STEERING COLUMN

PLUGGING IN TO EVs
WHAT WILL MOBILITY MEAN?

WELCOME TO THE FUTURE
IT'S HERE, NOW
— JUMP ON BOARD

LEASEPLAN MAGAZINE
SUMMER 2016

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WHAT WILL MOBILITY MEAN?
EVENTS

9 DEC
Enjoy a free movie at the Christchurch Arts Centre’s beautifully restored North Quad, with the Leiggs Construction Outdoor Cinema series, on the second Friday of the month over summer. There’s a kids’ movie at 5.30pm and something for the grown-ups at 8.30. artscentre.org.nz/

31 DEC
Welcome in the New Year with a touch of glamour at the Light and Sparkles party at Auckland’s Rydges Hotel. Enjoy cocktails, a view of the Sky Tower fireworks and a chocolate fountain on the hotel’s rooftop deck. rydges.co.nz

2 JAN
Enjoy some Red, Red Wine with your red wine at Martinborough’s Luna Estate winery, where the original UB40 will be performing among the vines. They’re playing in Blenheim and Queenstown, too. jacman.co.nz

4–8 JAN
Get on your bike and ride into the new year at the Hawke’s Bay Summer Cycling Carnival. Whether you want to race or just have fun and drink wine, there’s an event to suit. summercyclingcarnival.co.nz

28–29 JAN
It’s been 50 years since Kiwi driver Denny Hulme won his first world title, and the Taupo Historic GP is celebrating this with the first ever visit to New Zealand of Formula 1 cars from the 1960s and ’70s. brucemclarenmotorsportpark.com

4 FEB
Go on, you know you want to... Guns N’ Roses take on Auckland’s Western Springs. It could be your last chance to see Axl, Slash and Duff all on the same stage. ticketmaster.co.nz

19 FEB
Take the rare opportunity to explore multi-millionaire Alan Gibbs’s sculpture park on the Kaipara Harbour, while being entertained by musicians from the Auckland Philharmonic. apo.co.nz

25–26 MAR
Celebrate Wellington’s quirkiest district at the CubaDupa festival. Get on up during the day and get on down in the evening, with music, food and entertainment. cubadupa.co.nz
OVER THE LAST FEW MONTHS, ELECTRIC VEHICLES (EVs) HAVE REALLY GAINED MOMENTUM. INDUSTRY AND GOVERNMENT ARE COMBINING FORCES TO LEAD THE WAY.

The number of new EVs sold is increasing, both BMW and Renault are struggling to supply and Tesla have announced they will start taking orders in New Zealand from November.

 LeasePlan has built a good-sized fleet and thus expertise in EVs. We are able to take customers through a process to identify EV opportunities – it’s not quite as simple as just buying one and driving off, as you can see on pages 4–7. We are also using our network to support council and industry initiatives.

Yes, there are still questions regarding overall cost, limited supply and driver perception, but these are all short term and able to be overcome with the right strategy. With an industrial powerhouse like Germany considering banning internal combustion engines from their roads by 2030, no one can say this is a short-lived fad.

However, in New Zealand EVs alone will not do the job needed to significantly reduce CO₂ emission levels any time soon. We import second-hand cars that are on average over seven years old when they arrive on our shores – and that means seven-year-old emission technology. Of the over three million vehicles on our roads, the average age is 13 years old.

I am 100 per cent behind the EV initiative, but let’s view it as but one of the steps needed to impact our environment. There is still much more to do.

CHARLES WILLMER
MANAGING DIRECTOR
LEASEPLAN NEW ZEALAND
BMW has released a prototype of what it believes will be the motorcycle of the future – and it looks smokin’. The elaborately named BMW Motorrad VISION NEXT 100 bike balances itself, so there is no need for a stand or for the driver to put their foot on the ground when not in motion, and the rider wears ‘data glasses’ instead of a traditional helmet with a visor.

In fact, the vision of the future does away with a helmet altogether: the motorcycle is run by a ‘digital companion’ which ‘acts imperceptibly in the background and always intervenes when required or desired’ to avoid accidents.

‘Designers are assuming that in twenty years, most vehicles will be driving around autonomously. Life will more often take place in urban environments and be organised by digital services. More and more digitalised, more and more interconnected, more and more automated. This thought made it clear what importance will be attached to analogue islands which give humans back that feeling of freedom,’ said design group leader Edgar Heinrich.

The prototype bike was displayed at the recent BMW Group ‘Future Experience’ exhibition in Los Angeles. While the overall shape of the bike harks back to the first BMW motorcycle, produced in 1923, body elements like the seat, upper frame cover and front-wheel cover are made of carbon. It has a flexible frame which adjusts and changes shape when the handlebars are moved, to facilitate the change in direction.

The BMW design team has also created a set of lightweight clothing to be worn on the bike, which includes an air-conditioning function to maintain optimum temperature, and sensors on the arms and legs to aid navigation.

Beyond all this, however – it just looks incredibly cool. Check out more at brand.bmw-motorrad.com

THE BIKE OF THE FUTURE

TEEING OFF FOR PLUNKET

Plunket and LeasePlan have had a long and happy relationship. A LeasePlan team, including Managing Director Charles Willmer, recently took part in Plunket’s inaugural charity golf tournament, at Auckland’s The Grange course. However, despite sponsoring two carts and putting their best swing forward, the LeasePlan team came away empty-handed.

On the positive side, the day raised nearly $10,000 for Plunket, and representatives of the organisation’s partners, suppliers and supporters all had a great time. Maybe some practice will go on behind the scenes before next year’s tournament, at which Plunket hopes to raise twice the amount.

