

Leaner, greener fleet line-up for 2007

Motoring reviewer Byron Mathioudakis previews the new vehicles that will make a mark on fleets this year.



New Zealand fleet managers will be spoiled for choice in 2007 as an exciting range of new passenger and commercial fleet favourites is reborn, updated or introduced.

In a sign of the times, manufacturers are rushing to introduce leaner, greener vehicles. While hybrids remain a boutique option for now, fleet managers can do their bit for the environment (and lower operational costs) with a range of new diesel and four-cylinder models hitting the showrooms. Here is a quick overview.

TOYOTA One of New Zealand's bestsellers is reborn in the guise of the tenth-generation Toyota Corolla. Boasting more "European" styling, improved road manners and more space, the venerable Japanese small car will arrive in hatchback and sedan shapes. A completely redesigned Highlander is also waiting in the wings.

MITSUBISHI Mitsubishi's most important arrival will be the next-generation Lancer sedan due in the third quarter of 2007, with the hatchback following later on.

MAZDA Mazda will field its completely redesigned 2 hatchback late in 2007. With styling cues from its successful 3 range, the latest Mazda tiny tot has far-wider appeal than its boxy predecessor.

NISSAN Nissan will slot the all-new X-Trail SUV onto New Zealand's roads late in the

year. You need to do a double take to notice the changes, although current owners will welcome the extra space, quietness, on-road performance and handling on offer.

Also on the cards is the new Dualis/Rogue/Qashqai baby SUV, a small-car based two or all-wheel drive wagon aimed at the Ford Focus set.

AUDI One of the most eagerly awaited models of 2007 will be the A5 3.2 quattro – the head-turning three-door coupe that should give the brilliant BMW 335i Coupe a run for its money.

MERCEDES-BENZ The biggest news from Mercedes this year is the completely redesigned C-class range. The W204 sedan settles in from mid-year, brandishing more space, better driveability and much better quality than before.

Super-luxury coupe buyers look out: the S-class sedan-based CL Coupe is here soon too, challenging the likes of the Bentley Continental GT for all-round greatness.

SUBARU The third-generation Impreza small car – just unveiled at the New York motor show – cannot come soon enough for Subaru. Expect it here nearer to the end of the year.

VOLVO Volvo's Audi A3 competitor arrives in the form of the bold C30 hatchback, a premium small-car built off the existing



Top 'eco-friendly' fleet alternatives

Mitsubishi i-Car:

The smart urban solution

Mitsubishi's recently released i-Car combines an efficiently packaged four-seater body style within a 3.4-metre length. The turbo-charged 660cc three-cylinder engine delivers a super-frugal 5.34L/100km and emissions that Mitsubishi say are 50% below NZ and international standards.

Ford Mondeo TDCi:

A frugal family all-rounder

James Bond drove one in Casino Royale, and soon you can too! The third-generation Mondeo offers four and five-cylinder petrol engine choices and a modern high-tech turbo-diesel option, promising torque yet economical motoring for a family of five. A sure fleet favourite.

Lexus LS600hL:

Luxury at its greenest

Lexus is preparing an all-wheel drive, petrol-electric hybrid version of the new fourth-generation LS sedan. To be known as the LS600hL, Lexus claims it has the performance of a V12 and the economy of a V8.

Fiat Ducato:

Eco working class hero

The Ducato improves over its boxy predecessor with a marked reduction in emissions and fuel consumption, while literally delivering better driveability.

Volvo S40/V50 platform. By the end of the year, the revamped V70 wagon – as well as its XC70 'SUV-like' counterpart – is also expected.

HYUNDAI A hatchback version of the Elantra small car is expected soon. To be called Elantra Euro, it takes the South Korean brand to a higher level than before as far as style, quality and driver enjoyment are concerned.

The Elantra Euro will also join the Getz, Accent, Sonata, Tucson and Santa Fe in offering advanced turbo-diesel engine technology.

2050 Energy strategy challenges “dirty” NZ fleets

Industry leaders have cautiously welcomed the draft New Zealand Energy Strategy despite concerns about the possible impact on our ageing fleets.



New Zealand's fleet industry is keeping a keen eye on developments following the release of the Government's draft report 'Powering Our Future: Towards a Sustainable Low Emissions Energy System – Draft New Zealand Energy Strategy to 2050'.

The report, which follows the recently published 'New Zealand Energy Outlook to 2030', discusses the long-term energy challenges posed by climate change.

The draft strategy aims to “create a resilient, low carbon transport system”. Of particular significance to the fleet industry, the strategy sets out three key aims for fleets: better fuel efficiency, the development of alternative fuels and the introduction of electric cars.

NZ's older fleet in spotlight

Commenting on the strategy, the Chief Executive of the New Zealand Business Council of Sustainable Development (NZBCSD), Peter Nielsen, noted the unique nature of New Zealand's vehicle industry, particularly the high rate of private vehicle ownership and the age of most government and private fleets.

