consumer protection legislation. House And Home was a consumer – it purchased a vehicle ordinarily bought for personal, domestic or household use.

Given the imbalance in the respective bargaining power of both parties, the fact the vehicle had predominantly been used for Ly's personal purposes, and the absence of clear evidence House And Home had knowingly agreed to contract out of the provisions of the CGA, the tribunal was satisfied the parties hadn't validly agreed to contract out of it. It was ruled the protections of the legislation applied in this case.

The tribunal then had to consider if protections under section six of the CGA, which are not indefinite and last only for as long as is reasonable in the circumstances of each case,

**The case:** A year following purchase, the buyer's 2014 plug-in hybrid developed an estimated \$4,107 fault with its charging unit. The dealer refused to fix the unit saying both parties had contracted out of the Consumer Guarantees Act (CGA).

**The decision:** The tribunal ruled the legislation did apply to this case. However, it found the charging unit fault occurred too long after purchase for the CGA's protections to apply, so the buyer's application was dismissed.

**At:** The Motor Vehicle Disputes Tribunal, Auckland.

applied in regards to this matter.

House And Home paid \$25,000 for a four-year-old car that had travelled 46,000km at the time of sale.

The charging unit fault first occurred about one year after purchase, by which time the buyer had driven about 21,000km in the vehicle.

However, the tribunal found the Prius had been as durable as a reasonable consumer would consider acceptable after a year of ownership and 21,000km of travel.

In reaching this conclusion, the tribunal acknowledged the fault would be expensive to remedy. It said the cost of repair was a factor it took account of when determining whether a fault breached the acceptable quality guarantee.

However, it wasn't the sole or decisive factor. The tribunal didn't consider that the cost of repairs outweighed other considerations in determining the vehicle was of acceptable quality when sold.

## Order

House And Home's application was dismissed. ☹

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## LATEST SCHEDULE

	Port Calls	Lake Taupo v1904	Triumph v1905	Carrera v1906	Lake Taupo v1907
JAPAN	Moji	17 Feb	—	15 Mar	—
	Osaka	18 Feb	5 Mar	17 Mar	3 Apr
	Nagoya	19 Feb	6 Mar	18 Mar	4 Apr
	Yokohama	20 Feb	7 Mar	19 Mar	5 Apr
NEW ZEALAND	Auckland	10 Mar	23 Mar	6 Apr	21 Apr
	Wellington	14 Mar	1 Apr	10 Apr	29 Apr
	Lyttelton	13 Mar	30 Mar	9 Apr	27 Apr
	Nelson	16 Mar	1 Apr	14 Apr	29 Apr

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**Total new cars**  
**7,578**  
2017: 7,415 ▲ 2.2%

**Total imported used cars**  
**11,129**  
2017: 12,048 ▼ 7.6%

**Whangarei**  
NEW: 170 2018: 175 ▼ 2.9%  
USED: 263 2018: 276 ▼ 4.7%

**Auckland**  
NEW: 3,212 2018: 3,176 ▲ 1.1%  
USED: 5,219 2018: 5,713 ▼ 8.6%

**Hamilton**  
NEW: 553 2018: 502 ▲ 10.2%  
USED: 772 2018: 826 ▼ 6.5%

**New Plymouth**  
NEW: 161 2018: 144 ▲ 11.8%  
USED: 152 2018: 175 ▼ 13.1%

**Wanganui**  
NEW: 111 2018: 97 ▲ 14.4%  
USED: 112 2018: 99 ▲ 13.1%

**Palmerston North**  
NEW: 241 2018: 224 ▲ 7.6%  
USED: 343 2018: 315 ▲ 8.9%

**Nelson**  
NEW: 87 2018: 103 ▼ 15.5%  
USED: 203 2018: 254 ▼ 20.1%

**Westport**  
NEW: 4 2018: 1 ▲ 300.0%  
USED: 4 2018: 3 ▲ 33.3%

**Greymouth**  
NEW: 9 2018: 10 ▼ 10.0%  
USED: 22 2018: 35 ▼ 37.1%

**Thames**  
NEW: 110 2018: 100 ▲ 10.0%  
USED: 106 2018: 122 ▼ 13.1%

**Tauranga**  
NEW: 328 2018: 338 ▼ 3.0%  
USED: 447 2018: 466 ▼ 4.1%

**Rotorua**  
NEW: 154 2018: 151 ▲ 2.0%  
USED: 135 2018: 180 ▼ 25.0%

**Gisborne**  
NEW: 38 2018: 39 ▼ 2.6%  
USED: 59 2018: 69 ▼ 14.5%

**Napier**  
NEW: 216 2018: 209 ▲ 3.3%  
USED: 242 2018: 219 ▲ 10.5%

**Masterton**  
NEW: 88 2018: 98 ▼ 10.2%  
USED: 69 2018: 64 ▲ 7.8%

**Wellington**  
NEW: 756 2018: 790 ▼ 4.3%  
USED: 844 2018: 896 ▼ 5.8%

**Blenheim**  
NEW: 71 2018: 64 ▲ 10.9%  
USED: 60 2018: 66 ▼ 9.1%

**Christchurch**  
NEW: 794 2018: 703 ▲ 12.9%  
USED: 1,434 2018: 1,571 ▼ 8.7%

**Timaru**  
NEW: 76 2018: 74 ▲ 2.7%  
USED: 97 2018: 116 ▼ 16.4%

**Oamaru**  
NEW: 9 2018: 9 ■ 0.0%  
USED: 20 2018: 19 ▲ 5.3%

**Dunedin**  
NEW: 260 2018: 235 ▲ 10.6%  
USED: 353 2018: 380 ▼ 7.1%

**Invercargill**  
NEW: 130 2018: 173 ▼ 24.9%  
USED: 173 2017: 184 ▼ 6.0%

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### Imported Passenger Vehicle Sales by Make - February 2019

MAKE	FEB '19	FEB '18	+/- %	FEB '19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,406	2,872	-16.2	21.6%	4,856	21.4%
Nissan	2,207	2,220	-0.6	19.8%	4,535	20.0%
Mazda	1,780	1,996	-10.8	16.0%	3,653	16.1%
Honda	1,224	1,232	-0.6	11.0%	2,494	11.0%
Subaru	621	696	-10.8	5.6%	1,274	5.6%
Suzuki	601	682	-11.9	5.4%	1,254	5.5%
Mitsubishi	531	325	63.4	4.8%	1,083	4.8%
BMW	395	467	-15.4	3.5%	812	3.6%
Volkswagen	344	366	-6.0	3.1%	735	3.2%
Audi	210	192	9.4	1.9%	387	1.7%
Mercedes-Benz	171	250	-31.6	1.5%	320	1.4%
Lexus	113	79	43.0	1.0%	217	1.0%
Ford	79	122	-35.2	0.7%	169	0.7%
Volvo	51	52	-1.9	0.5%	115	0.5%
Land Rover	41	54	-24.1	0.4%	91	0.4%
Jaguar	40	49	-18.4	0.4%	81	0.4%
Chevrolet	39	63	-38.1	0.4%	83	0.4%
Mini	38	30	26.7	0.3%	62	0.3%
Dodge	33	28	17.9	0.3%	70	0.3%
Holden	24	39	-38.5	0.2%	55	0.2%
Jeep	23	24	-4.2	0.2%	45	0.2%
Hyundai	20	28	-28.6	0.2%	43	0.2%
Chrysler	17	21	-19.0	0.2%	39	0.2%
Porsche	17	18	-5.6	0.2%	45	0.2%
Kia	10	15	-33.3	0.1%	20	0.1%
Peugeot	9	16	-43.8	0.1%	11	0.0%
Daihatsu	8	8	0.0	0.1%	16	0.1%
Renault	5	9	-44.4	0.0%	11	0.0%
Bentley	4	3	33.3	0.0%	7	0.0%
Cadillac	4	9	-55.6	0.0%	7	0.0%
Plymouth	4	6	-33.3	0.0%	6	0.0%
Rolls-Royce	4	1	300.0	0.0%	5	0.0%
Aston Martin	3	2	50.0	0.0%	5	0.0%
Citroen	3	8	-62.5	0.0%	5	0.0%
Pontiac	3	6	-50.0	0.0%	5	0.0%
Others	47	60	-21.7	0.4%	111	0.5%
<b>Total</b>	<b>11,129</b>	<b>12,048</b>	<b>-7.6</b>	<b>100.0%</b>	<b>22,727</b>	<b>100.0%</b>