Left: Plunket’s Carolyn Mettrick and Nin Roberts get around the course in comfort.
Right: LeasePlan Managing Director Charles Willmer (right) puts the fun into fundraising, with colleague Phil Ellison.
SELF-DRIVE VEHICLES BECOME A REALITY

Just when you were getting used to the idea of ordering up an Uber rather than hailing a taxi, the company which is challenging accepted ideas of mobility has taken it a step further, introducing autonomous (self-driving) vehicles into its fleet in Pittsburgh. While still in trial mode – and with a human ‘safety driver’ in the front seat – a small number of modified Ford Fusions are ferrying people where they need to go without anyone’s hands on the steering wheel.

The cars are fitted with exterior cameras and sensors to enable autonomous driving, and the passenger communicates where they want to go using a tablet, on which they can also monitor their progress and – if they feel the need – take a selfie.

Uber has recently acquired Otto, a company developing self-driving trucks, for a reported US$680 million, gaining its expertise to work on Uber’s own self-drive programme.

And closer to home, the New Zealand Traffic Institute (Trafinfz), Volvo, the New Zealand Transport Agency and the Ministry of Transport joined forces to present an autonomous vehicle demonstration in Tauranga in November, as part of the Trafinfz conference. The trial was held over 15 km of public road, in normal traffic conditions.

Volvo has announced a worldwide Drive Me autonomous vehicle research project, part of its vision that no one will be seriously injured or killed in a new Volvo by the year 2020. One hundred Volvo customers will drive IntelliSafe Autopilot-equipped XC90s on Swedish roads in 2017, to explore the practical use of such vehicles in real-life situations.

SMALL FLEET PEOPLE ARE BEST

LeasePlan’s small-fleet campaign, featuring a suite of caricatures, has been hugely popular with clients, and now it’s won a Gold Pin at the Designers Institute of New Zealand Best Design Awards. The Best Design Awards is an annual showcase of excellence in graphic, spatial, product, interactive and motion design, and the small-fleet creative was recognised in the Design Craft section of the awards.

The LeasePlan marketing team were surprised and delighted to take out the prize — in the face of hefty competition, and the first time they had entered. Illustrated by the team at Watermark, the animated characters were designed by graphic design and brand strategy agency Creature, led by Creative Director Janelle Rodrigues and Design Director Marianne Webb.

LeasePlan’s ‘Bye Bye Buy, Hello Lease’ campaign was designed to appeal to small and medium enterprises, communicating the emotional and financial benefits of leasing vehicles as their business grows.

We wanted a campaign that would educate these potential clients about how leasing can work for and appeal to them on a personal level. We really wanted to convey to customers that we understand the unique needs of small businesses. Our characters have been crafted to demonstrate this,’ says LeasePlan Head of Marketing Sarah Hagan.

The humourous set of characters was designed to talk to a variety of small businesses, from traditional trades to entrepreneurial modern New Zealand businesses, and connected to the idea of vehicles being an extension of both an individual’s character and their brand, says Hagan. ‘The unique campaign imagery needed to work for both brand messaging and focused offers from LeasePlan. We are thrilled with the success of our Small Fleet campaign creative.’
ARE YOU READY
TO PLUG IN?
Switching to electric vehicles is not quite as simple as just buying one and plugging it in to your garage — there are several factors to consider.

The government would like you to do it, the environment seems to need you to do it, and your customers might want you to do it.

But is adding electric vehicles (EVs) to your fleet right for you? And what do you need to consider before plugging in and driving off?

The days of the fossil-fuel-burning internal combustion engine seem to be numbered, with the race now on between technology companies and car manufacturers to develop and market the next big thing. While hydrogen fuel-cell cars are hovering on the horizon, plug-in hybrid and full-electric vehicles are the front-runners at the moment.

But what do these terms even mean? Is it really that easy to just buy an electric car and plug it into the wall? What are some of the issues that need to be considered before heading down Electric Avenue? According to some pundits, the world is standing on the brink of widespread EV uptake. Numbers of EVs on the roads worldwide are still incredibly small, however: around 1 per cent of the world’s entire vehicle fleet. World EV sales were estimated to have been 462,000 in 2015 – but that is around a 60 per cent increase on 2014.

A recent Bloomberg New Energy Finance report suggests that the sale of EVs will hit 41 million by 2040, which still represents only 35 per cent of new light vehicle sales. The Bloomberg research also suggested that continuing reductions in battery prices will bring the total cost of ownership of EVs below that for conventional-fuel vehicles by 2025, even if oil prices remain low.

In New Zealand the numbers of EVs on the road are also modest – around 1900 EVs are now registered here, but that’s a big rise from around 800 a year ago, and just 149 at the end of 2013. In an initiative designed to speed up the process, LeasePlan is part of a group of companies, led by Air New Zealand and Mercury Energy, which have committed to converting 30 per cent of their fleets to EVs by 2019.

The government’s Electric Vehicles Programme has set itself a target of doubling the number of EVs in New Zealand every year, to reach approximately 64,000 by 2021. Transport Minister Simon Bridges earlier this year unveiled a package of incentives to encourage companies and private individuals to go electric, including extending the road user charges (RUC) exemption on EVs until they make up two per cent of the light and heavy vehicle fleets; working across government agencies and the private sector to investigate the bulk purchase of EVs; coordinating activities to support the development and roll-out of public charging infrastructure; spending $1 million annually for the next five years on a nationwide EV information and promotion campaign; and the establishment of a contestable fund of up to $6 million per year to encourage and support innovative low-emission vehicle projects.

‘It’s clear that electric vehicles are the future,’ Bridges has said. ‘A move from petrol and diesel to low-emission transport is a natural evolution, and it is our aim to encourage that switch sooner, rather than later.