In a statement, Mr Nielsen said New

Zealand had one of the world's 'oldest and dirtiest car fleets'. High purchase costs for new vehicles and low petrol prices had turned New Zealand into a dumping ground for second-hand imports, he said.¹

The situation had become worse since the 1986 decision to allow mass importation of second hand vehicles, most of which come from Japan.¹

Mr Nielson said that old, gas-guzzling vehicles were contributing more than their fair share of emissions to the environment. “We've got cars in our fleet that are three or four generations behind best practice. The challenge is to get people into more fuel-efficient, newer-generation cars.”²

MIA calls for careful approach

The Executive Director of the Motor Industry Association (MIA), Perry Kerr, has welcomed the report but called for caution when introducing any broad-based changes affecting the fleet industry.

Describing New Zealand's fleet industry as “unique”, he warned the Government must take into account the impact of new fuels on existing fleets.

“We must question the continued importation of tens of thousands of very old used Japanese imports which cannot use the new fuels.”

Although Mr Kerr said that the MIA would encourage development of new technologies and alternative fuels, he added that, “we must ensure fuels sold in NZ are compatible with vehicles in the fleet”.³

Green push gathers steam

Pressure to improve fleet energy efficiency and reduce carbon emissions from fleets has been building for several years.

Recent research from the Bureau of Statistics shows New Zealanders are more dependent on cars than almost any other country. The nature of the geography and New Zealand's small population mean there is often no viable public transport system for towns and cities.

Because of this reliance on private transport, greening of fleet vehicles is seen as a key target area to meet the Kyoto Protocol objectives. (New Zealand joined on 16 February 2005, giving the country three years to reduce greenhouse gas emissions to below 1990 levels.)



Powering our future Highlights

- Improved fuel efficiency for all vehicles.
- Introduction of renewable transport fuels including bio-fuels.
- Creation of a resilient, low carbon transport system.
- Ensuring a secure and diverse supply of transport fuels.
- Support for the introduction of renewable fuels as substitutes for petrol and diesel.
- Supporting the introduction of hybrid electric vehicles.

Source: Powering Our Future: Towards a Sustainable Low Emissions Energy System – Draft New Zealand Energy Strategy to 2050.

Government steps up emissions limits

Pressure is mounting on new and used car emission standards thanks to two major announcements from the Ministry of Transport.

Fleet and industry vehicle leaders have welcomed Government moves to toughen vehicle emission standards.

Late last year, New Zealand's Associate Transport Minister Judith Tizard announced that the Government would mandate emissions tests for used vehicles and the introduction of standards for used diesel vehicles, including trucks.¹

Industry response was overwhelmingly supportive, with some groups even urging the Government to go a step further.

"It's pleasing that the Government is becoming proactive in doing something about this problem," said Motor Industry Association CEO Perry Kerr. Although Mr Kerr described the border emissions test as long overdue, he said the move would improve the age profile of the country's fleet and force younger vehicles onto the road.

The Government proposes to adopt emission standards applying in the Japanese domestic market from certain dates. Japanese standards from 2002 would apply to New Zealand from 2008, the 2005 Japanese standard in 2010 and Japanese standards forecast for 2009 will apply in New Zealand from 2013.

Government eyes new car imports

In February, following support for proposed used vehicle emission standards, Ms Tizard and the Minister for Climate Change David Parker announced plans for tougher new vehicle emissions.²

"We are proposing that imported new vehicles must meet the rigorous European and Japanese vehicle emission standards within two years of a standard being adopted in those countries," the Minister said in a statement. "Previously, in our announcement prior to Christmas, we'd

been suggesting a three to four year lag period. But Cabinet has reconsidered this."

A convincing package

This latest announcement presents a convincing package for the reduction of harmful emissions from one of the oldest fleets in the world. Perry Kerr agrees.

"The overall reaction of the industry to this package is very good. We are supportive of both moves and are pleased that the government has taken these initiatives to mandate international standards in New Zealand to bring us up-to-date with Australian, Japanese, European and American standards.

"When the average age of our fleet is reduced this has an effect throughout the whole market," he said.

When asked if there were any losers in this picture, Mr Kerr concurred that there may be some potential problems for the new heavy vehicle industry.

"Considering that new models are introduced on an eight to 10-year cycle, and the lead time for manufacture of new models is 12 months, the heavy vehicle industry will need to be working with their suppliers to find solutions to these new demands." New technology is getting smarter, Mr Kerr said, and new functions such as onboard diagnostics will help to pave the road ahead for heavy industry.

The new proposal will be included in a draft Transport Ministry rule, due for release for industry and public comment in April. The moves are part of an ongoing campaign to lighten the country's environmental footprint, including the "Choke the Smoke" campaign³ of October 2006 and Judith Tizard's message in March this year for New Zealanders to go on a "low-carb diet".⁴

A message from
Dennis Kelly

**Head of FleetPartners
New Zealand**



Welcome to the autumn edition of FleetView, my first as Head of FleetPartners New Zealand.

In my previous role as CEO of Geneva Finance and prior to that CEO of Hertz Fleetlease, I learned the value of listening to customers and talking to people at the coal-face who know and understand the business.