### Imported Passenger Vehicle Sales by Model - February 2019

MAKE	MODEL	FEB '19	FEB '18	+/- %	FEB '19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Mazda	Axela	590	572	3.1	5.3%	1,223	5.4%
Honda	Fit	558	461	21.0	5.0%	1,109	4.9%
Suzuki	Swift	530	581	-8.8	4.8%	1,093	4.8%
Nissan	Tiida	528	514	2.7	4.7%	1,081	4.8%
Mazda	Demio	440	499	-11.8	4.0%	886	3.9%
Mitsubishi	Outlander	330	172	91.9	3.0%	658	2.9%
Toyota	Prius	298	214	39.3	2.7%	634	2.8%
Nissan	Leaf	277	146	89.7	2.5%	558	2.5%
Subaru	Legacy	263	328	-19.8	2.4%	530	2.3%
Toyota	Vitz	256	264	-3.0	2.3%	500	2.2%
Mazda	Atenza	223	264	-15.5	2.0%	440	1.9%
Subaru	Impreza	219	154	42.2	2.0%	445	2.0%
Nissan	Dualis	218	160	36.3	2.0%	428	1.9%
Nissan	Note	212	174	21.8	1.9%	424	1.9%
Mazda	Premacy	195	210	-7.1	1.8%	447	2.0%
Toyota	Aqua	184	43	327.9	1.7%	353	1.6%
Toyota	Auris	155	169	-8.3	1.4%	296	1.3%
Nissan	X-trail	150	117	28.2	1.3%	320	1.4%
Toyota	Corolla	139	160	-13.1	1.2%	281	1.2%
Honda	Stream	122	125	-2.4	1.1%	270	1.2%
Toyota	Blade	120	143	-16.1	1.1%	259	1.1%
Nissan	Serena	109	55	98.2	1.0%	210	0.9%
Mazda	Verisa	104	112	-7.1	0.9%	205	0.9%
Toyota	MarkX	102	203	-49.8	0.9%	214	0.9%
Nissan	Bluebird	101	107	-5.6	0.9%	202	0.9%
Honda	Odyssey	93	140	-33.6	0.8%	187	0.8%
Nissan	Skyline	92	121	-24.0	0.8%	198	0.9%
Nissan	March	90	95	-5.3	0.8%	182	0.8%
Toyota	Ractis	90	107	-15.9	0.8%	168	0.7%
Honda	CRV	85	139	-38.8	0.8%	169	0.7%
Mazda	CX-5	84	58	44.8	0.8%	161	0.7%
Honda	Civic	73	65	12.3	0.7%	139	0.6%
Nissan	Fuga	72	68	5.9	0.6%	137	0.6%
Toyota	Vanguard	72	69	4.3	0.6%	140	0.6%
Honda	Accord	71	97	-26.8	0.6%	142	0.6%
Others		3,884	5,142	-24.5	34.9%	8,038	35.4%
<b>Total</b>		<b>11,129</b>	<b>12,048</b>	<b>-7.6</b>	<b>100.0%</b>	<b>22,727</b>	<b>100.0%</b>



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# Rule change to affect imports

A car dealer is predicting the electronic stability rule (ESC) being extended across the board on imports into New Zealand next year will have a huge impact on the industry.

From early next year, the safety system will have to be installed and working in all vehicles – including, for the first time, MA-class cars with engine capacities of less than two litres – for them to be allowed into the country.

Grant Kane, of Optimum Motor Group in Whangarei, says this follows an ESC import restriction “rolled out late last March for vehicles with engines over two litres and before that it was four-wheel drives”.

He told Autofile: “Next year it’s everything, so there will be a lot of cars we won’t be able to import at all. While that’s 2020, everyone will have to look forward regarding what they want to buy and supply for next year this year, I would say.

“Even the larger rental companies that rely on fresh imports for their fleets are being majorly affected because they will have to do a big buy-up at the end of 2019 before the ESC compliance rule comes in March next year.

“I think it’s going to change everyone’s style because it wipes out so many models of cars. We aren’t going to be able to supply cheaper vehicles to Kiwis.

“The worst thing, and everyone forgets about it, is what the government does with changing the ESC rules is that it doesn’t put more money in people’s pockets and actually makes the fleet older.”

To back up this view, Kane

cites – as an example – some of the bigger vans that can no longer be imported now that were purchased by families that couldn’t afford much for \$8,000. If those same people now want vans, they will have to find older models because they will be unable to afford anything newer.

“People then hold onto their vehicles and keep repairing them, so the fleet gets older,” he adds. “If the government leaves it alone, there’s a natural cycle of cars that go off and on the road without them interfering.”

Commenting on the overall industry, Todd Hunter, chief executive officer of Turners Ltd, says several one-off events impacted on the used-vehicle market last year, such as the stink-bugs crisis, which affected the flow of cars into New Zealand.

“While stakeholders have put effort into resolving the issue, the success of these measures will play out over the next few months,” he

says, with the cost of heat-treating, safely storing and transporting cleaned cars impacting on margins, “with these costs eventually flowing through to the consumer” and placing significant pressure on smaller operators.

He adds the compulsory Takata airbag recall continues to affect the industry. “Cars cannot be sold until they have repair certificates and some manufacturers are slow to deal with used-import repairs.”

Hunter also highlights fuel-price increases. “We expect to see smaller vehicles returning to favour, which impacts pricing in both segments – small-car pricing goes up, big goes down. We draw on our variety of sourcing relationships, which has reduced the impact of these events on our business.”

The company sees developing its national network as a priority by expanding its footprint, relocations, and refurbishing existing sites.

“While the number of customers

researching and buying online is growing, the majority still prefer the ‘in person’ experience. Having retail sites in strategic locations is an advantage for our business.”

As for finance and insurance, Hunter estimates about 80 per cent of used-car buyers require such products, which Turners provides through its retail channels, and more than 1,500 dealers and brokers.