‘The benefits of increasing the uptake of electric vehicles are far-reaching. They’re cheaper to run than petrol or diesel vehicles, they’re powered by our abundant renewable electricity supply, and they’ll reduce the amount of emissions that come from the country’s vehicle fleet.’

SO, IS ELECTRIC FOR YOU?

While the world of EVs might be confusing for those raised on the good old gas guzzler, the good news is that LeasePlan is here to help, says Commercial Director Johannes Jacobs (JJ).

‘Increasingly, today’s businesses must prove their commitment to tackling climate change and pollution, and having EVs in your fleet is a powerful public signal that your business cares about these issues and will take action.

‘We have spent considerable time researching not only the types of vehicles available, but also looking at how introducing EVs to your fleet can impact on your business operation. Investing in green transportation will lower your overall operating costs and maintenance of your fleet, but before you make any decisions, there are some important factors to consider.’

JJ says companies need to ask themselves if EVs are compatible with their broader business strategy.

‘It’s important that you are clear as an organisation about why you are choosing EVs, especially given that total cost of ownership is higher than comparable petrol/diesel vehicles. That may require you to forego spending in other budgets to support the increased direct cost of your fleet. You need to make sure you are comfortable with the costs and their impacts from the outset, with an eye to lower running costs in the medium to long term.’
JJ also notes that replacing a traditionally powered fleet with EVs is not as simple as just changing the keys. ‘Part of the purpose of a vehicle policy is to align your fleet requirements with those of the business. In evaluating whether EVs are feasible for your needs, you need to consider who uses which vehicles and for what purposes, trip lengths, the nature of those trips, whether there is towing involved and what needs to be carried. It’s also important to look at complementary policies such as Health and Safety and HR to ensure that your vehicles are compatible with provisions for private use.’

Then there are the practical aspects. How and where will the vehicles be charged? For example, will drivers have charging capabilities at home or will they need to visit a charging station? Will your drivers still need a fuel card? What happens if their EV breaks down (you might be surprised to learn that they can’t be towed but have to be moved on a flatbed truck) or gets a flat tyre (most don’t come with a spare, just a gel kit to make a roadside repair)? How, where and when do they go for servicing and maintenance?

‘LeasePlan can help you talk through all these factors, and work out if EVs will work for your business,’ JJ says. ‘With technology changing so fast, we are committed to keeping up with all the changes and developments. When people come to us and say “What’s the story with EVs”, we are able to give them the answers. We’ll talk you through what’s available and what it means for your fleet – rather than just saying “here’s an EV, get on the road”.’

And taking the EV path doesn’t mean going all-out and replacing all the vehicles in your fleet.

‘For most companies who want to go a bit greener but need to carry heavy loads, travel reasonable distances or tow, there are options such as a plug-in hybrid SUV, so at least you are getting a little bit of an advantage.’

Even going partially electric is a way of reducing carbon emissions, and ties in with LeasePlan’s Green Plan to reduce and offset greenhouse gases.
WHAT ABOUT TRADITIONAL FUELS?

But if EVs aren’t for you, don’t fret – the days of the internal combustion engine aren’t over yet. JJ says the groundswell has just begun and there’s a long road ahead.

‘We’ve obviously had vehicles like the Prius for some time, and Tesla has done a very good job of putting EVs into the news. However, while manufacturers face collective pressure to produce cleaner, more energy-efficient vehicles, the petrol or diesel engine isn’t dead – at least, not yet.’

However, he says that the combustion engine of the future may not be as we know it now.

‘Downsizing, turbocharging and hybridisation will keep fossil-fuel-based motors relevant through many rounds of stricter CO₂ targets. In fact, it may be the case that the tipping point away from petrol and diesel will come as a result of social rather than technical or legislative factors.

‘There’s also going to be a capacity issue, as biofuels compete for space requirements with food supplies. As climate change also puts pressure on food supplies, and governments regulate carbon, we think it’s likely that the long-term future lies in electric propulsion – but, like autonomous vehicles, timing, uptake and penetration remain hard to predict.’

JJ says inevitably, companies will decide between battery-powered EVs, fuel-cell EVs, petrol or diesel according to their own circumstances, needs and capabilities. ‘The range limitations of EVs could cause difficulty, for example, for industries such as delivery and home service that need to have their fleets on the road all day.

‘Local government interventions and national roading strategies could also play their part in encouraging uptake as more road space is allocated to high-occupancy vehicles, EVs and cycle routes in cities across the world and fewer new roads are built.’

What are the key advantages of EVs?

1. They make it cheaper to get from A to B than traditional vehicles – the equivalent to paying around 30 cents per litre of petrol.
2. They’re cheaper to maintain, with a lot fewer moving parts than conventional cars.
3. They emit a lot less carbon. Once on the road, an EV will save about 3000–5000 kg of greenhouse gases annually.
4. They’re better for the environment all round. They don’t produce any other harmful emissions either.
5. They can run on renewable energy. Just over 80 per cent of New Zealand’s electricity is generated from renewable sources such as hydro and geothermal energy, rather than burning fossil fuels.
6. They are more energy efficient. EVs use 90 per cent of the energy created from their ‘fuel’, whereas petrol/diesel vehicles only use about 30 per cent.
7. They reduce noise pollution – EVs are a lot quieter than a petrol or diesel vehicle.

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While battery-prioritised vehicles currently account for just 0.6 per cent of the global automotive market, the theory of technology adoption is that 1 per cent is the tipping point at which the tech cannot be stopped and is here to stay.

Keen to plug in and switch on? Here are some current and pending choices.

