



Imported Motor Vehicle Industry Association Incorporated

Annual Report

1 April 2019 – 31 March 2020

Annual Report for the period April 2019 to March 2020

Annual General Meeting:

Tuesday 21st July, 2:30 pm. Eden Park, Auckland, and accessible by video link.

Officers

Chief Executive	David Vinsen
Secretary	Alistair Sheard

National Executive

Graeme Macdonald	(Chair, North Island Branch)
Lloyd Wilson	(Chair, South Island Branch)
Nick Owens	
Hayden Johnston	
Matt Battle	(co-opted June 2019)
Frank Willett	(co-opted, March 2020)
Chris Stephenson	(co-opted, March 2020)
Sean Stevens	(co-opted, March 2020)

Solicitors	Lee Salmon Long
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Accountants	Henning & Associates
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Independent Review Accountants	RSM Hayes
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Bankers	Westpac ANZ Bank
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Mission Statement

“VIA is committed to supporting and promoting the vehicle import industry.”

VIA 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 2019 to March 2020.

1. Patron: John Nicholls

With sadness, we record the passing late last year of our Patron, John Nicholls.

John was a huge contributor to the motor trade over many years; while managing his family new vehicle business in Gisborne, he became the first President of the Motor Vehicle Dealers Institute. He then worked for Enterprise Cars, and was seconded to establish and manage our association, initially the Licensed Motor Vehicle Dealers Importers Association. John guided us through some very difficult times, became the face and voice of the industry, and his professionalism and courtesy helped build the reputation of the association and this new industry as a force to be reckoned with. John was truly a gentleman.

John was the Patron of the association since his retirement some years ago, and the position has been left vacant.

2. Governance: National Executive

The association has been governed by an elected board, the National Executive, which has met regularly throughout the year, 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 also been a number of 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, logistics and biosecurity.

National Executive members 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 VIA, and their careful oversight directs the Association.

The chairs of the North and South Island branches, Graeme Macdonald and Lloyd Wilson respectively, have decided to not stand for re-election, after many years of service to the board, association and industry.

The association records its thanks and appreciation to Graeme and Lloyd for their contributions over many years.

3. Branch committees

The branch committees have not needed to meet during the year, other than at the AGMs.

The branch committee structure will be discontinued under the restructure and revised rules of the association.

4. VIA Council

A Council of key stakeholders was informally established in 2018, to deal with some pressing issues. The Council was set up as a means of communicating openly at a strategic level on various industry challenges, including the future of the association.

The Council met a number of times in person, and then by video-conferencing during the COVID-19 Lockdown period, and since.

5. Restructure

Members of the Council formed a working group to review the operations of the association, and to promote its restructure. After discussions with National Executive, VIA's Rules were revised, with the intention of ensuring that the association was "fit for purpose" for the current and future trading environment. The revised Rules were circulated to all members and adopted unanimously at a Special General Meeting in February.

The Rules now formalise the appointment of the Council, providing for greater involvement of members and improved communications and transparency.

The Council will appoint a small board with governance responsibilities.

4. Management

The Chief Executive will formally report to the appointed board. He is responsible for implementing the policies of the association, and for managing its operations.

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, (part time)
- Malcolm Yorston, Technical Services Manager
- Kit Wilkerson, Policy Analyst and Statistician

6. Office

In November 2019, VIA decided to discontinue using rented office premises in Mt Wellington, to save costs. The office was closed at the end of February 2020, and staff now all work from home. Home offices were set up before the COVID-19 Lockdown made it compulsory.

Staff continue to meet regularly using video conferencing and in person on a weekly basis.

Thanks to Jacanna and VINZ for offering to store archives and memorabilia.

7. 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, and will be available for discussion at the AGM.

The association's confirmed result for the 2020 financial year was a deficit of \$180,619. Once again, this was a considerable improvement over the previous year's result, but still very disappointing.

The continued losses have caused the independent accountants reviewing our accounts and financial performance to once again raise questions about the ongoing financial viability of the association.

VIA's financial performance and position were the catalysts for the actions taken to restructure the organisation. The new membership structure's tiers and contribution levels, combined with careful cost control, should enable a balanced budget to be adopted for the 2021 financial year.