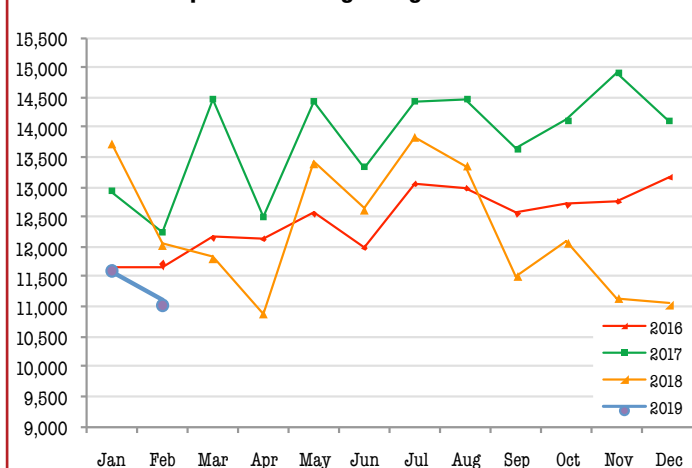
As for last month, the total of 11,129 used imported cars registered in New Zealand dropped by 7.6 per cent compared to February 2018 when 12,048 were sold. Sales so far this year are down by 11.8 per cent compared to 2018 – 22,727 versus 25,767.

Toyota led the way last month with 2,406 sales for a market share for February of 21.6 per cent. It was followed by Nissan with 2,207 registrations and 19.8 per cent. Rounding out the top three was Mazda on 1,780 units and a 16 per cent market share.

The battle for top model was close. The Mazda Axela was back in top spot, but only by 32 units and thanks to a market share of 5.3 per cent. Honda’s Fit was second on 558 units and a market share of five per cent, while Suzuki’s Swift came third with 530 to bump Nissan’s Tiida into fourth.

Six regions secured sales increases of used imported cars last month. They included Whanganui, which had 112 registrations last month compared to 99 in February 2018 for a jump of 13.1 per cent, and there was a 10.5 per cent increase in Napier from 219 to 242 units. ☺

Used Imported Passenger Registrations - 2016-2019



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# Industry working collaboratively

The chief executive of a lead organisation in the automotive industry is impressed with how companies in the supply chain have been working together to tackle biosecurity threats to New Zealand.

David Vinsen, of VIA (the Imported Motor Vehicle Industry Association), says businesses, and government departments and agencies, have been busy ensuring everything can be done to protect the country's borders from the likes of brown marmorated stink bugs.

He told Autofile parties are continuing to take part in fortnightly teleconferences, which include the

three border-inspection companies, shipping companies, transport providers and compliance shops. Officials from the Ministry for Primary Industries and NZTA also take part, along with Customs and the Ministry of Transport when required.

"We've been impressed that everyone 'turns up' and participates," says Vinsen. "There's now a degree of comfort and confidentiality so people can be open, transparent and talk about their problems – whether generic or to do with their own operations. It's a useful forum for exchanging information."

There have been some

added benefits with agendas not dominated by just the likes of stink bugs, but other supply-chain issues as well.

"Around the start of February, Ports of Auckland advised us of possible congestion because the shipping schedule had a number of vessels arriving in one week," explains Vinsen.

"It could have meant congestion on the wharves, but the port informed everyone about this in advance. This enabled compliance shops and transport companies to get organised, so vehicles were cleared off-site quickly."

Meanwhile, the number of

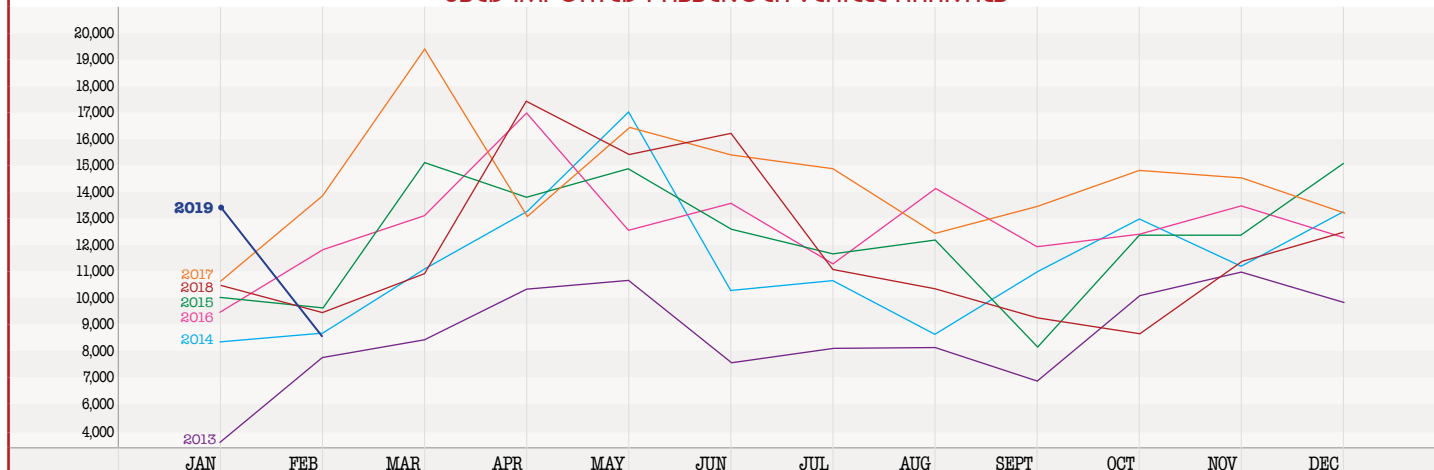
used cars crossing the border last month fell by 35 per cent when stacked up against January 2019.

There were 8,764 used passenger vehicles imported during February – a decrease of 4,715 units compared to 13,479 in January.

Disregarding February 2018's low total of 7,686, which was mainly caused by the stink-bug crisis, last month's figures amounted to the lowest February on record since 2013.

Last month's result brought the year-to-date total to 22,243, an increase of 4,078 units – or 22.5 per cent – compared to the same period in 2018. ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2019				2018							2017	
	JAN '19	FEB '19	FEB MARKET SHARE %	2019 TOTAL	Q1	Q2	Q3	Q4	2018 TOTAL	SHARE		2017 TOTAL	MRKT SHARE
Australia	279	619	2.1%	898	1,170	1,054	950	1,009	4,183	2.9%		5,540	3.2%
Great Britain	103	61	0.8%	164	280	229	235	282	1,026	0.7%		2,173	1.3%
Japan	12,856	7,841	95.4%	20,697	26,715	48,862	28,646	30,287	134,510	94.2%		160,822	93.8%
Singapore	142	175	1.1%	317	338	351	386	456	1,531	1.1%		1,202	0.7%
USA	61	47	0.5%	108	281	287	265	275	1,108	0.8%		1,419	0.8%
Other countries	38	21	0.3%	59	153	80	73	109	415	0.3%		387	0.2%
<b>Total</b>	<b>13,479</b>	<b>8,764</b>	<b>100.0%</b>	<b>22,243</b>	<b>28,937</b>	<b>50,863</b>	<b>30,555</b>	<b>32,418</b>	<b>142,773</b>	<b>100.0%</b>		<b>171,543</b>	<b>100.0%</b>



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# Used-car market tightens

The head of used cars sales at Toyota NZ believes the market is starting to contract after a sterling performance in 2018.

Steve Prangnell says, in terms of the marque's network, used volumes rose by seven per cent last year, "which is good news for us and means you're spreading your fixed expenses across a larger number of units, so it improves profitability".

He told Autofile. "We aren't reliant on used imports. We did 10,400 wholesales to our dealers last year and only 1,500 were used imports, so basically 9,000

were New Zealand-new. We don't have any delays because we have control of our returning rental and lease cars.

"Our total volume last year was 17,465 for our network and for 2017 it was 16,278. For our dealer networks, 2018 was a record year for profit and as a network. Our dealers made \$7.7 million."

As for the marque's trade-in ratio, on average it sits between 30 and 35 per cent, "so 30-35 per cent of our new-car deals have a trade involved".