**BMW i3**

**PRICE:** $74,300

**CITED OPTIMAL RANGE:** 200 km

The big change to BMW’s quirky city-centric hatchback is the introduction of a fully electric version, the BEV, to complement the lookalike range-extender (REX) with a 650cc two-cylinder petrol engine.

The REX avoids range anxiety by having a motor to charge the battery on extended trips. The BEV i/three.lf is for urbanites clocking less than two.lf/zero.lf/zero.lf km a day.

An update that replaces the original six.lf/zero.lf ampere-hour (Ah) battery for a denser nine.lf/four.lf Ah unit fuels BMW’s confidence of renewed interest in a car that already has strong green credentials, due to its sustainable production, using recycled parts and non-oil-derived plastics and trim material. The new battery increases the driving range by up to five.lf/zero.lf per cent and can be relied upon to carry you up to two.lf/zero.lf/zero.lf km in ‘real world’ driving – pretty good given the estimate assumes you’re running with passengers and operating the air-conditioning, lights and radio.

Performance-wise, the one.lf/two.lf/five.lf kW/two.lf/five.lf/zero.lf Nm plant offers zero.lf–one.lf/zero.lf/zero.lf kmh in seven.lf./two.lf seconds and a top speed of one.lf/five.lf/zero.lf kmh. And it’s dollar.lf/one.lf/zero.lf,/zero.lf/zero.lf/zero.lf cheaper than the REX and just as eye-catching.

**RENAULT ZOE**

**PRICE:** $74,990

**CITED OPTIMAL RANGE:** 210 km

The first French electric car to hit New Zealand took a long drive to land here, since production began in two.lf/zero.lf/one.lf/two.lf. In fact, a refreshed version with substantially improved range, around 300 km, has just hit Europe. Does that mean the one here now is on a short-stay visa?

This five-seater compact hatchback is on good bones in sharing a platform and drivetrain with the Nissan Leaf (sadly no longer a new car choice here), and also trades on delivering good driving mannerisms. There’s also the cred from it being the all-time top-selling electric car in France and, in two.lf/zero.lf/one.lf/five.lf, the top-selling all-electric car in Europe.

Town driving is the top trick; it’s small enough to nip into tight spots and zippy enough to keep a good pace. Be aware, though, that French-style power driving might lead you to consider recharging the sixty five.lf/zero.lf kW/220 Nm and twenty two.kWh lithium-ion power set after just 120 km.
It’s fair to describe the commercial electric vehicle sector as “emergent” – China’s LDV is coming in next year, but presently Kangoo is the sole new choice at the light end.

Air New Zealand’s decision to use the Kangoo as the main choice for delivering its green fleet vehicle ambition should be a great promo run for the pure van and its five-seater passenger alternate.

Compact doesn’t mean small: a cargo zone measuring 1.8 m in length and 1.2 m between the arches allows for 4.6 cu m of useable space, and the payload is a healthy 650 kg. There’s a neat trick for accommodating awkward-shaped and longer items: the passenger seat folds flat into the floor, and a barrier swings around the driver.

Kangoo’s powerplant has been configured for load-hauling, so generates less power (64 kW) and more torque (226 Nm) than the Zoe’s and, being heavier, uses its power faster.

Being a workhorse, it’s not trimmed to passenger standard, but the manual air-conditioning, a stereo with MP3 and Bluetooth and remote central locking will be appreciated.

And in the future? Here is what we might see next, at present unpriced:

**RENAULT TWIZY**

CITED OPTIMAL RANGE: 100 km

**HYUNDAI IONIQ**

CITED OPTIMAL RANGE: 280 km (EV)

**VW eGOLF**

CITED OPTIMAL RANGE: 150 km
What would you say about a fleet of cars, vans and trucks running off energy they had helped create themselves? Rubbish? And you’d be right.

Managing Director Tom Nickels says the decision to introduce electric vehicles (EVs) to its fleet wherever possible ties in to the company’s sustainability policy in several ways.

‘Firstly, it’s about energy efficiency. It goes to the core of what sustainability means to us,’ Nickels says.

‘Sustainability is what we do — it’s our raison d’être and why we exist as a business. With a large fleet of trucks and cars on the road, we have been investigating for some time how we can reduce transport emissions and help safeguard our environment for future generations through the adoption of electric vehicle technology’.

‘Fueling’ plug-in EVs using power generated by gas the company has created from its own landfill and energy parks is ‘a virtuous circular economy’, Nickels says.

Waste Management has partnered with LeasePlan to add 14 electric cars — full-electric BMW i3s and Nissan Leafs, plus Mitsubishi Outlander plug-in hybrid EVs — and three Renault Kangoo ZE electric vans to its light vehicle fleet. LeasePlan Client Development Manager Jessica Wait says as well as working with Waste Management to convert as much of its fleet as possible to EVs over the medium term, LeasePlan also provides the company with a range of fleet-management services. These include Fleet Reporting, maintenance and servicing management, 24-hour Premium Roadside Assistance, direct driver support and infringement management.
Nickels says fuel-cost savings through converting to electricity was ‘a factor, but not a driver’ in the company’s decision to add EVs to its fleet.

‘In the early stages, the cost is slightly more but we believe the cost of this technology will come down,’ he says. ‘Ultimately we would like it to be a neutral cost, but it’s more about the sustainability aspect for us.’

The company has installed an EV charging station at its Redvale landfill and energy park and a multi-bay charging station at its head office in Mt Wellington, but vehicles can also be ‘filled up’ at home or at eight other Waste Management sites across New Zealand, drawing on the sustainable energy put into the grid.

