



Imported Motor Vehicle Industry Association Incorporated

Annual Report

1 April 2016 ~ 31 March 2017

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Annual Report for the period April 2016 to March 2017

Annual General Meetings

South Island:	Christchurch,	Tuesday	30 th May 2017
North Island:	Auckland,	Wednesday	31 st May 2017
National:	Auckland,	Wednesday	31 st May 2017

Officers

Patron	John Nicholls
Chief Executive	David Vinsen
Secretary	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	RSM Hayes
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 2016 to March 2017.

1. Overview

Record numbers of vehicles, new and used, have been imported into the country over the past year. In calendar year 2016, the total cars and commercials registered were:

- Used: 160,000
- New: 143,000

While these numbers are impressive, the key figure is the number of vehicles exiting the fleet (de-registrations and scrappage) and last year the total (cars and commercials) was 175,000. It is this total number of vehicles exiting the fleet that materially affects the average age of the fleet, and also the opportunities to sell newer, more modern vehicles.

The continued high volumes have meant a steady workload for the association in assisting in the selection and compliance of vehicles, as well as our core function of advocating for the industry at both political and government department levels.

More recently, we have lifted our sights to the future, monitoring and researching trends and changes that are likely to affect the industry.

2. Governance: National Executive

National Executive has met regularly throughout the year, in Auckland, Wellington 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, ports activities and logistics.

Those members who dedicate their time to serving on National Executive deserve thanks and appreciation. 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 directs the association.

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 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 association 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
- Claire Hamilton, Communications Manager

Bev and Claire work part time.

Kit's role has evolved over the past three years. Although the position of "Policy Analyst" was a new one for association, and there was initially some scepticism among members about the need for such a role, it has become obvious that we need such a function in order to keep at the forefront of developments in vehicle and transport technology.

The communications role is essential to ensure that we are able to upgrade the way we distribute information across a number of different media, including e-Alerts, regular columns and commentary in the motor industry publications, as well as social media.

6. Financial

This year our annual financial statements were again reviewed by an independent accountant, and the reviewed financial reports have been posted on our website.

The association's confirmed result for the 2017 financial year was a loss of \$118,587, a disappointment after last year's result. The loss was largely attributable to reduced income from technical services as the numbers of vehicles requiring special certificates reduced.

Despite the loss, our reserves leave us in a strong financial position. We will be taking steps to redress the income deficit going forward, including increased member subscriptions and sponsor contributions.

The 2017 financial reports have been finalised, reviewed and posted to our website, and will be available for discussion at the AGM. The focus of the budget for next year will be increased revenue.

We are in the process of implementing an automated back-office system that will improve administrative efficiency.

7. Core activities

The activities of the association can be considered in three distinct areas:

- **Current:** Providing technical advice and support to the industry
- **Medium term:** Political advocacy and consultation, to ensure that the industry is properly represented and its voice heard when new legislation is being considered, developed or implemented.
- **Future:** Monitoring and researching trends and changes that are likely to affect the industry.

Technical

We provide the following technical services:

- Statements of Compliance and advice on compliance issues
- 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 (formerly MAF)
- Liaising with manufacturers for technical information
- Research into international standards
- Advice on technical issues, for both new and used vehicles

8. Key issues

General:

There are still no fresh vehicle-related government initiatives that are likely to impact our businesses in the foreseeable future.

There is, however, considerable work being done by government and industry on technological developments that have the potential to bring significant changes to not only our industry, but the role of transport and vehicles in our lives. In particular, electric vehicles, intelligent transport, connected vehicles and Mobility as a Service are very much in focus in terms of future developments.

a. ESC

The next phase of the ongoing introduction of ESC will come into effect in March 2018; **it will require all light passenger vehicles over 2000 cc to be fitted with ESC.** We are now researching the models and variants in this category to identify those that are fitted with ESC.

All other used class MA, MB and NA light passenger and goods vehicles will be required to have ESC from 1 March 2020. We are also monitoring the effect of ESC regulation on **used Japanese commercial imports**; at the time of writing, there is still not widespread (if any) implementation of ESC in the commercial sector.

b. Electric Vehicles

We are involved with Government initiatives to achieve EV targets across several key areas:

- EV Leadership Group (cross-sector initiative working to remove impediments)
- Legislative programme required, e.g. special vehicle lane access (NZTA)
- Standards, including charging infrastructure, leads and cables (WorkSafe/MBIE)
- Training (MITO)
- Procurement (MBIE)
- Education, information and promotion (EECA)
- Overall strategy (MoT)

c. Mobility as a Service

The growing proposition of Mobility as a Service (MaaS) is expected to have a significant impact on the vehicle ownership model worldwide. Recent developments in New Zealand include the burgeoning popularity of ride-sharing apps like Uber and Lyft, and the trial by NZTA of an app that integrates various modes of transport (e.g. public, ride-sharing, cycling etc) into a journey planner and single payment gateway.

We are actively monitoring these developments, and their intersection with other emerging technologies such as autonomous vehicles, and intelligent transport systems.

d. Intelligent transport

There has been a dramatic increase in interest in the development of intelligent transport systems throughout the world. Vehicle manufacturers and governments are looking to technology to improve transport performance: safety, congestion, pollution, freight efficiency, urban design and parking are some of the issues that will be affected.

We have been involved in researching the various issues, and participating in seminars, discussions and conferences, both locally and internationally.

Our policy analyst, Kit Wilkerson, has expertise in these areas, and has been appointed New Zealand's representative on ISO's working groups developing new standards for motor vehicles.

e. 760 KHz

A key issue that is likely to affect our industry is Japan's use of 760 KHz radio frequency for their connected vehicle technologies; this frequency is not available for transport in NZ, as it has been sold for 4G mobile use.