Prangnell is unsure if the tightening of the market will see dealers receiving more trades this year.

"Because we're brand-specific, Toyota has got the biggest units in operation in this country," he says. "There are 900,000 Toyotas on the road between one and 15 years of age, more than double the next nearest marque."

"They are very saleable because of the brand, so you would expect our trade-in ratio to be higher. All our dealers will take any trade they can get because they're always looking for the right-priced car."

"We've started 2019 okay. We operate in the top end of the market because we have a lot of low-mileage, NZ-new cars only one to two years old. Due

to the strength of our brand and Signature Class, we're going okay, but I do feel the market is tightening up a bit."

As for last month's statistics, there were 17,395 second-hand cars sold by dealers to the public last month – a 6.2 per cent increase compared to 16,380 units in February 2018. Christchurch notched up a rise of 44.6 per cent with 3,004 sales last month.

There were 11,979 public-to-trader transactions in February, a decrease of 2.3 per cent from 12,265 in the same month of last year. Dunedin had a 32.3 per cent jump in trade-ins from 359 to 475.

## SECONDHAND CAR SALES - February 2019

	DEALER TO PUBLIC					PUBLIC TO PUBLIC					PUBLIC TO DEALER			
	FEB '19	FEB '18	+/- %	MARKET SHARE		FEB '19	FEB '18	+/- %			FEB '19	FEB '18	+/- %	
Whangarei	534	573	-6.8	3.07		1,888	1,927	-2.0			195	282	-30.9	
Auckland	5,424	5,546	-2.2	31.18		13,432	13,906	-3.4			4,591	4,626	-0.8	
Hamilton	1,322	1,250	5.8	7.60		3,223	3,163	1.9			953	957	-0.4	
Thames	289	279	3.6	1.66		652	699	-6.7			180	157	14.6	
Tauranga	811	765	6.0	4.66		2,040	1,950	4.6			553	530	4.3	
Rotorua	343	370	-7.3	1.97		986	971	1.5			148	117	26.5	
Gisborne	180	139	29.5	1.03		381	431	-11.6			63	79	-20.3	
Napier	636	552	15.2	3.66		1,469	1,480	-0.7			409	370	10.5	
New Plymouth	402	329	22.2	2.31		913	966	-5.5			178	153	16.3	
Wanganui	246	270	-8.9	1.41		604	602	0.3			161	153	5.2	
Palmerston North	731	715	2.2	4.20		1,542	1,665	-7.4			573	947	-39.5	
Masterton	199	221	-10.0	1.14		536	487	10.1			96	112	-14.3	
Wellington	1,459	1,478	-1.3	8.39		3,029	3,055	-0.9			949	1,101	-13.8	
Nelson	262	320	-18.1	1.51		980	1,054	-7.0			150	229	-34.5	
Blenheim	149	146	2.1	0.86		462	445	3.8			93	79	17.7	
Greymouth	51	71	-28.2	0.29		165	171	-3.5			20	18	11.1	
Westport	7	5	40.0	0.04		35	25	40.0			0	0	0.0	
Christchurch	3,004	2,077	44.6	17.27		5,294	5,316	-0.4			1,802	1,609	12.0	
Timaru	173	178	-2.8	0.99		508	536	-5.2			118	114	3.5	
Oamaru	26	36	-27.8	0.15		134	104	28.8			2	4	-50.0	
Dunedin	745	660	12.9	4.28		2,030	2,046	-0.8			475	359	32.3	
Invercargill	402	400	0.5	2.31		1,170	1,093	7.0			270	269	0.4	
NZ Total	17,395	16,380	6.2	100.00		41,473	42,092	-1.5			11,979	12,265	-2.3	

## Vehicle Information Reports now include Takata airbag recall alerts\*.

\*Not all manufacturer data is available yet

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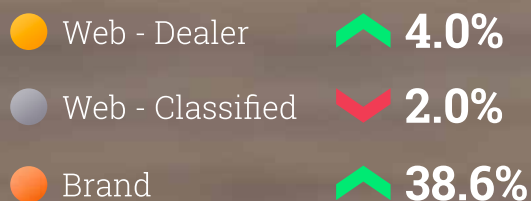
### New Passenger Vehicle Sales by Make - February 2019

MAKE	FEB'19	FEB'18	+/- %	FEB'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	800	1,013	-21.0	10.6%	2,518	14.4%
Mazda	758	773	-1.9	10.0%	1,810	10.3%
Kia	580	512	13.3	7.7%	1,290	7.4%
Suzuki	580	577	0.5	7.7%	1,172	6.7%
Mitsubishi	547	489	11.9	7.2%	1,350	7.7%
Holden	545	602	-9.5	7.2%	1,234	7.0%
Hyundai	528	489	8.0	7.0%	1,079	6.2%
Honda	512	412	24.3	6.8%	962	5.5%
Ford	416	395	5.3	5.5%	1,022	5.8%
Nissan	355	269	32.0	4.7%	725	4.1%
Volkswagen	309	342	-9.6	4.1%	683	3.9%
Subaru	299	157	90.4	3.9%	681	3.9%
BMW	163	144	13.2	2.2%	293	1.7%
Mercedes-Benz	152	166	-8.4	2.0%	399	2.3%
Land Rover	128	76	68.4	1.7%	307	1.8%
Audi	120	169	-29.0	1.6%	231	1.3%
Skoda	108	104	3.8	1.4%	221	1.3%
Lexus	76	69	10.1	1.0%	152	0.9%
Peugeot	72	86	-16.3	1.0%	179	1.0%
Haval	64	30	113.3	0.8%	113	0.6%
Volvo	64	47	36.2	0.8%	132	0.8%
Jeep	55	142	-61.3	0.7%	165	0.9%
SsangYong	55	64	-14.1	0.7%	127	0.7%
Porsche	49	35	40.0	0.6%	109	0.6%
Mini	41	70	-41.4	0.5%	106	0.6%
Jaguar	39	24	62.5	0.5%	82	0.5%
Renault	26	13	100.0	0.3%	60	0.3%
Citroen	22	18	22.2	0.3%	56	0.3%
Isuzu	14	22	-36.4	0.2%	36	0.2%
Tesla	13	12	8.3	0.2%	26	0.1%
Can-Am	11	1	1000.0	0.1%	16	0.1%
Mahindra	11	7	57.1	0.1%	13	0.1%
Seat	11	13	-15.4	0.1%	24	0.1%
Alfa Romeo	9	5	80.0	0.1%	26	0.1%
Infiniti	8	0	800.0	0.1%	20	0.1%
Others	38	68	-44.1	0.5%	101	0.6%
<b>Total</b>	<b>7,578</b>	<b>7,415</b>	<b>2.2</b>	<b>100.0%</b>	<b>17,520</b>	<b>100.0%</b>