As well as the around-town light vehicles, the company is also taking the plunge to convert its waste-collection truck fleet to electric. Three diesel trucks are being converted by world-leading electric mobility integrator EMOSS in the Netherlands, with two being trialled in Auckland and one in Christchurch by early 2021. The first to be converted is a box-body collection truck, while the other two will be side-loader waste-collection trucks – used for residential curb-side wheelie-bin collections. Waste Management will monitor their performance and iron out any issues in the first half of next year, before rolling out more vehicles.

And anyone who has been awoken by the roar of a rubbish truck will be pleased to know that the new models are not only better for the environment, they will also be quieter than traditional diesel trucks. ‘They’re not silent – they’re still a truck – but the noise level is much lower,’ says Nickels.

And the stop-start nature of their work is actually a bonus for an electric-powered truck: the energy generated by frequent braking can be harnessed to help keep the batteries topped up.

‘The majority of our collection fleet trucks pick up waste from 1200 to 1400 houses a day, so that’s stopping every two or three metres, which means there’s great regeneration potential.’

LeasePlan will continue to work with Waste Management to convert the bulk of its light fleet to EVs over the next three years, and the majority of its trucking fleet over the next five to ten years, as these vehicles have a longer lifespan before needing to be replaced.

‘This will mean a very substantial reduction in our consumption of fossil fuels and therefore our carbon emissions. It’s the coming together of what’s good for the environment and what is good for business. The time is right for this to work.’
11 REASONS WHY TELEMATICS IS THE FUTURE OF FLEET MANAGEMENT

- Reduce fuel costs by best route planning, monitoring idling time and improving driver behaviour.
- Monitor and improve driving behaviours and identify at-risk drivers.
- Improve the safety of your drivers with accident notifications, risk reporting and more.
- Reduce accidents by promoting safer driving practices.
- Know exactly where your vehicles are and where they’ve been at any point in time.
- Measure downtime when vehicles are being serviced or repaired.
- Get the full picture of your fleet by combining telematics with LeasePlan’s Fleet Reporting.
- Access data to investigate accident causes.
- Manage job scheduling and route planning.
- Use geofencing to spot when your vehicles are being used outside defined territories.
K E E P I N G  A  C L O S E R  E Y E

Fleet management has taken a step into the future, with LeasePlan New Zealand now offering a telematics solution to its fleet customers.

While telematics systems – which track the location of vehicles and collect and transmit data in real time – have been available for some time, LeasePlan has taken the time to thoroughly research what is available, to offer the most useful, usable solution to clients, says LeasePlan Product Marketing Manager Karl Plank.

“We’ve approached the development of our telematics solutions with a focus on enhancing the ‘big data’ that is generated and transforming it into useful business intelligence,” says Karl. To this end, LeasePlan has partnered with GPS fleet-management provider Smartrak.

“There are quite a few companies in New Zealand offering telematics systems, and Smartrak is the biggest one that’s New Zealand owned and operated. We have been working closely with them to work out the best solutions to offer to our clients.

‘A lot of our customers have been asking about this capability, and now we can offer it to them as part of their fleet-management package.’

To run a telematics system, Automatic Vehicle Locator (AVL) units are fitted in each vehicle in the fleet. The fleet manager can then access data on the location and behaviour of all vehicles – including speed and braking patterns – with an easy-to-use map interface. They can see where all their vehicles are at any time, as well as track where they’ve been, determine time spent at certain sites (such as on client visits) and check on staff in remote locations.

Karl says while fleet managers often initially want to install the system because a problem has arisen – excessive fuel usage, traffic accidents or infringements, or uncertainty over staff movements – there are plenty of positive benefits, too.

‘It’s usually a problem which leads people to investigate it at first, but it is also a powerful tool for using their fleet more efficiently,’ Karl says. ‘Once they see their cars actually driving, they can see where efficiencies can be made. They really start to understand their fleet, and often can see vehicles which are being under-utilised or just sitting in a car park most of the time. That might lead to reducing the size of their fleet, or introducing pool cars which can be used by a number of people.

‘It’s a complex system in terms of the information that can be extracted from it, but it’s a really easy-to-use piece of software.’

A big plus to being able to track the movements of vehicles in your fleet is improving efficiencies – both in time and fuel. It can help with route planning and setting territories for staff on the road, by revealing which vehicles are going where, and at what times, says Karl.

“You can also use the system to directly see where vehicles are in relation to customers. If you run a big fleet, you can look on the map and assign the nearest car to a job, instead of calling people up and seeing who’s closest. You can also see how long people have been with customers, to ascertain who might be coming free to take on the next task.’

Driver safety is also a significant factor. Problem behaviours such as speeding can be easily tracked, and at-risk drivers identified and managed.

‘With the new Health and Safety at Work Act, this is a great way to invest in driver safety,’ Karl says. ‘By knowing exactly where your vehicles are you can minimise risks, and it will notify you if there has been a crash. This is a great safety initiative for staff who work in isolated areas off-grid.’

Telematics systems can also be tied in with LeasePlan’s Fleet Reporting product.

‘Fleet Reporting shows you the amount of fuel used every month, the cost, the amount of times vehicles have been serviced and so on,’ Karl says. ‘Telematics is like the next piece of the puzzle, which will give you the full overview.’

Karl says there are privacy issues around using such systems, especially when work vehicles are used in personal time, but LeasePlan’s legal team has developed a driver statement which it recommends its clients use with their employees.

‘It covers what the information gathered can and can’t be used for, and that the driver agrees to the use of the system. Very few in the industry offer a driver statement or put an emphasis on driver privacy,’ Karl says.

