

# FleetView23

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## Slump in supply; drive in demand

**A spate of natural disasters combined with the current local and international economic environments are resulting in a variety of effects on the supply and demand of new and used vehicles in the New Zealand market.**

The most noted effects on the supply of vehicles worldwide have come following the Japanese earthquake and tsunami earlier this year that slowed production in the region.

Toyota and Honda were two brands hit the hardest, however recent globalisation and integration across the motor vehicle manufacturing industry has seen many vehicles around the world incorporate Japanese-made parts, sparing few manufacturers the post-tsunami consequences.

Despite the interruption, production levels in Japan are expected to return to normal earlier than first anticipated with an expected 90 percent by mid-year and full operation by September.

FleetPartners National Customer Service Manager, Vern McLaren says that many of New Zealand's distributors have good levels of stock with almost 100 percent of orders in production.

"There has been a remarkable recovery in Japan with far less impact than had originally been forecast. For consumers this may result in some price rises due to the demand for a limited amount of supply, however, positive exchange rates are minimising this pressure.

**There has been a remarkable recovery in Japan with far less impact than had originally been forecast**



"Volumes were also clearly negatively impacted after the Global Financial Crisis in 2009 but since then they have continued to increase and whilst there has undoubtedly been some reduction in the number of cars registered over the last two months this will only have a short-term effect on the volume," Vern said.

Year-to-date figures show both passenger and light commercial vehicle (LCV) registrations are edging closer to figures experienced in 2008 demonstrating a higher level of demand as the economy recovers.

In preparation for last month's annual National Fieldays exhibition in Hamilton, all manufacturers ordered good levels of light commercial stock that was shipped prior to the Japanese earthquake.

"The market has been conditioned to take advantage of the specials and incentives offered at the exhibition with an increased demand for LCVs resulting from high commodity prices achieved in our export sector," Vern said.

New registrations for the first 6 months of 2011 saw commercial vehicles rise 16.3 percent compared to the same period last year while passenger vehicles saw a slight gain of 3.3 percent.

Used vehicle markets have also been affected by the situation in Japan; with fewer new vehicles being produced and reduced domestic demand resulting in owners holding on to their older vehicles.

"In 2010, 95.5 percent of New Zealand's used vehicles came from Japan, therefore we will see a drop coming from Japan in 2011 following the tsunami.

"Retention of this market share will affect the used vehicle market in coming years when the government's Japan 05 emissions regulations are introduced in January 2013, limiting the importation of older vehicles," commented Vern.

New Zealand's vehicle market is in a healthy position with figures showing strong demand from consumers and the effects of recent natural disasters causing limited disruption in the market.

# Take the stress out of having an accident

## Being involved in an accident can be a distressing time.

FleetPartners' Collision Management system, 'SafeFleet', provides an efficient service that reduces the inconvenience to drivers when the unforeseen occurs by managing the entire claim and repair process.

### How it works

To help in reporting the incident, FleetPartners has included an Accident Report sheet in all Driver packs that should be completed at the time of an accident. After completing this form, you need only make one phone call to our Customer Service line (0800 438 435 – Option 1 for Accident & Breakdown assistance) to report the accident, arrange for a tow-truck if the vehicle is unable to be driven, organise a replacement vehicle and start the claim and repair process.

### How FleetPartners can save you downtime and repair costs

An online-based claims management system is employed by FleetPartners, that uses automated electronic notification and booking systems for repairs and establishing contact with the third party if required, saving time for the business.

The online system tracks all claims process and provides real-time incident reporting data allowing clients to monitor full details for their entire fleet and driver database to ensure risk areas and drivers are promptly identified and managed saving your business time and money.

Driver education and behaviour has also been shown to significantly reduce insurance claims by identifying key risk factors amongst drivers and raising awareness of particular hazards to prevent incidents occurring.

