



Imported Motor Vehicle Industry Association Incorporated

National Executive Chairman's Report

1 April 2016 - 31 March 2017

IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION:

NATIONAL EXECUTIVE- CHAIRMAN'S REPORT 2016-2017:

While, no doubt, our industry would prefer the stability of a benign economic and legislative landscape year after year, the reality is that the marketplace and framework for the importation of motor vehicles outside the traditional franchise and distributor arrangements is changing globally.

From the early days of the LMVDIA, with New Zealand the only nation to explore the opportunities to export used cars out of the artificially-depreciated Japanese marketplace and deliver to car-starved Kiwis, the international trade in used vehicles has grown exponentially, with New Zealand acknowledged to this day as not only the pioneers of used vehicle importing, but leaders globally in “best practice” principles and innovation.

The IMVIA has been at the forefront of this innovation, constantly reviewing the requirements of our members, sponsors and corporate partners. As any motor vehicle trader would tell you, “standing still” is simply not an option. Through Government changes, policy and ideology shifts, competition in the form of global interest in our source markets, newly-recognised environmental challenges and the Global Financial Crisis, the IMVIA has kept both an eye on the challenges of the day, and one firmly fixed ahead on the future.

The IMVIA National Executive is firmly of the view that in order to meet these challenges, standing still and maintaining the workload of the present day is simply not acceptable.

The Association was formed on the principled fight against many in Government and lobbying industry who simply could not accept the creation of an alternative market source and style into New Zealand, and resisted vigorously through legislation and obstruction.

Fast forward to today, where the blending of market types on many dealerships is commonplace; new vehicle distributors have their own used importation channels, and paradoxically, traditionally staunch used import suppliers have added new-vehicle distribution agreements to their stable. The lines have become blurred, so much so that any motorist under the age of 35 simply has no concept of a divided market where most new cars were assembled in New Zealand.

National Executive have recognised that not only is change inevitable, but that it has been the driving force of our own industry these past 30 years, and in order for our businesses to succeed in to the future, we must embrace these changes to come.

The core of our industry mandate is the importing, channelling, shipping, inspecting, transporting, complying, reconditioning, marketing and ultimately successful sale of motor vehicles in to New Zealand. To allow our members to continue to operate in this changing climate, we have committed our team to not only providing the traditional membership

activity services and lobbying of today, but to provide guidance and vision for our business future.

That future is not as far away as many of us would like to think. Globally, immense change is fast approaching how modern road transportation is perceived and legislated. The traditional models for personal vehicle ownership, usage and propulsion are not only under review, they are already changing- Mobility As A Service, electric cars, shared rides, autonomous vehicles, car-free central cities, road pricing- all concepts that only a few years ago seemed far-fetched, and yet today, are the reality of transport planning vision.

Far from being a burden, we see that these challenges will provide our industry with a unique series of opportunities.

For example- the electric vehicle market penetration targets as set out by the Minister of Transport have already been met and exceeded, thanks not to the new vehicle industry, but by the canny vision of IMVIA members nationwide who have seized upon the opportunity to fill a market void and capitalise upon demand for a lower-priced alternative.

Our ability to operate outside the normal conventions of lengthy and cumbersome distribution agreements allows our industry the fleet-footed approach to quickly identify and satisfy these opportunities from around the world.

However- these changes also come with a price, and that is the very real possibility that not all change will suit the current marketplace sourcing we enjoy from Japan.

Of real concern is the 760MHz issue, confronting our traditional supply channel expectations in the very near future and with significant impact downstream upon our Members.

The decision three years ago to create the position of “Policy Analyst”, in the more-than-capable hands of Kit Wilkerson, was recognition by National Executive that “we don’t know what we don’t know” and that if were to truly back our members’ business plans for the future, we must invest in the knowledge and relationships to allow us to not only understand these developments and their impact, but potentially be at the tables of influence and engineering, so that the New Zealand marketplace can continue to operate with the stability and confidence that it does today.

To this end, the IMVIA has not only achieved our initial objectives, but led by Kit on a global stage, our industry is poised to become one of, if not the pre-eminent experts in New Zealand, on the global harmonisation of standards, technology uptake and the downstream effects upon a worldwide trade in used vehicles around hundreds of countries.

We constantly ask ourselves two questions: “Will this help our members handle more vehicles tomorrow?” The answer, unsurprisingly, is no. But the second, and most important question, is: “Will this help our members continue to handle vehicles in the future?” And by every measure we have looked at, the answer is “Yes”.

Such is the impact all this change will potentially have upon our Industry, that we simply cannot remain reactive- the very approach that the LMVDIA was founded upon. Today, and tomorrow, we must look to being proactive, influencing policy and thinking that may not affect our business next month, or next year, or even within our business ownership lifetimes- but ultimately may spell the difference between our Industry thriving, or struggling, in years to come.

Research and innovation of this scale does not come easily, or cheaply.