For more information on how telematics can transform your fleet management, contact 0800 LEASEPLAN, or see www.leaseplan.co.nz
The Super Future was the theme of this year’s Fleet Forum event, held at Auckland’s ANZ Viaduct Events Centre, where around 170 LeasePlan clients and suppliers were treated to an informative and entertaining morning of speakers – and a slap-up lunch, too.

As in the past few years, the event was emceed by the highly entertaining and more than a little irreverent Jeremy Corbett, whose summaries of each speaker’s presentation both reinforced the key points and raised quite a few laughs.

Speakers at this year’s event, sponsored by VW and Skoda, included Mark Gilbert, the chair of the Drive Electric organisation; Uber New Zealand’s General Manager, Richard Menzies; financial commentator Bernard Hickey; Stephen Hogg of PwC; and Gordon MacDonald, Chief Executive of WorkSafe. The keynote speech was by the ‘attitude doctor’ Tom Mulholland, whose philosophy on the importance of healthy thinking and looking after your mental health featured in the Summer 2015 edition of Steering Column.

FUTURE MOBILITY

Tying in with the Super Future and sustainability theme, several of the presentations explored the rise of electric vehicles (EVs) and alternative mobility solutions. Transport Minister Simon Bridges addressed the gathering via video, outlining the government’s initiatives to encourage the uptake of EVs – for more on this, see the main feature on pages 4–7.

‘The future for them is super, and the future is now, for New Zealand more than any other country,’ Bridges said.

Bridges’s presentation was followed by a live one by Mark Gilbert of Drive Electric. Formerly the head of BMW in New Zealand, Gilbert now leads a group stimulating the discussion about and promoting EV use in New Zealand. Gilbert said as well as New Zealand producing around 80 per cent of its energy from renewable sources, the average commuting distance here is 28 km – an ideal range for utilising EVs.
In terms of introducing EVs to business fleets, Gilbert said there had to be a change of thinking towards a total cost of ownership model for EVs, rather than the upfront transactional cost. He said many companies now had a sustainability strategy, but very few of them are actually living it.

The number of EV models available in New Zealand has been low compared to overseas markets, with 15 currently available, but manufacturers have indicated a further 28 are on the way, being introduced at a rate of eight to ten a year over the next few years.

Next up was another forward thinker, Richard Menzies of Uber New Zealand. The driver service, which is now operating in more than 60 countries and in Auckland, Wellington and Christchurch here, has now racked up 5 billion user trips, with up to 5 million rides taking place around the world every day.

Menzies’s presentation centred around the future of cities and how we are going to move around them.

‘Congestion is one of the biggest issues facing New Zealand today,’ he said. He estimated Auckland was suffering from around $1.25 billion per year in lost productivity due to traffic congestion.

Uber, he said, is about ‘making more efficient use of current assets to make it easier for people to get around.’ With 3.1 million vehicles registered in New Zealand, ‘the issue is not just on the roads, but when they are parked. Most cars aren’t being used for twenty-three hours out of every twenty-four, and this takes up valuable space. Up to a fifth of the area of cities is being wasted on parking.

‘If we don’t address this, we are going to be living in cities that look like a carpark and move like a traffic jam.’

**ECONOMIC OUTLOOK**

Fleet Forum attendees were also interested to hear from financial commentator Bernard Hickey, although he declined to look into any kind of ‘crystal ball’ and predict where the economy might go next. However, he outlined the current situation in which the economy is booming, with strong GDP growth and house-price inflation, but very little movement in wages and consumer prices.

Hickey says this low inflation is ‘global conundrum’, brought about in part by an ageing population; the globalisation of services, which sees domestic prices linked to international ones; huge production over-capacity worldwide, especially in China; and a ‘global confidence gap’, with increasing distrust of politicians and governments by the general public.

However, he cautioned against thinking that current low interest rates would eventually return to ‘normal’ levels, using a graph to show that over the very long term, rates of 2–3 per cent are more the norm.

Hickey said the factors likely to cause change in the current economic situation were migration – if immigration slows significantly, it will affect the economy; further falls in the OCR; and the outcome of the US presidential election.

‘Housing in New Zealand by any measure is overvalued. Related to incomes, it is the most overvalued housing market in the world, and the second most overvalued related to rents.’
Meanwhile, change is also afoot in the accounting and health and safety sectors. Stephen Hogg, Director of Accounting Consulting Services at PwC, presented on 'The Future of Lease Accounting' and the introduction of NZ IFRS (International Financial Reporting Standard). As of January 2019 this new standard will be mandatory, but companies can choose to start using it earlier.

Hogg said the new standard removes the distinction between finance and operating leases, and will therefore have some impact on companies’ balance sheets. Companies need to consider the potential effects on banking dividends, tax and dividend planning, HR and remuneration packages, their lease versus buy strategy, and internal accounting systems and processes, Hogg said.

‘Some people have argued that these changes will have a big impact on leasing going forward, but I doubt it,’ he said. ‘But companies are going to have to think about the accounting side, especially when it comes to things like novated leases. They are going to have to have a good understanding of how that works.’

The legislative changes around health and safety in the workplace were also covered at Fleet Forum, with Gordon MacDonald, Chief Executive of WorkSafe, giving a presentation on the new Health and Safety at Work Act 2015. With between 600 and 900 New Zealanders affected by work-related disease each year, as well as between 40 and 60 dying in work-related accidents, McDonald said the new Act needed to look at health at work, as well as safety.

‘Changing the law is only the start. To make a real impact, we need to change our attitudes to health and safety,’ McDonald said. ‘Health and safety needs to be considered good for staff engagement, a company’s reputation, its productivity and good for the bottom line, rather than being the last thing we think about.’