8. Market Overview

Good numbers of vehicles, new and used, were imported over the past year, despite disruptions from the effects of the stink-bug season and the onset of COVID-19 regulations. In calendar year 2019, the total cars and commercials registered were:

- Used: 147,067
- New: 149,746
- Total vehicles exited from fleet 210,391

9. Core activities

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

- **Current:**
Providing technical advice and support to the industry
Dealing with urgent industry issues as they arise such as biosecurity, the Takata airbag recall and COVID-19 Lockdown responses
- **Medium term:**
Political advocacy and consultation on proposed new legislation, to ensure that the industry is properly represented.
- **Future:** Monitoring and researching trends and changes that are likely to affect the industry.

Technical

We provide the following technical services:

- Applications to NZTA for exemptions for a wide range of compliance issues
- Assistance with documentation for UK vehicles
- Liaison with NZ Transport Agency and Ministry of Transport
- Advice and assistance on Entry Certification issues
- Participation in various consultative and working groups on issues related to vehicles and road transport
- Liaison and consultation with MPI (now Biosecurity NZ)
- Liaising with manufacturers for technical information
- Research into international standards
- Advice on technical issues, for both new and used vehicles

10. Key issues

a. COVID-19

VIA immediately convened a number of work groups comprising key industry experts and government officials, as soon as it became obvious that the COVID-19 pandemic crisis would materially affect our ability to import, process and sell used vehicles.

At the request of Biosecurity NZ, we reactivated the Biosecurity Work Group to deal with COVID-19 related biosecurity issues, when all government biosecurity staff were brought back to New Zealand. The aim was to ensure that the relocation of their verification operations would not impede the continuation of vehicle imports.

We used this work group as the model for other industry sectors, including logistics, inspection and retail. There was a good representation of industry experts and government officials, with excellent co-operation and collaboration from all parties. We were able to assist and advise the industry in working through the various stages of the COVID-19 Lockdown.

In NZTA's words, we were able to identify likely "pinchpoints" in the system, and suggest pragmatic solutions to problems before they occurred.

The work groups also prepared specific advice for various sectors based on the legal requirements of each Lockdown Level.

b. NZTA relationship

NZTA has been restructured again, and the section responsible for vehicles and regulation has been expanded. NZTA has been rebranded as "Waka Kotahi".

We have excellent relationships with NZTA officials, and the COVID-19 work groups that we facilitated and chaired included NZTA officials; their involvement proved very beneficial, proving an opportunity for direct feedback and prompt action.

VIA has participated in various NZTA work groups and seminars on vehicle-related issues.

c. Biosecurity

The Brown Marmorated Stink Bug biohazard is seasonal, and we continue to facilitate and chair a working group to share information, improve systems and procedures and prepare for each successive season. The work group comprises representatives from the relevant industry sectors, and government officials.

d. Takata airbag recall

VIA participated with MBIE, NZTA, Customs, MIA etc in the Minister's Advisory Group on dealing with the recall, the largest that New Zealand industry has had to deal with, as up to 600,000 vehicles affected.

- Received compliments from Minister Fafoi for our contribution.
- Negotiated with MIA over claims for cost-recovery by new vehicle distributors.

e. Emissions and fuel economy standards

Participated in a Ministerial Work Group set up by Associate Minister Genter to advise on the government's proposals for initiatives to improve the average fuel economy (and reduce carbon emissions) of vehicles entering the fleet:

- The "Feebate" scheme (the so-called "Clean Car Discount" scheme)
 - Fuel economy standards (the so-called "Clean Car Standards" scheme)
- These initiatives would affect the supply of vehicles, but their development and implementation has been delayed by politics.

f. Electric Vehicles

Continued participation in the government's EV Leadership Group, until its discontinuation this year.

VIA has also represented the used vehicle industry at various EV-related seminars, meetings and presentations.

VIA's Technical Manager Malcolm Yorston has been nominated for participation in Standards NZ's work on EV charging standards.

g. ESC

The final phase of mandatory Electronic Stability Control (ESC) was implemented on 1 March 2020.

This implementation date coincided with the start of the COVID-19 pandemic crisis, with the shipping of many non-ESC compliant vehicles being delayed.

VIA prepared detailed information on identification of ESC-compliant vehicles, developing a database of the Japanese domestic vehicle fleet, with the standards and specifications for each vehicle. This database and search functions enabled purchasers, importers and inspection companies to easily check individual vehicles' compliance with ESC and with any other standards, before purchase and before export from Japan.