### New Passenger Vehicle Sales by Model - February 2019

MAKE	MODEL	FEB'19	FEB'18	+/- %	FEB'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Mazda	CX-5	292	276	5.8	3.9%	656	3.7%
Kia	Sportage	273	223	22.4	3.6%	612	3.5%
Suzuki	Swift	245	307	-20.2	3.2%	596	3.4%
Toyota	Corolla	235	258	-8.9	3.1%	904	5.2%
Mitsubishi	Outlander	229	170	34.7	3.0%	533	3.0%
Mitsubishi	ASX	188	121	55.4	2.5%	535	3.1%
Hyundai	Tucson	180	139	29.5	2.4%	268	1.5%
Hyundai	Kona	160	141	13.5	2.1%	347	2.0%
Honda	CRV	156	169	-7.7	2.1%	258	1.5%
Nissan	Qashqai	156	140	11.4	2.1%	323	1.8%
Honda	HR-V	149	68	119.1	2.0%	276	1.6%
Honda	Jazz	144	112	28.6	1.9%	309	1.8%
Nissan	X-Trail	141	85	65.9	1.9%	287	1.6%
Holden	Commodore	123	214	-42.5	1.6%	327	1.9%
Ford	Escape	123	128	-3.9	1.6%	199	1.1%
Hyundai	Santa Fe	123	105	17.1	1.6%	247	1.4%
Ford	Focus	116	101	14.9	1.5%	314	1.8%
Mazda	Mazda2	114	110	3.6	1.5%	212	1.2%
Suzuki	Jimny	113	18	527.8	1.5%	166	0.9%
Volkswagen	Tiguan	113	132	-14.4	1.5%	304	1.7%
Mazda	Mazda3	112	131	-14.5	1.5%	372	2.1%
Toyota	Yaris	111	137	-19.0	1.5%	236	1.3%
Subaru	XV	105	20	425.0	1.4%	246	1.4%
Toyota	Highlander	104	128	-18.8	1.4%	341	1.9%
Holden	Astra	103	94	9.6	1.4%	230	1.3%
Holden	Equinox	99	35	182.9	1.3%	163	0.9%
Suzuki	Vitara	97	94	3.2	1.3%	132	0.8%
Mazda	CX-9	88	77	14.3	1.2%	169	1.0%
Subaru	Forester	86	16	437.5	1.1%	180	1.0%
Volkswagen	Golf	83	119	-30.3	1.1%	127	0.7%
Toyota	C-HR	79	78	1.3	1.0%	172	1.0%
Mazda	CX-3	79	137	-42.3	1.0%	182	1.0%
Subaru	Outback	78	79	-1.3	1.0%	176	1.0%
Mitsubishi	Eclipse Cross	76	90	-15.6	1.0%	139	0.8%
Kia	Rio	72	63	14.3	1.0%	195	1.1%
Others		2,833	3,100	-8.6	37.4%	6,787	38.7%
<b>Total</b>		<b>7,578</b>	<b>7,415</b>	<b>2.2</b>	<b>100.0%</b>	<b>17,520</b>	<b>100.0%</b>

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

**LEADS**

**TEST  
DRIVES**


# Topsy-turvy at top of the ladder

There was an unfamiliar look to the top three models when it came to new car registrations last month.

Mazda's CX-5 topped the ladder with 292 sales as Kia's Sportage came second on 273. Third spot was claimed by the Suzuki Swift with 245 units, while Toyota's Corolla was in unfamiliar territory, fourth, with 235 registrations.

Overall, sales of passenger vehicles in February were up by 2.2 per cent, or 163 units, on last February's volumes with market segmentation continuing in line with recent trends.

The top segment was medium SUVs with a market share of 17 per cent, reports the Motor Industry Association. Next up were pick-up/chassis cab four-by-fours on 16 per cent and compact SUVs with a 15 per cent share of the market.

Torben Freer, general manager of Giltrap Skoda in Auckland, says: "For Skoda and for us, even if the market is flat this year, we're still looking at another 20 per cent year-on-year growth.

"We are coming from a smaller base than most mainstream brands, but we're starting to make inroads into their customer bases so we're confident of having another successful year. We will keep moving into the mainstream market.

Freer believes Kiwis' love affair with SUVs and utes will continue.

"Part of that's also due to the growth of SUVs in Europe, so part of the growth will be forced by manufacturers and supply," he says.

"Manufacturers are continuing to produce more and more SUVs. It

doesn't matter if you are looking at the entry-level segments, the tiny ones or right up to the big SUVs, in every segment, every manufacturer is vying to have a good car that's an SUV."

Gary Allan, dealer principal of Eastwood Motor Group in Masterton, says 2018 was another good year for the dealership, which sells Kia, Suzuki, Isuzu and Hyundai. "We're fortunate all our brands experienced growth."

He notes rural sales have been strong for Suzuki's Jimny. "I was able to see the new model in Japan – it's great and we already have taken a lot of pre-orders for it.

"Best-sellers for us have been Isuzu's D-Max – that has gone really well. The Hyundai Kona has come out of nowhere and has been extremely popular as well. The Suzuki Swift would be a close third. The new Santa Fe is great, we are lucky to have that in the stable."

Allan says the dealership's stock levels are good and they can usually meet customer demand

straight away – especially when people are flexible with colour choices, or there may only be a month's wait for popular models.

The "comprehensive" standard specification and pricing of the Lexus range is contributing to its success in the premium sector of the market.

Paul Carroll, senior general manager of Lexus of NZ, says: "Our proposition as leading supplier of self-charging hybrid electric vehicles sets us apart from our rivals.

"Last year, our dealers sold more than 800 new vehicles for a 14 per cent increase on 2017 in a year when many other luxury marques experienced a decline in volume.

"This record sales figure was a great result. It's testament to the design and performance of the Lexus range, and the commitment to the brand by our dealers."

Carroll says 43 per cent of the marque's sales are from self-charging hybrids. "There is avid demand for the smooth power

delivered, and fuel economy and environmental benefits of our hybrid range."

He notes the market's appetite for SUVs is "even more rampant" in the luxury sector than the mass market.

"The mid-sized RX, which has become available as a seven-seater this year, was a strong seller in its segment last year outselling models such as the Audi Q7 and Mercedes GLE," says Carroll.

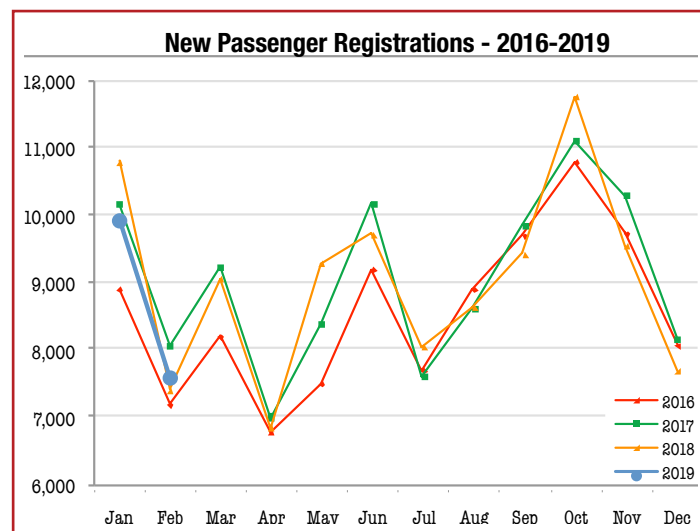
"The RX was our top-seller with 36 per cent of sales, while the smaller NX and larger LX make up another 34 per cent", and he expects the new compact crossover UX to be a "key contributor" to Lexus' sales in 2019.

Also in the electric space, the all-new RAV4 – to be launched locally this year – will be Toyota's first SUV offered on these shores with self-charging electric hybrid technology.

"With SUVs becoming more popular, it's the perfect time to have such a vehicle in our line-up," says Neeraj Lala, general manager of product and new-vehicle sales. "The new powertrains will provide customers with more performance and improved efficiency with a hybrid powerplant for the first time."

Commenting on the market in general, Dean Sheed, general manager of Audi NZ, believes sentiment is slowing slightly.