THE ATTITUDE DOCTOR

Emphasising the importance of good mental health in all aspects of your life, not just the workplace, the keynote speaker at Fleet Forum was Dr Tom Mulholland, an emergency doctor and advocate for healthy thinking. Dr Tom’s entertaining and information presentation, entitled ‘How to Live to 100, Stay Out of the Emergency Department and Get a Few More Ks on the Clock’, told his own story but also provided some tips on how to keep your mental hardware and software in top condition.

Dr Tom kept the audience engaged as he spoke about ‘disengaging the grumpy unit’, using ‘mental kung fu’ to control your negative thoughts, and how changing how you think can change the way you feel.

‘Your mind is your biggest competitor, but if you can learn to manage it you can turn it into something great,’ he said. 

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The way we think about vehicles and the ways in which they will impact our lives is in the middle of significant transformation. This change has implications for all of us.

This new era will almost certainly usher in a shift in emphasis – from how businesses get places to how they achieve their broader goals in terms of work and productivity. Increasingly, instead of looking for how they can fit mobility, capacity and capability into their businesses, companies will start looking for tailor-made mobility: mobility that combines transport needs, travel needs, connectivity and technology into one integrated, managed service that enables all of us to get more work done more effectively.

Mobility management is all about smart travelling and smart working. It’s how we intend to help companies strike the right balance between doing right by their people and meeting their commercial targets and objectives.

Right now, when we think of mobility, most people think of how to get the vehicles they own or lease moving as freely and efficiently as possible. Looking ahead, though, the whole concept of mobility will be much more open.

In the future, those who can do without private mobility, especially those who live in cities, will in all likelihood avoid outright ownership, and shy away from sole-driver leasing as much as possible. We’re going to see a significant casualisation of the motorised economy as more and more people opt to not own, not drive or to only drive as required. Even those who have a specific need for ownership, whether in cities or outside, will look to save money by driving fewer miles and seeking cheaper fuel options.

Increased congestion will mean those who do drive will spend greater periods of time on the road, so the very experience of driving is likely to change as commuters seek greater opportunities to use that dead time wisely. That in turn will put the onus on car manufacturers to change what can be done while travelling.

**AVS AND APPS**

I say while travelling because there’s a good chance that many of us will not actually be doing the driving. Just as sharing economy initiatives are changing the ways motorists think about vehicle availability, autonomous vehicles (AVs) are changing the very nature of driving itself. Self-drive is all the rage at the moment and much has been said about how quickly and how extensively these vehicles will become the norm. LeasePlan’s view is that timing, uptake and penetration remain hard to predict.

What we are confident of is that when they do arrive, AVs will change the nature of how fleets work. Fully autonomous vehicles will obviously impact drivers because they will potentially transform everyone into a passenger, and car usage will change because the arrival of an autonomous mainstream road fleet will coincide, inevitably, with those questions around usage and ownership. For us, of course, fleet management will require new models and ways of thinking to absorb all of these changes.

LeasePlan Commercial Director Johannes Jacobs (JJ) looks at the future of mobility and what it will mean for both drivers and leasing companies.
AVs will open up the way for on-demand driving solutions: a car when and where it is needed, rather than a car that is used by one person. It makes complete sense that AVs could have multiple ‘drivers’, who don’t drive, so there’s no need for individually assigned vehicles.

The self-driving car will ultimately change company car costs. Cost reductions will start with lower costs for damages, insurance and fuel, but will be balanced for some time by higher acquisition costs. Current financing models, in which a car is either owned or leased under a financial or operational lease, will also be affected.

Our view is that these vehicles will open up new usage models and vehicle sharing. That in turn will see the financial models that underpin leasing today needing to be re-thought.

The new technologies that make autonomous driving possible will also bring with them completely new mobility models. New developments in networks, sensors, mobile communication, real-time information, and new levels of connectivity will change what’s possible on the move.

And as vehicles change how they communicate, the ways in which consumers, and their devices, connect to their vehicles will open up intriguing possibilities. Cars will become ‘appified’ as their specialist hardware is co-opted into software running on the user’s own phone or tablet. So, in effect, each vehicle’s systems will be personalised and controlled from these devices.

LEASEPLAN’S ROLE

Increasingly, in light of all these developments, LeasePlan is rethinking its role. Leasing takes on new meaning in the sharing and digital economies. As mobility becomes the new focus, our role and focus is moving away from vehicle provider to mobility service provider. Our future lies in combining and managing corporate travel, corporate fleet and facility management. The other significant development, of course, is the move to electric vehicles – and you can read more about LeasePlan’s strategy in this area on pages 4–7.

Technological innovations and corporate social responsibility are driving companies to look at their fleet in terms of mobility management. We know that keeping drivers mobile while maximising financial, employee and environmental gains is top of mind for many fleet and HR managers today.

One way LeasePlan is working on this globally is using a mobility audit as a first step towards tailor-made mobility. This audit identifies all the mobility habits, needs, means, infrastructure, costs and environmental impacts for all connections and journeys in relationship to the company’s operations. By clearly understanding how the business moves, individually and collectively, and aligning this with business objectives and the business environment, it’s possible to identify optimisation opportunities that directly support and enhance business objectives.

Translating these insights into a mobile policy then creates a clear outline for the kinds of transportation and connectivity choices employees can and should make. Companies are finding that offering additional, alternative mobility options (besides the company car) is not only lowering mobility costs, but also lifting employee engagement.

It might sound like we’re doing ourselves out of a job. But mobility is not about pushing drivers out of their cars if the car is an essential tool for carrying out their work. It’s about smart planning and gaining efficiencies for hard-working businesses by changing embedded behaviours where doing so makes sense.

