



**Imported Motor Vehicle Industry Association Incorporated**

# **Annual Report**

**1 April 2015 ~ 31 March 2016**

# Imported Motor Vehicle Industry Association Incorporated

## Annual Report for the period April 2015 to March 2016

### Annual General Meetings

|                      |               |                                |
|----------------------|---------------|--------------------------------|
| <b>South Island:</b> | Christchurch, | Tuesday 24 <sup>th</sup> May   |
| <b>North Island:</b> | Auckland,     | Wednesday 25 <sup>th</sup> May |
| <b>National:</b>     | Auckland      | Wednesday 25 <sup>th</sup> May |

### Officers

|                        |                 |
|------------------------|-----------------|
| <b>Patron</b>          | John Nicholls   |
| <b>Chief Executive</b> | David Vinsen    |
| <b>Secretary</b>       | Alistair Sheard |

### National Executive

|                                |                      |
|--------------------------------|----------------------|
| Chair, North Island            | Graeme Macdonald     |
| Chair, South Island            | Lloyd Wilson         |
|                                | Frank Willett        |
|                                | Nick Owens           |
| Solicitors                     | Lee Salmon Long      |
| Accountants                    | Henning & Associates |
| Independent Review Accountants | Grant Thornton       |
| Bankers                        | Westpac              |
|                                | ANZ Bank             |

### Mission Statement

*"IMVIA is committed to supporting & promoting the vehicle import industry"*

*IMVIA represents those who are directly or indirectly involved in the importation, refurbishment and marketing of vehicles.*

On behalf of the National Executive of the Imported Motor Vehicle Industry Association, I present this Annual Report covering the activities of the association for the 12 months from April 2015 to March 2016.

## **1. Overview**

The imported motor vehicle industry and this association have again had a very good year, with the following key results:

- Continued high volumes of used vehicles being imported, with no obvious reductions in sight.
- The implementation of the first phase of the ESC rule, affecting Class MC (4WD-vehicles).
- Excellent financial results for the association, as the result of continued support from sponsors and corporates, and particularly from continued strong revenue streams from technical services
- Continued consultation to the Australian association, AIMVIA, under a formal management agreement.
- Continued development of the role and function of Policy Analyst.
- Active participation in consultations on Intelligent Transport Systems, Electric Vehicles.
- Consulting on ACC's vehicle levy setting.
- Visit to Japan, to meet with sponsors, members and industry organisations.

There are still no substantive policy or legislative changes planned that will affect our industry in the near future.

The main focus for the association's activities this year has been:

- Continued representation of the industry at both political and government department levels.
- Active co-operation with the government departments and ministries that impact on our industry.
- Continued close management of the association's budget, funding, and financial performance.
- Actively seeking new revenue streams, taking advantage of our skills, experience and intellectual property.

## **2. Governance: National Executive**

National Executive has met regularly throughout the year, either in Auckland or Christchurch.

National Executive is comprised of the chairs and deputy chairs of the North and South Island branches, along with a secretary. There have been no members co-opted this year.

From time to time, National Executive also sought advice from members with specific industry experience on various technical issues, especially heavy vehicles.

Those members who volunteer their time to service on National Executive deserve thanks and appreciation are due to National Executive. The association and its members benefit greatly from their contributions and input; they take a professional approach to the direction and governance of the IMVIA, and their careful oversight has directed the association into the sound position that we are now in.

### **3. Branch committees**

Other than at the AGMs, it has again not been necessary for the branch committees to have met this year. Our emailed Alerts and regular articles and commentary in the motor industry media keep members informed of current issues and changes in our industry, and we have called groups of members and sponsors together who have specific interests when we have been dealing with particular concerns.

### **4. Management**

The Chief Executive formally reports to National Executive; he is responsible for implementing the policies of National Executive, and for managing the day-to-day affairs of the Association.

The Chief Executive continues to manage the operation as an independent contractor, rather than as an employee.

### **5. Staff**

Our staff consists of:

- Bev Purchase, Office Manager,
- Malcolm Yorston, Technical Services Manager
- Kit Wilkerson, Policy Analyst and Statistician

We have continued to manage the association on a lean basis, with minimal staffing. The employment of Kit has made a big difference to the day-to-day running of the association, particularly with regard to staffing the office during normal business hours, as well as enabling us to participate more fully and at a more strategic level in consultations with government departments on new initiatives. The budget for the 2017 financial year has been adopted by National Executive, and provides for increased staffing to enable us to improve our communications.

### **6. Financial**

The association's 2016 financial statements have been finalised, reviewed by an independent accountant, signed off and posted to our website, and will be available for discussion at the AGM.