**“ the online tool was specifically developed with company vehicle drivers in mind, focusing on driver behaviour ”**

To help with this SurePlan has developed DriveSmart, an online training tool. “Reducing the number of vehicle incidents is a key priority for many companies with a fleet, not only for the safety of drivers but also to reduce vehicle downtime and repair costs,” says SurePlan General Manager, Gordon Brown.

As an example, Nestlé New Zealand recorded a drop of 45 percent in the incident rate of drivers who participated in their fleet risk management program, using SurePlan's DriveSmart tool, during 2010 compared to those who did not complete the training.

Gordon says “the online tool was specifically developed with company vehicle drivers in mind, focusing on driver behaviour as the statistics show that the majority of fleet crashes are due to an error in judgement, a lapse in concentration, distraction or poor time management.”

### What next

To enable FleetPartners to provide you with the best possible service, we need up-to-date vehicle insurance details. If you do not have or are unsure if 'SafeFleet' is part of your lease agreement or if you need to update your insurance details, talk to your Relationship Manager today.

For a FREE Driver Risk Assessment visit the FleetPartners website [www.fleetpartnersnz.co.nz/passenger--lcv-products/collision-management.aspx](http://www.fleetpartnersnz.co.nz/passenger--lcv-products/collision-management.aspx) and click the link at the bottom of the screen.

### THE MOST COMMON INCIDENT TYPES REPORTED

- 25% Hit stationary object
- 11% Hits parked client
- 8% Hits client in rear
- 8% Client hits parked third party
- 6% Client hits third party in rear
- 5% Hit by unknown third party, parked and stationary
- 3% Hit animal
- 3% Multiple collision, client blameless
- 3% Vandalism, offender unknown
- 3% Client reversing





## Getting ready for Euro 5 and 6

**Euro 5 will be introduced in Australia on all new-model passenger cars, SUVs and light trucks from November 2013**

A spokesperson from the Ministry of Transport recently reported to 'AutoFile magazine' that the Ministry couldn't yet confirm what dates the new standards will be implemented in NZ, until formal consultation is completed. However, they did note that the Transport Minister, Steven Joyce, has written to the Motor Industry Association (MIA) several times to advise them of his intent that New Zealand would implement Euro 5 and Euro 6 on the same dates as Australia.

This will mean a 'new type approval', meaning models that aren't Euro 5 will no longer be introduced, but existing models will continue to be sold. All vehicles sold will however need to comply from November 1, 2016.

The Euro 6 standard will then be introduced the following year as a new type approval from July 1, 2017.

One issue raised by distributors in Australia was the problem of low quality fuel. Euro 5 requires petrol with a sulphur content of only 10 parts per million (ppm). In Australia, petrol only has to comply with a standard of 150 ppm for regular and 50 ppm for Premium. In New Zealand sulphur of 50 ppm is allowed in petrol – too high for Euro 5.

One likely outcome of higher sulphur content in petrol is degradation of the exhaust system, with the sulphur affecting the catalyst, resulting in more harmful emissions.

Aside from affecting the emissions produced, the high sulphur can affect the durability of the exhaust system in the long run.

However, the good news for New Zealand is that petrol refined at Marsden Point by the New Zealand Refining Company has only 10 ppm of sulphur or below, as a result of the platformer used.

Next steps require an amendment to the Vehicle Exhaust Emissions Rule. The Ministry will request NZTA to implement the new standards through the next Omnibus Rule, which should be developed early next year.

## From the Managing Director

**Dennis Kelly**



### Welcome to the winter edition of FleetView.

As we approach mid-year it is timely to reflect on the past six months and consider what lies ahead. In a year defined by the Christchurch Earthquake, New Zealanders have shown yet again their resilience and determination.

Whilst the economic recovery continues at a modest pace, some sectors are doing exceptionally well. Primary industry – dairy, wool and beef – is growing off the back of very strong global demand and rising prices. The strong global commodity prices are helping to boost investment and demand in the sector, with flow-on benefits for downstream suppliers.

