

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION:

NATIONAL EXECUTIVE- CHAIRMEN'S REPORT 2015-2016:

Without doubt, the 2015-2016 year for the Imported Motor Vehicle Industry Association has been a turning point in our focus, direction and future.

National Executive- represented by elected Members to function as a governing Board of Directors overseeing the policy and management of the Association's affairs- has met on a regular basis throughout the year, and in addition, kept current on issues relevant to the Association through frequent email and telephone correspondence. It is through this Membership representation that the Board is able to contribute to the function of the IMVIA, directed to our Chief Executive, David Vinsen, who in turn oversees the operational and public focus of the Association, while managing the staff team and Mt. Wellington office.

Your elected National Executive representatives during 2015-2016 were:

- North Island Chairman- Graeme Macdonald
- South Island Chairman- Lloyd Wilson
- North Island Vice-Chairman- Frank Willett
- South Island Vice-Chairman- Nick Owens
- National Executive Secretary (appointed)- Alistair Sheard

Following the financial turbulence of the Global Financial Crisis during 2008-2009 and the significant impact upon the motor vehicle industry in New Zealand, with the resultant depletion of the Association's funds, the mandate over successive years by National Executive has been one of cautious financial prudence; with the intention to return the financial affairs of the Association to excellent health whilst maintaining the Membership and lobbying functions expected, and allowing growth only if a sound business case could be justified.

Fiscal strength is of great importance to an independent IMVIA- not only does it allow the Association to undertake a progressive and proactive role in the on-going shape of our vehicle industry, but it sends a clear signal to authorities and those with an alternative view to ours; that we have the "fighting funds" necessary to engage wherever required, legal or otherwise; with the added security of a Membership willing to "back" the Association should a rallying cry be required.

It is with great significance, therefore, to close out the 2015-2016 year with close to a million dollars in clear funds held by the Association, and an aggressive Budget agenda for growth that allows us both the financial latitude to invest in areas of importance to our Industry, while maintaining sound fiscal principles.

We have moved our focus from one of caution, to a fiscally responsible yet ambitious programme for the next year, turning our attention to the issues our industry will face not just tomorrow, but in years to come down the track. From being a reactive Association that was constantly engaged in "fire-fighting" issues, we have taken the role of Industry leadership,

moving to work in conjunction with both Government and other industry sectors in New Zealand to shape the motor vehicle fleet to come; benefiting our Members through certainty and sensible policy-making that delivers equitable solutions at source, rather than litigious appeal after appeal.

Make no mistake- the IMVIA is both financially and philosophically prepared to take up a challenge over an issue if required, but recognises that in providing good governance, the best solutions are those enabled through dialogue before such an issue becomes necessary to legally stand up to.

The 2015-2016 year has seen the IMVIA engage across a wide variety of issues and discussions, many of which are the result of long-term strategies in place for the future health of our industry.

We continued a management contract with AIMVIA- the Australian Imported Motor Vehicle Industry Association- currently providing two representatives to the AIMVIA Board, with Graeme Macdonald acting as Meeting Chairman, and Kit Wilkerson as Policy Analyst. Our role has been re-defined over the past year with emphasis on assisting with technical strategy and modelling along with Board “good practice” and some back-room functions.

AIMVIA is firmly an Australian-led, Australian-focussed Association with hallmarks of the early days of the IMVDA here in New Zealand- but we also recognise that there will undoubtedly exist many opportunities for our own Members in the future, as manufacturing winds down and ceases altogether in 2017. New Zealand has a wealth of experience and knowledge to offer into the Australian marketplace, which despite hostile media reports to the contrary, can only be of joint benefit to all parties given the current highly restricted and manipulated market can no longer continue to justify such an anti-competitive stance once, in effect, “everything is imported”.

The current AIMVIA contract with the IMVIA is due to conclude in August this year with our respective Boards yet to confirm a further contractual involvement.

If there have been two acronyms that have garnered the most attention of the industry during 2015-2016, they would surely have been EV’s and ITS- both fundamentally issues of the “future” but requiring intricate and immediate analysis with sound policy research and background to enable IMVIA members to look to a viable business beyond 2017-2018.

The Board has committed to David and the team, the full resourcing and backing required to make sure the role that the imported vehicle industry has to play in shaping the future fleet of New Zealand is as relevant then, as it is now. This has taken the IMVIA into areas of expertise and policy discussion at levels previously never imagined, effectively an active participant if not leader at the table. EV’s in particular provide a unique opportunity for our Industry to capitalise upon a desired Government and society objective to deliver a product that, for the meantime, the new vehicle industry struggles to supply.