"That said, we're doing well," he told Autofile. "Business confidence is low, but our economy is doing well. Things aren't bad in this country compared to many others. However, people have pulled back retail expectations a bit."



February 2019 ( ▲ vs January 2019)

**SALES**

● Web - Dealer

▼ 11.2%

● Web - Classified

▼ 9.3%

● Brand

▼ 0.4%

**autoPLAY**

Smart Digital Tools

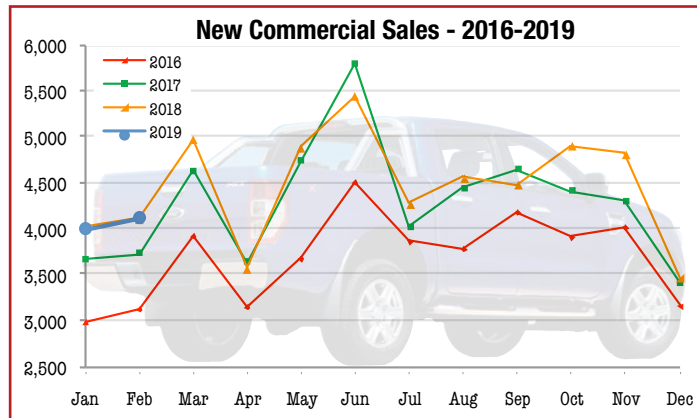
# Diamond marque's sparkling start

**R**egistrations of commercial vehicles last month were within three units of February 2018's total – they came in at 4,119 for an increase of 0.1 per cent to bring the year-to-date total to 8,115.

Ford's Ranger was the best-selling model on 699 units. It was followed by Toyota's Hilux just 13 units behind on 686, with Mitsubishi's Triton third on 505.

The blue oval also topped the marques ladder with 818 units. Toyota was second on 817 and Mitsubishi claimed third with 506.

Mitsubishi is enjoying a good start to 2019 with 951 registrations so far thanks, in part, to 445 Tritons sold in the first month of the year.



Its past two monthly results have come hot on the heels of the Triton Experience where about 300 customers and dealers tested the new model on Wellington's south coast.

"The positive reaction at our

launch was pre-empted by a surge in sales," says Reece Congdon, head of marketing and corporate affairs. "It's great to see one of our favourites break new ground. Performance and safety upgrades at a sharp price make

the Triton a compelling package in its segment. The new model's arrival has no doubt boosted sales."

With a 11.7 per cent market share so far in 2019, this year's booming start has driven Mitsubishi into third on the ladder for commercial vehicles, and the Triton's results bode well for the marque's 25 per cent sales growth target.

"Our next goal is to secure third place for the financial year," says Congdon. "We're heading in the right direction."

The Triton Experience allowed people to put the vehicle through its paces and test its new off-road mode. "Nothing equates to getting behind a vehicle's wheel to see what it can do." ☺

## New Commercial Sales by Make - February 2019

MAKE	FEB'19	FEB'18	+/- %	FEB'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	818	788	3.8	19.9%	1,706	21.0%
Toyota	817	946	-13.6	19.8%	1,411	17.4%
Mitsubishi	506	368	37.5	12.3%	951	11.7%
Nissan	335	384	-12.8	8.1%	673	8.3%
Holden	302	366	-17.5	7.3%	655	8.1%
Isuzu	246	304	-19.1	6.0%	529	6.5%
Mazda	196	169	16.0	4.8%	359	4.4%
LDV	140	102	37.3	3.4%	260	3.2%
Volkswagen	119	110	8.2	2.9%	218	2.7%
Hyundai	76	64	18.8	1.8%	152	1.9%
Mercedes-Benz	76	48	58.3	1.8%	160	2.0%
Fuso	73	49	49.0	1.8%	146	1.8%
Hino	51	68	-25.0	1.2%	104	1.3%
Fiat	44	59	-25.4	1.1%	95	1.2%
SsangYong	43	63	-31.7	1.0%	76	0.9%
Great Wall	33	8	312.5	0.8%	66	0.8%
Kenworth	28	20	40.0	0.7%	50	0.6%
Iveco	25	19	31.6	0.6%	40	0.5%
Foton	23	47	-51.1	0.6%	55	0.7%
Alexander Dennis	21	0	2100.0	0.5%	45	0.6%
Others	147	134	9.7	3.6%	364	4.5%
<b>Total</b>	<b>4,119</b>	<b>4,116</b>	<b>0.1</b>	<b>100.0%</b>	<b>8,115</b>	<b>100.0%</b>

## New Commercial Sales by Model - February 2019

MAKE	MODEL	FEB'19	FEB'18	+/- %	FEB'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	Ranger	699	735	-4.9	17.0%	1,536	18.9%
Toyota	Hilux	686	703	-2.4	16.7%	1,120	13.8%
Mitsubishi	Triton	505	368	37.2	12.3%	950	11.7%
Nissan	Navara	335	384	-12.8	8.1%	673	8.3%
Holden	Colorado	299	362	-17.4	7.3%	634	7.8%
Mazda	BT-50	196	169	16.0	4.8%	359	4.4%
Isuzu	D-Max	153	195	-21.5	3.7%	332	4.1%
Ford	Transit	119	53	124.5	2.9%	170	2.1%
Toyota	Hiace	108	208	-48.1	2.6%	236	2.9%
Hyundai	iLoad	72	61	18.0	1.7%	146	1.8%
Volkswagen	Amarok	51	63	-19.0	1.2%	113	1.4%
LDV	G10	47	36	30.6	1.1%	66	0.8%
LDV	V80	47	36	30.6	1.1%	100	1.2%
Isuzu	F Series	46	40	15.0	1.1%	108	1.3%
LDV	T60	44	30	46.7	1.1%	90	1.1%
Fiat	Ducato	43	59	-27.1	1.0%	94	1.2%
Volkswagen	Crafter	42	5	740.0	1.0%	51	0.6%
SsangYong	Rhino	41	0	4100.0	1.0%	68	0.8%
Mercedes-Benz	Sprinter	33	36	-8.3	0.8%	58	0.7%
Great Wall	Steed	33	8	312.5	0.8%	66	0.8%
Others		520	565	-8.0	12.6%	1,145	14.1%
<b>Total</b>		<b>4,119</b>	<b>4,116</b>	<b>0.1</b>	<b>100.0%</b>	<b>8,115</b>	<b>100.0%</b>

## Setting the Benchmark

6 Ports in Japan. 7 Ports in New Zealand

SPEED, SERVICE, VALUE & INDEPENDENCE

# Boom in demand for utes

There were 1,000 used commercial vehicles sold in New Zealand during February.

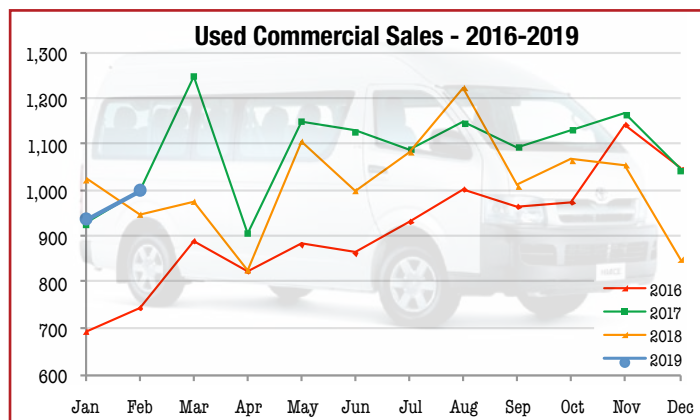
This represented an increase of 5.5 per cent against the same month of last year and brought the year-to-date total to 1,937 units.