What does this mean for fleets? Overall we are seeing a slow but steady rebound in demand for fleet vehicles as the primary sector strengthens and exports grow. Interestingly, orders from SME customers continue to build, suggesting that business confidence is growing in line with stronger forward orders.

Looking into our crystal ball, the NZ economic outlook is looking better than at anytime in the past four years. By 2012 GDP growth is forecast to be running at 2% and increasing to 4% and assuming no further natural disasters, we expect fleet demand to hit full stride about the same time.

Over recent weeks the FleetPartners team has been validating and placing the final touches on our new AutoFlex product. AutoFlex is an innovative product that sets a new benchmark in the New Zealand fleet industry. The product is poised to launch shortly within the New Zealand market.

AutoFlex is an employee leasing scheme that is attractive to both the employee and the employer. AutoFlex is based on the novated leasing model popular across the Tasman. Feedback to date has been encouraging and we look forward to sharing more on this product with you in the coming months.

I would like to close with big congratulations to all the team at FleetPartners for our recent customer satisfaction results and you can read more about the results on page four. It's nice to know our focus on service is making life better for customers.

**Until next time, safe motoring.**

# FleetPartners tops customer experience



**Each year, FleetPartners commit to identifying ways to improve our performance and standards of customer service across the business.**

To do this we commission leading research company Colmar Brunton to obtain feedback from both our Customers and Non-Customers.

Prior to this year's Customer research, Colmar Brunton's CEO, Dick Brunton shared key insights from a national study across multiple categories with the FleetPartners management team.

"Great companies deliver great customer experiences, and great customer experiences come from people who act out of instinct, rather than a rule book, and that comes from great cultures," Mr Brunton said.

FleetPartners' April 2011 results saw a total of 270 Customers and 100 Non-Customers taking part – an outstanding result and testament to the strong relationships that exist.

One of the most pleasing results was the feedback from some customers showing that FleetPartners staff continue to be a key asset, with many mentioned personally by customers as delivering excellent customer experiences. "This is an area where FleetPartners significantly out-perform the other leasing companies their clients also do business with," reported Julie Benzie of Colmar Brunton.

**“ great customer experiences come from people who act out of instinct, rather than a rule book ”**

"Customers are continually impressed with the great account management FleetPartners' staff provide, making it significantly easier to do business with them. Improvements across a range of areas including dealing with invoicing queries, frequency of account reviews and timeliness of administration have further enhanced FleetPartners' position."

Importantly the latest survey results show that there has been a significant improvement in FleetPartners' level of communication, an area of focus identified last year to ensure our customers are not faced with unexpected costs when their lease expires.

The results give FleetPartners a benchmark against other companies, showing us that while we are on par for products and pricing with other fleet-leasing companies, we rate consistently more positively than the market.

While this is an excellent step forward, the 2011 survey results reaffirm that providing excellent service results in greater satisfaction – something that FleetPartners is committed to doing.

FleetPartners would like to thank all those who participated.



**Clayton Coe**  
Relationship Manager

## FACE2FACE

**The best thing about FleetPartners New Zealand is...**

the culture and team environment.

**What's the best thing about being based where you are?**

Based in Hamilton I am able to have a lot more face to face contact with our clients and suppliers and its a great area despite the weather!

**When I was a child I wanted to...**  
be rich.

**When I'm not at work, I'm...**  
pretending to be rich.

**It's not fashionable but I love...**  
reading.

**If I were a car I'd be...**  
an Aston Martin One-77  
(it's a wish list right?).

**I wish I had never...**  
had a Siamese cat – I used to think my kids were demanding!

**My pet hate is...**  
Being late.

**If you were to look in my music collection I wouldn't want you to find...**  
I have no secrets – it's all good stuff!

**My favourite motoring gadget is...**  
my iPod connection.

**My ideal weekend is...**  
long ones – at Waiheke – enjoying the beach and good wine with friends and a bit of mountain biking squeezed in.



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