The statements show a surplus of \$69,506, once again an excellent result. This was the outcome of careful cost control and management, as well as actively seeking opportunities for new revenue streams. The association now has a strong balance sheet, with equity of over \$900,000, all in cash and term deposits.

***Thanks to our sponsors and corporate members for their continued generous support.***

The budget for the 2017 financial year has been set and adopted by National Executive, and targets a positive result. It calls for the association to continue to be run tightly, with continued focus on our core activities, as well as seeking additional revenue streams.

## **7. Membership**

We have continued to focus on retention of members again this year, and have also recruited some new members; they usually require some specific service, especially technical services and information. We have also recruited service providers to the industry as new members.

During the year we engaged an external consultant to survey sponsors and key stakeholders. Following the survey, we have developed a strategy for lifting the level of engagement and communications with our members and the industry; this will be progressively implemented this year.

## **8. Core activities**

### ***Technical***

We provide the following technical services:

- Statements of Compliance
- Advice on compliance at time of purchase
- Exhaust Emissions Certificates.
- Applications to NZTA for exemptions for a wide range of compliance issues
- Assistance with documentation for UK vehicles
- Singapore Letters (Technical Extracts)
- Fuel Consumption Certificate assistance
- Liaison with NZ Transport Agency and Ministry of Transport
- Advice and assistance on Entry Certification issues
- Participation in various consultative and working groups on vehicle- and road transport-related issues
- Liaison and consultation with MPI, EECA and Customs
- Liaising with manufacturers for technical information
- Research into international standards
- Advice on technical issues, for both new and used vehicles

IMVIA's technical department not only provides necessary information and service to members and the industry but has also been a good source of income for the association. As an example, we have been accredited by NZTA to issue Exhaust Emissions certificates; this has proved to be a valuable service to the industry, and a good revenue earner for the association.

## **9. Key issues**

### ***General:***

The government, through MoT and NZTA, has confirmed that there are no new transport issues likely to impact our businesses in the foreseeable future. There is, however, on-going government policy work in safety, environmental and emerging technology areas, and we are well involved in consultation on all relevant issues. Of these, technology is the most important, with "intelligent transport" in all its variations being an ongoing focus for almost all transport-related discussions and initiatives.

### **Safety**

In terms of vehicle safety, the next issue that is likely to affect us is a requirement for autonomous braking; once again, an element of "intelligent transport".

### ***a. Electronic Stability Control. (ESC)***

The first phase of the rule mandating the requirement for ESC on vehicles entering the fleet came into effect for Class MC vehicles on 1 July 2016.

#### ***We approached this issue on a number of fronts:***

- Advising members and the trade to ensure that everyone was well aware of the implementation date and requirements
- Researching compliant vehicles, which proved far more challenging than had been expected
- Approaching Japanese auction companies and associations, seeking to have “ESC” included as a tick-box information item on auction sheets
- Commissioning a legal opinion on the way vehicles are classified as MC. The opinion confirms our view that a vehicle must have “genuine off-road capability” in order to be classified as MC. We have provided this opinion to NZTA, requesting that they modify their Vehicle Inspection Requirements Manual (“VIRM”), and instructions to inspector; we have also made the opinion available to the trade. To date, we are still awaiting a response from NZTA.

### ***b. Electric Vehicles (EVs)***

The Minister of Transport, the Honourable Simon Bridges, continues to display a keen and active interest in electric vehicles (it aligns with his other portfolio, energy), and the recent announcement of the government’s EV strategy is the culmination of work done over the past year or so by government officials and the industry.

We have been involved in the work on EVs at a number of levels, including participating in the MoT’s Chief Executive group, attending conferences and seminars and working closely with Drive Electric.

### ***c. Intelligent Transport Systems (ITS)***

Various aspects of intelligent transport are continually appearing in discussions on vehicles, traffic engineering and transport and urban planning.

The key issue for the used vehicle industry is the possible incompatibility of radio frequencies in vehicles imported from Japan; these may be in conflict with frequencies allocated for other purposes in New Zealand, eg 4G, which means that the vehicles will be “prohibited vehicles” by definition.

We are researching this issue, both in theory and with practical experimentation and testing. During the year, we attended international conferences and seminars on intelligent transport, to ensure that we have the latest information.

### ***d. ACC levies***

We continue to participate in ACC’s “Motor Industry Expert Group”, (along with AA, MIA, MTA, NZTA and MBIE) to establish accurate safety ratings for new and used vehicle to enable ACC to set levies for ACC component of motor vehicle licensing costs. The key issue is to ensure that vehicle are correctly rated so that they fall into the appropriate levy band.