The IMVIA's principal asset is not money in the bank, but the IP the money in the bank buys, develops and maintains. As a member-based industry association we are keenly aware that we are spending YOUR money, hard-earned and carefully granted to ensure the association works to the best of our ability on your behalf.

Every facet of our association is, in turn, costed with due care to ensure the maximum benefit to our Members and wider Industry is gained. We maintain balance at all times between the advocacy and lobbying work of today, with the research and development of policy and initiatives of tomorrow.

Given the above, the decision to present a deficit budget has not been taken lightly by our board.

In the depths of the Global Financial Crisis last decade, the IMVIA was faced with the very real threat of financial extinction. We were not alone- the vehicle industry in New Zealand suffered terribly and many of our members' businesses did not survive. It was the vision and support of our members and corporates that saw our funding position change for the better, allowing us to finally draw breath after several years of austerity at every turn.

We learnt a very valuable lesson during these times- that ultimately, you cannot save yourself out of trouble. Now, with equity back to a level of comfort, we have carefully analysed our objectives for the coming year, and the staffing and funding requirements to meet those objectives.

To maintain our role as the powerhouse of the vehicle importation industry, we have presented a budget that reflects what we firmly believe are the priorities for the coming years, and the funding required. This is not a budget about trimming further costs. This is a budget that has set out the objectives, and now asks the membership and corporates to support our work and vision to ensure we have an Industry in equally good health tomorrow, as it is today. We make no apology for the drive to increase our funding- we are certain that the benefits to our Industry over time will repay that financial commitment many, many times over.

National Executive will continue to advocate and represent our members to ensure you derive the value from your support that we, as an industry, have come to expect.

Over the past year, National Executive have met on a regular basis- every two or three months- for a full day board meeting, plus we have hosted our industry fixtures including our Mid-Winter Dinner, with our guest speaker last year the Minister of Transport, Hon

Simon Bridges; our Wellington Mood Of The Boardroom two-day event hosting senior officials from government departments and representatives from other industry associations, our Annual General Meetings held in Auckland and Christchurch, had representation with a delegation to Japan to engage with our International members and the wider Japanese export industry; and many long hours of phone calls, emails, visits and debate.

We have provided for and overseen the creation of a new permanent part-time role in communications, led by the extremely capable Claire Hamilton, and no doubt you have noticed over the past year the improvements in our media, our e-Alerts, and our correspondence to both members and within the written communications and representation as part of the advocacy and lobbying roles we fulfil.

We take our role extremely seriously. As Chairmen, we- Graeme Macdonald and Lloyd Wilson- are backed by our Vice-Chairmen Frank Willet in the North Island, and Nick Owens in the South Island. Our long-serving Secretary, Alastair Sheard, provides the meeting guidance and stewardship to allow our discussions the freedom and robustness needed to arrive at the right decisions for our Association.

Serving as an office holder with the IMVIA is a privilege, not a right, and we are humbled to serve our industry and you, our members, as part of the great history over the past 30 years of importing in to New Zealand.

There should never be any doubt that the primary resource and asset of the IMVIA is people.

We are fortunate to have the commitment and vision of our Chief Executive, David Vinsen. His work as the figurehead and spokesperson for the IMVIA has ensured the association sits at the table of most transport-related working groups within New Zealand, advocating for our members and working to deliver an effective bridge between the policy objectives of government and the reality of implementation on the ground within our businesses.

Malcolm Yorston, whose title of Technical Services Manager belies the “Minister of Everything” role he plays in the association, is a human resource in his own right, with an almost encyclopaedic knowledge of technical issues combined with a keen understanding of the inner workings of the government bureaucracy.

Kit Wilkerson has quickly become an internationally recognised expert in the fields of ITS, standards and issues such as 760MHz, yet he is equally efficient in policy research and writing for issues affecting us here in New Zealand, managing the integration of our office IT and highly respected for his forthright yet questioning approach to our industry.

Claire Hamilton has quickly moved to bring the communications of the IMVIA into the current decade and beyond, taking a media-management corporate approach and helping coach our submissions, presentations and correspondence to the professional levels that you see today.

Bev Purchase controls the “front of office” and daily accounts of the association, in the style that all of you will know and appreciate. Her knowledge of the association and its members makes her insight invaluable,

Your Chairmen would like to take the opportunity to thank our IMVIA team for their dedication and service to the Association and our shared ideals.

National Executive would also like to extend our thanks and gratitude to our members, our corporates and our partners for your continued and unwavering support of your association over the past years and in to the future.

Looking forward in to the year ahead, we are excited for the future of the Association, with a number of exciting developments to come and the opportunity to continue to assist our Members and wider Industry to succeed in this favourable economic climate.

We give you our assurance that we will continue to give guidance and direction to the IMVIA to ensure the objectives and ideals first set out almost thirty years ago are equally maintained and delivered in the year to come.

Graeme Macdonald, North Island Chair

Lloyd Wilson, South Island Chair

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NATIONAL EXECUTIVE