9. Consultations, Submissions, Committees:

VIA has been involved in consultations and submissions on all issues affecting the used vehicle import industry.

In particular, we dealt with the following issues:

- Product Stewardship:
 - EV batteries
 - Tyres
 - Batteries
 - Greenhouse gases
 - Vehicles
 - Oil

- Glazing Rule
- 760 MHz (liaising with Japanese authorities)
- Government's EV Leadership Group (*Ministerial appointment*)
- Takata airbag recall
- Vehicle type approvals
- Motor Industry Training restructure (MITO)
- Seatbelt re-webbing
- Lost or delayed deregistration papers
- Proposed requirement for increased information for Entry Certification (compliance)
- Proposals to move Ports of Auckland, or its car importing activities

VIA is currently collaborating with MTA on researching and developing a proposal for managing the fleet, in order to achieve a younger, safer and more environmentally friendly fleet over time. Such a management plan would involve identifying and accelerating the scrappage of older, less-safe and fuel-inefficient vehicles. Government has requested such proposals from industry, in order to encourage and assist the economic recovery after COVID-19.

10. Political advocacy

VIA continues to deal with the relevant ministers, opposition spokespeople and government officials. Our annual industry dinner is an excellent forum for emphasising our credentials as the voice of the used vehicle import industry.

Our policy is to ensure that all relevant ministers and spokespeople from all parties are briefed on issues that relate to the industry.

In the past year, we have liaised with

- Phil Twyford (Minister of Transport)
- Julie Anne Genter (Associate Minister of Transport)
- Shane Jones (Associate Minister of Transport)
- Kris Faafoi (Minister of Consumer Affairs)
- Damien O'Connor (Minister of Agriculture and Biosecurity)
- Simon Bridges (Leader of Opposition)
- Judith Collins (National transport spokesperson)
- Jamie-Lee Ross (National transport spokesperson)
- Paul Goldsmith (National transport spokesperson)
- Chris Bishop (National transport spokesperson)
- Brett Hudson (National transport associate spokesperson)
- Erica Stanford (National transport associate spokesperson)
- David Seymour (ACT leader)

11. Communications & Marketing

a. Alerts

VIA prepares and circulates Alerts, which are used to advise members and the industry of key issues and actions to be taken.

b. Industry media

Continued close liaison with both Autofile and Autotalk:

- Articles
- Interviews
- Comments

Prepared a list of VIA's successes and achievements, resulting in recruitment of more members.

c. External Marketing

The association continues to have the policy of not promoting VIA 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 traditionally held an annual Mid-Winter Vehicle Industry dinner for senior government officials and association stakeholders. Last year's was sponsored by Ports of Auckland, with Associate Minister of Transport the Hon Julie Ann Genter as guest speaker.

These dinners are widely acknowledged as important opportunities for key people in our industry to get together and discuss issues that affect their businesses, and to hear from key political figures.

12. Commercial activities

Technical information, stationery and material supplies

VIA has historically supplied technical information, specialist stationery and forms and materials for the VIN process. These are profitable activities, but are not our core business, and VIA has investigated selling both the stationery and VIN kit supply businesses.

VIA has also prepared commercial proposals for conducting research and projects for Government departments.

VIA has also conducted research for some businesses 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
- Standards NZ
- Low Volume Vehicle Association (LVVVA)

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.

14. Sponsors

Following the restructure of the association, members have each chosen the category of membership best suits their business. We would like to record our thanks to the businesses that have been sponsors and supporters over the years:

- Armacup Maritime Services
- Autohub
- Automotive Technologies Ltd
- Autosure
- Autoterminal
- Dolphin Shipping
- Jacanna
- JEVIC
- Moana Blue
- Nichibo
- Ports of Auckland
- Provident Insurance
- Trade Me Motors
- VINZ

15. Future

In the words of one of our International Members: "VIA's job is to keep the door open for used imports into NZ". Our mission statement is that we are committed to supporting and promoting the vehicle import industry. This has not changed. In fact, the events of the past 12 months have highlighted the continued need for VIA and its services.

VIA continues to be the only effective voice for the used import vehicle trade.

The restructured association is now well placed to continue to advocate for and represent the industry, and personally I am very positive about VIA's new phase.

David Vinsen
Chief Executive