We are working closely with MoT, Spark, and other interested parties to research this issue, so that we can develop procedures to identify vehicles that have been fitted with transmitting capability at this frequency, and to disable the function before the vehicles are imported to New Zealand.

f. Ports

We convened a delegation of industry representatives and met with Mayor of Auckland Phil Goff in March, to discuss the findings of the Port Futures Study and the continuing outlook for vehicle imports via Ports of Auckland.

We have also been working with Northport preparing a study on the feasibility of importing vehicles through Northport, as an alternative for future consideration.

g. Airbag recall

The challenges surrounding the Takata airbag recall led to increased co-operation in our sector in 2016. The IMVIA and the MIA agreed to work together in reviewing the Code of Practice for safety recalls on used vehicles, and determining what agents' responsibilities are in the recall process.

NZTA's main action in addressing the Takata airbag issue has been to change the VIRM* inspection procedures: firstly, to deal with vehicles entering the fleet at Entry Certification, and secondly, to deal with vehicles already in service, at Warrant of Fitness.

In October 2016, NZTA announced measures to address the practice of disabling passenger-side airbags of vehicles subject to the Takata recall. As of 5 October, NZTA required all compliance inspections to include removal of the glovebox and inspection of the wiring to ensure the airbag is connected. If an airbag was found to have been disconnected, the vehicle was rejected and re-connection required before it could be certified.

In November 2016, NZTA announced a much reduced list of vehicles requiring visual verification that the passenger airbag is connected.

h. Statutory write-offs

As of 7 September 2016, all water damaged light vehicles now require a full replacement of all electronic and pyrotechnic safety components. This includes airbags, sensors, pretensioner seatbelts and wiring. Previously, only those items below the water line were required to be replaced.

The new requirements apply both to vehicles that have been water damaged in New Zealand and require re-registration, and to imported water damaged vehicles – the main source of which is Australia. Imported water damaged vehicles purchased on or before 7 September 2016 were able to be certified under previous requirements, provided they were border checked by 7 October 2016.

NZTA amended the Vehicle inspection requirements manual (VIRM): light vehicle repair certification, to reflect the change.

i. Track and trace

The IMVIA is regularly approached with commercial business propositions, a recent example of which was a “track and trace” app with potential applications in the importation of used vehicles.

In line with our policy of not competing with members in business, we limit our involvement to making introductions to potentially interested parties where appropriate.

9 . Consultations & Submissions:

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

- Development of intelligent transport and connected vehicles
- Appointment to the government’s Electric Vehicles Leadership Group
- Anti Money-Laundering legislation
- ACC vehicle levies
- Access to Motor Vehicle Register – we have been approved by NZTA as an association to enable access for members, but NZTA are yet to provide details on how the process will work.

10. Australia

Our two-year management agreement with AIMVIA, the Australian association set up by Australian importers, has come to an end. During this time, we provided governance, leadership, advice and administration support as their new association was getting established. Our services were provided on a commercial basis.

Our North Island chair, Graeme Macdonald, will continue to have a role with AIMVIA in the short term, on a personal basis.

11. 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.
- **Brochure:** a new brochure, explaining the role of the association in the industry
- **General media and press releases.** Once again, we have worked closely with the dedicated trade media, “Autofile” and “AutoTalk”. We now have a branded 2-page spread in AutoTalk every month which incorporates the ‘Vinsen’s View’ column and other stories concerning the imported vehicle industry.
- We have also been interviewed and quoted on TV, radio and the press on issues that affect our industry; we also provided information to TV3’s ‘The Project’ on a feature on EVs in April 2017, which gave significant profile to used EVs as an access point for the mass market.
- Members have received a variety of marketing items, including calendars, diaries etc.

b. Rebranding

We have initiated a redevelopment of our brand identity, led by Communications Manager Claire Hamilton.

While the legal name of the organisation will not be changing, we are proposing a change to our brand identity, updated logo and refreshed colour palette.

Following feedback from key stakeholders, we expect to announce the rebranding at the 2017 Annual General Meeting, with a phased roll-out communicated to all members and highlighted at our annual industry dinner on 4 July 2017.

c. 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.

d. 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.

A prime example of this networking is our hosting a Mid-Winter Motor Industry dinner for senior government officials and association stakeholders. Last year, the Minister of Transport, the Honourable Simon Bridges, was the guest speaker. These functions are probably the only opportunity that all key people have to get together and discuss issues that affect the industry and their businesses.

12. 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.

We also provide technical documentation required for the compliance of vehicles, on a commercial basis.

13. Strategic Relationships

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
- 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
- MTA & MIA (collaboration on common industry issues)
- ICAR NZ (collision repair standards & training)
- Port companies (logistics issues)
- IRD (liaison regarding unregistered traders)
- Justice Department

In particular, we have excellent relationships with NZT, MoT and MPI, NZ Customs, EECA and other relevant government departments and agencies, and we are involved in consultation on all new initiatives that might affect our members and the industry.

In October 2016, we held a two day National Executive meeting in Wellington, where we had a succession of guests attend the meeting. The guests included the Minister of Transport and senior officials from the government departments we regularly deal with, as well as colleagues from other industry associations. We were hosted at Parliament for a cocktail function, attended by major stakeholders in the association and industry, as well as officials.

This meeting and function was very successful in building relationships with key government officials, politicians and colleagues.

14. Sponsors

We wish to place on record our appreciation and thanks to our sponsors for their generous contributions and assistance to the Association:

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

We have also had significant contributions from International and Corporate Members, including Heiwa, Autoterminal and 2 Cheap Cars.

15. 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 import vehicle trade. We need the continued assistance and support, both financially and in numbers of all businesses with a vested interest in this industry so that we can continue to provide excellent service to our members and to the wider used import industry.

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.

David Vinsen
Chief Executive