Toyota was the top marque with 437 registrations and its Hiace was the best-selling model with 339 units.

Second spot on the brands ladder for commercial vehicles went to Nissan with 213 sales with Mazda coming third on 61 units.

Nissan's Caravan was second on the models ladder thanks to 77 registrations and it was followed by Mazda's Bongo with 46.

Andrew Collett, dealer principal



at Davie Motors Holden in Manukau, says: "The Colorado is going great for us. We do get some as trade-ins on new utes and we would definitely like more. Demand is so high in the used-utility segment

that we quickly sell any we get.

"We were happy with 2018 and are looking forward to the automotive industry staying in the same shape as it was last year.

"There was a lot of talk about

lower business confidence at the end of quarter three and into quarter four, along with high fuel prices. Thankfully, that all came and went pretty quickly because it did have an impact for a couple of months.

"We also have the best selection of used Isuzu utes in New Zealand. The D-Max went well for us last year."

Steve Prangnell, of Toyota NZ, says: "It's still hard for dealers to source used Hiluxes. There are five utes in the top 10-selling new cars, but we aren't getting inundated with second-hand Hiluxes.

"People tend to hold onto them. If they have a business, they will move down to another driver. And if utes are owned by families or farmers, they tend to get handed on." ☺

## Used Commercial Sales by Make - February 2019

MAKE	FEB'19	FEB'18	+/- %	FEB'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	437	407	7.4	43.7%	836	43.2%
Nissan	213	203	4.9	21.3%	419	21.6%
Mazda	61	41	48.8	6.1%	101	5.2%
Ford	48	48	0.0	4.8%	106	5.5%
Hino	45	49	-8.2	4.5%	80	4.1%
Isuzu	42	47	-10.6	4.2%	81	4.2%
Mitsubishi	29	41	-29.3	2.9%	64	3.3%
Fiat	24	15	60.0	2.4%	54	2.8%
Chevrolet	22	19	15.8	2.2%	41	2.1%
Holden	13	16	-18.8	1.3%	32	1.7%
Dodge	9	3	200.0	0.9%	10	0.5%
Volkswagen	9	8	12.5	0.9%	15	0.8%
Suzuki	8	4	100.0	0.8%	16	0.8%
DAF	5	2	150.0	0.5%	8	0.4%
GMC	5	7	-28.6	0.5%	5	0.3%
Great Wall	4	1	300.0	0.4%	6	0.3%
Daihatsu	3	2	50.0	0.3%	9	0.5%
UD Trucks	3	0	300.0	0.3%	4	0.2%
Volvo	3	3	0.0	0.3%	6	0.3%
Citroen	2	2	0.0	0.2%	6	0.3%
Others	15	30	-50.0	1.5%	38	2.0%
<b>Total</b>	<b>1,000</b>	<b>948</b>	<b>5.5</b>	<b>100.0%</b>	<b>1,937</b>	<b>100.0%</b>

## Used Commercial Sales by Model - February 2019

MAKE	MODEL	FEB'19	FEB'18	+/- %	FEB'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	Hiace	339	300	13.0	33.9%	635	32.8%
Nissan	Caravan	77	74	4.1	7.7%	143	7.4%
Mazda	Bongo	46	38	21.1	4.6%	75	3.9%
Nissan	NV200	40	41	-2.4	4.0%	76	3.9%
Toyota	Dyna	36	35	2.9	3.6%	74	3.8%
Nissan	NV350	33	29	13.8	3.3%	65	3.4%
Hino	Dutro	30	23	30.4	3.0%	54	2.8%
Toyota	Regius	29	28	3.6	2.9%	55	2.8%
Isuzu	Elf	26	24	8.3	2.6%	56	2.9%
Fiat	Ducato	24	15	60.0	2.4%	54	2.8%
Nissan	Vanette	23	20	15.0	2.3%	52	2.7%
Mitsubishi	Canter	22	20	10.0	2.2%	42	2.2%
Nissan	Atlas	18	18	0.0	1.8%	45	2.3%
Toyota	Toyoace	13	22	-40.9	1.3%	35	1.8%
Toyota	Hilux	12	12	0.0	1.2%	24	1.2%
Nissan	Navara	11	10	10.0	1.1%	19	1.0%
Ford	Transit	11	13	-15.4	1.1%	41	2.1%
Ford	F150	10	9	11.1	1.0%	17	0.9%
Mazda	Titan	10	3	233.3	1.0%	14	0.7%
Ford	Ranger	9	20	-55.0	0.9%	20	1.0%
Others		181	194	-6.7	18.1%	341	17.6%
<b>Total</b>		<b>1,000</b>	<b>948</b>	<b>5.5</b>	<b>100.0%</b>	<b>1,937</b>	<b>100.0%</b>

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# 'Same pace' expected this year

Some 7,875 new cars crossed New Zealand's border in February – up by 8.2 per cent on the same month of 2018 and 5.5 per cent on 7,462 in January.

Last month saw 7,578 units sold. This was down by 23.8 per cent on January's 9,942, but up 2.2 per cent on February 2018 when 7,415 units were sold. Year-to-date sales are down by 3.8 per cent on the same period last year – 17,520 compared to 18,213.

When taking into account new cars imported last month minus sales, there was an increase in stock of 297 units, which equates to 79,886 yet to be registered. If registrations remain at 295 per day, as averaged over the past 12 months, there are 271 days' stock on-hand in New Zealand – or just under nine months' supply.

Andrew Collett, dealer principal

at Davie Motors Holden in Manukau, expects the new-vehicle industry to continue at the same pace this year as in 2018.

"Holden's new line-up is as fresh as it has ever been, so there will not be much change to it this year," he told Autofile. "What will be interesting to see is if there's further change in the sectors, such as SUV and light-commercial growth at the expense of passenger cars. That trend has been going on for some time now.

"We're seeing a different customer in the Commodore now and that was always going to happen. It's a different type of car and we are seeing different types of buyers."

Neeraj Lala, general manager of product and new-vehicle sales at Toyota NZ, says: "Our retail channel has started roughly on par with

where we were at last year, but the signs are the market is softening so we're thinking 2019 might be one of those years that may not hit record levels.

"That said, it will maintain a reasonable pace to still sell a good volume of cars. It's not the time to panic and make crazy predictions for the rest of the year. We haven't seen big increases nor big drops over the past decade, there has been steady movement.

"There's uncertainty, but it's by no means recession times. The signs were there from the fourth quarter of last year, which started to indicate a bit of a slowdown. We finished last year strongly. We were down on our January-to-January comparisons, but had a huge January in 2018 with rental deliveries.

"I would say there are no clouds on the horizon that indicate major

concerns at this stage for 2019.

We've got great product coming, including the new RAV 4 with a hybrid option, and later in the year we will expand our Corolla range. New Zealand will continue its love affair with light commercials and SUVs – that trend will get stronger."

Torben Freer, general manager of Giltrap Skoda in Auckland, says: "In some areas, it's difficult to get the stock to meet demand, such as petrol SUVs, and we've seen a big shift away from diesel SUVs.