We know that in five years the business world we are part of will have changed again, and we will not be the company we are today. Our role as a business partner is already changing. The key is not to resist these changes, but to go with them.

To us, the future isn’t scary. We think of it as a work in progress.
Just because it’s out of sight, your vehicle’s oil shouldn’t be out of mind. LeasePlan’s Technical Asset Team tells why it’s so important to keep an eye on your engine’s lubrication.

Until the internal combustion engine goes the way of the dinosaur and we’re all speeding around in battery-powered or fuel-cell vehicles, lubricating oil is going to remain an important factor in your car’s smooth running. Oil is a vital tool to keep the thousands of moving parts of your vehicle doing just that – moving, and if you have too little of it in the system, or it has been contaminated, the results can be costly and disastrous.

Today’s cars use less oil than those of the past, but it still pays to keep tabs on your vehicle’s oil and keep it topped up to the correct level, with the correct product, between services. The high heat generated by internal combustion engines means a little oil will burn off even in the most sophisticated engine.

LeasePlan recommends checking your oil at least once a month, and of course having it changed regularly at service time. Over time, oil can become acidic and start to damage your vehicle’s engine, and it degrades whether it is being used or not. Temperature, moisture and oxygen levels, and engine condition all have an effect on how quickly oil degrades.

• Make sure you know how to check your vehicle’s oil: where the dipstick is, and what the marks on it indicate about your oil level. You also need to know where the oil-filler cap is.
• Some modern cars don’t even have a traditional dipstick. Find out how to access information on the oil level through the on-board computer or information system, and check it regularly – rather than waiting for a warning light.
• Check the oil when the car is on a flat surface, so the oil level is accurate, and check it when the car is cold, so all the oil has run back to the sump.
• As well as checking the oil level, take a look at its colour. If it’s very dark, and certainly if it seems gritty, it’s probably time for a change.
• Make sure you know what sort of oil your vehicle requires. This is usually written on the service sticker on the inside of the windscreen, and in the car’s manual.
• The numerical code for the oil (e.g. 10w40) relates to its viscosity, under winter (cold) conditions and at higher temperature. The lower the ‘w’ number, the better the oil’s cold temperature/cold start performance. The second number means that the oil must fall within certain viscosity limits at 100°C. Once again, the lower the number, the thinner the oil.
• Make sure you keep to your oil and oil-filter replacement schedule, to keep your engine in top condition.
• Most manufacturers recommend changing your oil every 15,000 km or once a year, but many cars use a programme in the electronic control unit (ECU) to determine when the oil needs to be changed, based on duration of use, ambient temperature, speed and acceleration. This is called condition-based servicing (CBS) and is a good way to determine your vehicle’s actual needs.
• Vehicles which do lots of short trips, without the engine fully warming up, may need their oil changed more frequently than those used for longer runs.
• When topping up your oil, pour slowly and don’t overfill. Recheck with the dipstick as you go along to make sure you have added the optimal amount of lubricant.

Check your vehicle’s handbook or talk to your service agent to find the specific oil details for your vehicle. If you have any questions about your oil, talk to the LeasePlan team on 0800 LEASEPLAN.
Stocking Fillers

Summer is the perfect time for getting into a good book. Here's a selection of new Kiwi releases for Christmas which might find their way under your tree this year.

**Beach Life: A Celebration of Kiwi Beach Culture**
*By Douglas Lloyd Jenkins*  
Godwit $60

It's not a Kiwi summer if it doesn't involve a beach – whether it's by the sea or on a lake. Social historian and style commentator Douglas Lloyd Jenkins looks at how our attitudes to the beach have changed over the last century and how our relationship with the shore has formed our society, accompanied by beautiful and nostalgic images. As well as triggering memories, this book also raises some interesting questions about our national identity.

**Outdoors**
*By Jeremy Schmid*  
New Holland $45

Summer is the season for cooking outside, but the days of throwing a few bangers on the barbecue and hoping she'll be right are long gone. Top chef Schmid, who now runs Auckland's acclaimed venue The Officers Mess, offers enough recipes for cooking over a barbie, open fire or on the spit to keep you busy – and popular with your friends – as long as the good weather lasts.

**Rolling with the Punchlines**
*By Urzila Carlson*  
Random House $32.99

Ex-pat South African Urzila Carlson's deadpan delivery and outrageous humour have made her a household name – though you might not repeat many of her jokes in polite company. Here Carlson tells her own story of growing up, emigrating and becoming an accidental comedienne, with her trademark wit and keen observation of the funny and absurd things life throws at us.

**12 Huia Birds**
*By Julian Stokoe & Stacy Eyles*  
Oratia $24.99

The beautiful huia is just one of the lost wonders of the New Zealand forest, here celebrated and remembered for a younger audience. This beautiful hardback book – perfect for gifting – tells the story of the huia's decline through poetry and gorgeous illustrations. And just to keep it right up to date, it links with an app providing more information on New Zealand's special birds.

**New Zealand's Best Trips: 26 Amazing Road Trips**
*By Brett Atkinson & Sarah Bennett*  
Lonely Planet $39.99

It's official: New Zealand is a great place to go on a roadie. Our own little country joins Lonely Planet's stable of guides, highlighting Kiwi classics such as the Southern Alps Circuit, Sunshine and Wine and Milford Sound Majesty. The authors are experienced travellers and writers, and it includes plenty of insider tips and honest reviews for all budgets. So get on the road!
HAVE A HAPPY HOLIDAY

AND A SAFE & ENJOYABLE NEW YEAR

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OR CALL 0800 LEASEPLAN