A key attraction in taking on this role was the opportunity to work with some of New Zealand's best and brightest fleet managers.

We're building on this fantastic team with some talented fresh faces, including a new Head of FleetPartners Direct, Rick Splinter.

A well-respected sales and finance expert, Rick will focus his considerable talents on our introducer market and the franchised dealerships, with the aim of strengthening relationships and improving communications, reporting and product releases.

For our customers, 2007 will be a year of growth and innovation: more focussed products, new services and better-resourced account management. A key benefit of our new, private ownership structure is our ability to quickly develop and deploy fleet management solutions in line with changing customer needs.

In the coming months we will be unveiling a new comprehensive motor vehicle insurance product ideal for SME customers, along with improved reporting and communication systems designed to streamline their fleet management requirements.

More broadly, 2007 is shaping up as the Year of Green Fleets. We are already getting strong feedback from customers, particularly larger fleet operators, who are keenly interested in moving towards lower carbon-emission truck and vehicle fleets.

One sign of the times has been a big jump in demand for smaller and diesel powered vehicles, a shift which has caught some manufacturers by surprise.

Conversely, the current focus on energy and greenhouse at a national level is likely to impact on the fleet industry via continued soft demand for the bigger, less fuel efficient six and eight cylinder passenger vehicles and 4WDs.

By focussing on what our customers need – and being a few steps ahead – FleetPartners is now strategically positioned to lead industry change and innovation.

Until next time, safe motoring.

1. Press release, MIA, 21 December 2006, www.mia.org.nz/news 2. Press release, New Zealand Government, 14 February 2007, Scoop Independent News, www.scoop.nz/stories/PA0702/SO0223.htm 3. Ministry of Transport website www.transport.govt.nz/campaign/ 4. Beehive press release, 4 March 2007, Associate Minister of Transport Judith Tizard www.beehive.govt.nz

FleetPartners Direct

Small and medium-sized companies will now enjoy the fleet services and buying power of the large companies thanks to FleetPartners Direct.

Small and medium enterprises (also known as SMEs) make up around 80 per cent of businesses in New Zealand. But until recently, few fleet companies gave this important group the attention they deserved.

While the SME market sector has been a priority for Fleet Partners, the new Fleet Partners Direct Team has been established to provide the customer support levels this market sector deserves. This will allow SME clients to receive all the benefits our larger clients enjoy, such as fleet management, service and fuel discounts.

Newly appointed Head of FleetPartners Direct, Rick Splinter, said feedback from customers found the need for a simplified product offering more streamlined services and a single point of contact who understood their unique business requirements.

"FleetPartners Direct" is a result of that feedback. We've tailored our fleet services specifically to meet requirements like reducing paperwork, e.g. finance documents have been slashed from 20 to two pages while same-day approval and plain-language contracts have been instituted.

Designed to offer improved fleet efficiencies and easier access to fleet finance, FleetPartners Direct is ideal for businesses with fleets of between one and 15 vehicles.

"The beauty of FleetPartners Direct is its flexibility. We recognise no two businesses are the same and that everyone's fleet requirements are different, irrespective of whether you employ one or 1,000 people. Moreover, it gives owners and operators access to the sort of fleet services and buying power normally only available to large corporate customers," Rick said.

FleetPartners Direct customers enjoy a range of premium services including a choice of fuel card, 24-hour, seven day-a-week roadside assistance, a fully maintained operating lease and flexible options at the end of the lease.

Effectively, this service gives our clients a full range of options plus the added benefit of less paperwork, faster approvals and quick access to professional fleet advice.

For many clients, vehicle purchase and running costs make up a large proportion of their operating expenditure. Most, however, don't have the time, experience or resources to focus on fleet management.

At Fleet Partners Direct, we value your business and believe we can only deliver the high level of customer support required by providing you with direct access to our team.

Call our team today and experience the best customer support possible.

Watercooler

Simeon Eagleton
Business Development
Manager, Corporate



How would you describe your role at FleetPartners? Challenging.

What's the best thing about your job?

The feeling that I can make a real contribution not only to FleetPartners, but also to my customers.

Where does work fit into your life?

'Life Balance' is important. I work to live not live to work. Work is a means to enjoy my life and family. The benefit is in the satisfaction I can get from my work.

What is the smartest career move you ever made? Moving to New Zealand from the UK.

What is the key to your success? Listening.

We're in the business of providing solutions and you can't provide one without first understanding what your customer is trying to achieve.

What do you like about the people you work with? It's the 'attitude'.

If we don't have a system in place or a process that covers the request, then the core of the business pulls together to find a way of doing it.

How do you feel you make a difference to their business? With over 11 years experience

in the leasing industry, I'd like to think that I've learnt something that can benefit others.

Who inspires you and why? My children and

the younger generation. The opportunities that are available to them and the knowledge they have at their fingertips we could only dream of when I was younger. It's all about leading by example and keeping them grounded. They make me want to be a better person.

Describe your perfect weekend?

Good people, good food, sun, music and plenty of laughter.

Meet the FleetPartners Direct Team



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