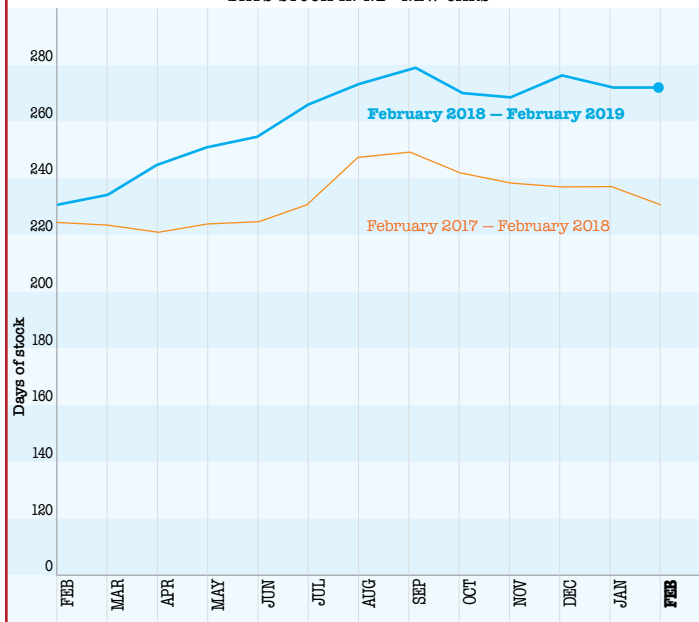
"We have Kodiaq and Karoq petrol wait times of up to three months for specific models, which is a good problem to have.

"However, I think moving forward as these cars get more into their life cycles it should get better. Stock levels have been okay, but it just depends on the models and engines." ☺

## Dealer stock of new cars in New Zealand

	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Feb '18	7,281	7,415	-134	69,486	298	233
Mar '18	9,954	9,050	904	70,390	297	237
Apr '18	10,268	6,848	3,420	73,810	297	249
May '18	12,102	9,275	2,827	76,637	299	256
Jun '18	10,138	9,725	413	77,050	298	259
Jul '18	11,503	8,040	3,463	80,513	299	269
Aug '18	11,175	8,639	2,536	83,049	299	278
Sep '18	10,382	9,431	951	84,000	298	282
Oct '18	9,921	11,765	-1,844	82,156	300	274
Nov '18	7,820	9,543	-1,723	80,433	298	270
Dec '18	9,317	7,681	1,636	82,069	296	277
Jan '19	7,462	9,942	-2,480	79,589	294	271
Feb '19	7,875	7,578	297	79,886	295	271
Year to date	15,337	17,520	(2,183)			
Change on last month	5.5%	-23.8%		0.4%		
Change on Feb 2018	8.2%	2.2%		15.0%		
	MORE IMPORTED	MORE SOLD		MORE STOCK		

## DAYS STOCK IN NZ - NEW CARS



# Overseas market affects availability

**A** used-car importer believes trading conditions in Japan are affecting what's being sold there with downstream effects being felt in the New Zealand.

Grant Kane, of Optimum Motor Group in Whangarei, says there used to be an abundance of cars in the past and sufficient numbers of vehicles to go around for everyone.

"Now, with your tsunamis, typhoons, earthquakes and the Japanese economy being a bit flat, they aren't selling enough cars to feed off," says Kane, who lived in Japan for 13 years.

"The Japanese are also buying different models. They aren't really buying big vans and stuff we tend to import. They are going towards kei-class cars and rentals are really taking off there as well, so it's definitely a changing market.

"The other thing everyone

forgets is Japanese imports can look a little bit sad compared to second-time around New Zealand-new stuff because there's such a buy-in of new cars at the moment.

"There are a lot more New Zealand-new cars on the market. Back in the day when imports were dominant, new-car sales were horrific. They were so expensive and no one was buying them, so used Japanese imports filled that void.

"That's why we stay away from the reasonably late models. You try to price a vehicle and people can go and buy it from a new car manufacturer with a warranty and finance. It's hard to compete with that and our compliance rules are so strict it's not funny.

Retired car dealer Steve Ward, who now lives near Tauranga, says nowadays "there's little or no money in selling a car".

He told Autofile: "Basically, traders are selling finance – you have to package the whole thing up to make money. You will soon be able to buy new Chinese-made vehicles that are so cheap there will be little point in importing used Japanese cars.

"Because the new-car guys have been doing so well, there are lots of New Zealand-new used cars on the market and profit margins out of Japan are small. It's now a bit like the old days – buying stock franchised dealers don't want.

"The change to the free market was a great thing for New Zealand consumers when it happened, but the industry is now different with all the imports.

"I think it's a waste of time bringing a car from one side of the world to the other to make \$500 to \$1,000 out of it. That's about where

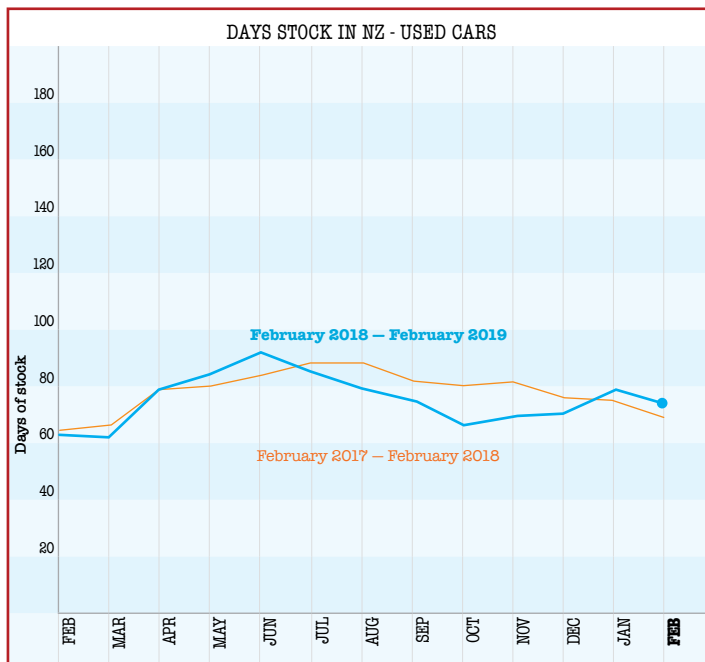
the industry's at right now."

There were 8,764 used passenger vehicles imported into New Zealand last month, up by 14 per cent on February 2018 but down 35 per cent on January's 13,479.

Some 11,129 used cars were registered for the first time for a drop of 7.6 per cent, or 919 units, on February 2018 and a decrease of four per cent, or 469 units on January.

When taking into account used car imports last month minus sales, there was a decrease in stock of 2,365 units. That left 29,254 unregistered used cars on dealers' yards – up 8.3 per cent on February 2018's 27,000 units.

If sales remain at 396 per day, as averaged over the past 12 months, there are 74 days' stock on-hand in New Zealand – or just over two months' supply. ☺



## Dealer stock of used cars in New Zealand

	CAR SALES				DAILY SALES	DAYS
	IMPORTED	REGISTERED	VARIANCE	STOCK	- 12-MONTH AVERAGE	STOCK AT HAND
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
Jan '19	13,479	11,598	1,881	31,619	399	79
<b>Feb '19</b>	<b>8,764</b>	<b>11,129</b>	<b>-2,365</b>	<b>29,254</b>	<b>396</b>	<b>74</b>
<b>Year to date</b>	<b>22,243</b>	<b>22,727</b>	<b>(484)</b>			
<b>Change on last month</b>	<b>-35.0%</b>	<b>-4.0%</b>		<b>-7.5%</b>		
<b>Change on Feb 2018</b>	<b>14.0%</b>	<b>-7.6%</b>		<b>8.3%</b>		
	<small>MORE IMPORTED</small>	<small>LESS SOLD</small>		<small>MORE STOCK</small>		

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