ITS, while less understood, may yet have a far more profound, and potentially debilitating effect upon our Industry unless the fundamentals of both Government objectives and official practicalities are addressed. It is no co-incidence that a significant portion of the workload undertaken by our Policy Analyst, Kit Wilkerson, is in this field, now recognised as one the

New Zealand's experts in the implications and issues surrounding ITS and the proposed introduction of aspects of this technology into our motor vehicle fleet.

During the earlier part of 2016 the IMVIA conducted an official visit to Japan, both in recognition of the importance of the Japanese motor vehicle industry to New Zealand, and more so, fostering and confirming the excellent relationships we have with the key people who support our businesses and "back" New Zealand despite a global marketplace for used vehicle exports from Japan.

The visit was very well received; with not only a range of individual meetings, but official functions held in Osaka and Tokyo for the wider trade, with excellent attendance and a great opportunity to engage with friends both old and new.

It is clear that the Japanese industry holds New Zealand in very high regard, noted for our transparency, ease of doing business, trust and integrity, and legislative stability. The visit enabled us to spend valuable time in discussion with many key exporters and service providers, giving presentations on the current New Zealand market, concerns and issues, while in turn, gave us important time with structural stakeholders to ask for assistance with issues such as ESC implementation, identification, auction grading and information.

During the past year, National Executive resolved to undertake a comprehensive review of the structure and services offered by the Association, in the belief that systems that worked for the Association back in 1996 may not hold so much importance some twenty years later. We retained the services of an external consultant to review our role and perceived position in the industry, leading to a series of challenging workshops that in turn set in motion a renewed business model and plan for the latter part of 2016 and beyond.

We have made it very clear as a National Executive team, that the IMVIA of the future must be relevant to the times it operates in, delivering the services and messages our Members require, in formats that best suit their needs, while making sure our own pathway for the future is clearly defined and explained.

The resulting changes and reforms as a result of this review will be progressively rolled out over the coming year.

The upskilling of the IMVIA team was another highlight of the 2015-2016 year, as we moved into specialised areas of knowledge requiring a fresh approach to how the IMVIA conducts itself and is resourced. The newest member of our team, Kit Wilkerson, has enabled us to move into policy areas previously unknown to the IMVIA, continuing our stated intention to be at the forefront of change to our vehicle fleet, and not the rear-guard. Malcolm Yorston has expanded our technical services being offered to Members with the continued provision of statements and emission certificates, drilling down ever-further to provide an even more comprehensive range of availability and efficient service. In addition, the research around the legal framework of ESC implementation has showcased the integrity and highly specialised knowledge offered by Malcolm, backed by a career of involvement and technical expertise.

The best-resourced office in the world would be nothing without behind-the-scenes efficiency, and no doubt all of our Members and Corporate supporters will have, at some time, interacted with Bev Purchase, our Office Manager, who runs a tight ship and delivers the practical aspects of a functioning office in a seamless and friendly manner.

The IMVIA National Executive this time last year was facing the extended recovery back to health of our Chief Executive, David Vinsen. Not only has David made a full recovery over 2015, but has emerged revived, re-energised and displaying the passion for the Imported Motor Vehicle Industry the role defines.

National Executive would like to place on record our thanks to David for the professional yet personal approach he has taken to his recovery, always with the best of intentions for the IMVIA at heart, and now once again emerged as an exceptional lobbyist and leader for the Industry we all derive our livelihoods from.

In addition, we would like to place on record our sincere thanks to the IMVIA team for the commitment and loyalty to the Association across every level. It is with no doubt that our Industry would be in a very different position today without the hard work and absolute loyalty our team delivers.

As we move into the second half of 2016, along with the current challenges and issues facing our Industry every day, National Executive has resolved to look towards replenishing our Board and drawing upon the expertise and talents of a “new generation” of Industry participant. This is not an easy task- compared to the “old days” of networking, socialising and “community involvement”, today in an Internet-driven industry there is far less individual personal interaction and apparent willingness to serve at a Board level for the greater good of the Industry that we derive our livelihoods from.

This is not an issue isolated to the IMVIA, for business associations and groups around the country are grappling with a similar future. However, if the IMVIA is to continue to prosper under good governance and leadership, the leaders of tomorrow must be found today. We understand this will be no easy task, but set the challenge back to our Membership- this is YOUR Association, and your voice is important to our on-going strategies and direction. What is required is the commitment and passion to serve the Membership, putting aside personal gain or direction, and resolve to assist the future of not only your own business, but that of our Industry, by your involvement.

It has been our privilege and honour to serve as your National Executive Chairmen throughout the 2015-2016 year, and we thank you, our Membership, for your on-going support.

-Graeme Macdonald, North Island Chairman

-Lloyd Wilson, South Island Chairman

May 2016.