## **10. Australia**

We continue to work with AIMVIA, our Australian equivalent organisation.

## **11. Ports of Auckland**

The association has been actively involved in the “Future Port” study, which is reviewing all options for the port’s future. Our role is to ensure that the processing of used vehicles through the port is given proper consideration.

## **12. Consultation & Submissions:**

We have been involved in consultations and submissions on a number of issues:

- Various Land Transport Rules and Amendments
- Strategy for managing the national fleet
- Introduction of intelligent traffic management and communications systems
- Electric Vehicles

## **13. Communications & Marketing**

### ***a. Internal Marketing (to members and the trade)***

All of our communications are electronic, by email and hyperlink to our website.

- **Alerts** are emailed on an “as needed” basis, to advise members of specific technical, legal, employment or market issues, with an emphasis on brevity, accuracy, timeliness and relevance.
- **General media and press releases.** Once again, we have worked closely with the dedicated trade media, “Autofile” and “AutoTalk”.
- We have also been interviewed and quoted on TV, radio and the press on issues that affect our industry.
- Members have received a variety of marketing items, including calendars, diaries etc.

In this financial year, we shall be appointing a part time staff member with specific expertise so that we can improve our communications to members and the wider industry, in particular using electronic and social media.

### ***b. External Marketing (to the public)***

The association continues to have the policy of not promoting IMVIA to the public.

Our policy is to confine our communications activities to members and the trade, unless required by specific issues of public interest.

### ***c. Industry networking***

We have taken an active role in developing and fostering relationships between all organisations, both commercial and political, involved in the used vehicle industry. The benefits of these relationships includes a much better understanding, by all parties, of the key issues that will affect our industry, and the likely effects on the trade and the motoring public. This improved understanding leads to better outcomes for the industry and the public.

## **14. Commercial activities**

### ***Technical information, stationery and material supplies***

IMVIA continues to supply specialist stationery and forms, materials for the VIN process and technical services. These are taxable activities and contribute to our income.

There has been continued demand from members for advice on consumer complaints and employment law issues.

## **15. Strategic Relationships**

We have excellent relationships with NZ Transport Agency, MoT and MPI (*formerly MAF*), NZ Customs, EECA and other government departments and agencies, and we are involved in consultation on all new initiatives that might affect our members and the industry.

We liaise with and maintain ongoing relationships with the following organisations:

- NZ Transport Agency
- Ministry of Transport
- NZ Customs Service
- Ministry of Business, Innovation and Employment (*the “super ministry”, formed from the merger of the Department of Labour and Ministry for Economic Development*)
- NZTA’s and MoT’s industry consultative groups
- Ministry of Primary Industries (*formerly MAF*)
- Ministry of Economic Development & National Enforcement Unit
- Ministry for the Environment
- Commerce Commission
- EECA
- Motor Industry Training Organisation
- Employers & Manufacturers Association (legal advice on employment issues)
- Vehicle Service Federation
- MTA & MIA (combined action on common industry issues)
- ICAR NZ (collision repair standards & training)
- Port companies (logistics issues)
- IRD (liaison regarding unregistered traders)
- CBAFF (Customs Brokers and Freight Forwarders Federation)
- Accident Compensation Commission
- Intelligent Transport Societies of NZ and Australia
- Drive Electric

## **16. Sponsors**

Once again, we wish record our appreciation and thanks to our sponsors for their generous contributions and assistance to the Association:

- Armacup Maritime Services
- Autosure
- Jacanna
- JEVIC
- McCullough Limited
- Nichibo
- Ports of Auckland
- VINZ

We have also had significant and ongoing contributions from International and Corporate Members, including Autohub, Heiwa, Aucnet, Provident Insurance, 2 Cheap Cars and Autoterminal.

## **17. Future**

In the words of one of our International Members: “the IMVIA’s job is to keep the door open for used imports into NZ”.

The IMVIA continues to be the only effective voice for the used vehicle import trade, and our experience in Australia over the past couple of years has convinced us of the strength of the association and the value of our brand. We need the assistance of all businesses with a vested interest in this trade to continue.

The association looks forward to your continued support, both financially and in numbers, so that we can continue to provide excellent service to our members and to the wider used import trade.

We see the development and introduction of new technology as being the key issue that will face the used vehicle import industry over the medium term, and we have already identified areas that will require our active involvement and focus.

The continued excellent financial results this year, combined with the relatively benign political landscape, mean that we are well positioned to deal with these challenges as they arise.

**David Vinsen**  
**Chief Executive**  
**20 May 2016**