# Emissions, Safety Policy & Issues in State Government Fleets







#### Introduction

#### Fleet SA – Who we are

- Government of South Australia
- South Australian Government Financing Authority
- Treasury, Insurance, Fleet
- Provide Fleet Management Services to all government agencies





#### Introduction

### Fleet Size – 7,000 vehicles

- Passenger 43%
- SUV 29%
- Light Commercial 28%

Purchased about 2,500 vehicles @ \$81m Sold about 2,500 vehicles @ \$48m







#### Introduction

#### Our Role

- Procurement, contract management and performance monitoring
- Crash management (repairs and claims)
- Short Term Hire Pool
- Strategic advice and management of fleet related policies





## Background

#### Where have we come from

- Buy Australian Policy
- Fleet Mix Risk
- Volume Sensitivities
- Safety Policy
- Fleet Size 9,000





#### **Emissions**

Define Low Emission Vehicles
Replace Australian made with Low Emission
Select vehicles with

- A minimum level of safety criteria
- CO<sup>2</sup> rating below thresholds
- State wide servicing network
- Low whole of life costs
- Meet operational needs / fit for purpose







VFACTS Segment	Allowable Grams CO <sup>2</sup>
Passenger Micro	100
Passenger Light	125
Passenger Small	135
Passenger Medium	145
Passenger Large	190
SUV Small	160
SUV Medium	170







#### **Emissions**

Set a target in June 2016 that by 31 December 2019, 30% of fleet to be low emission

At end of October 2018

2,000 LEVs in the fleet (30%)

1,000 hybrids in the fleet

750 LEVs in the order bank (67%)

340 hybrids in the order bank, 10 pure EV, and 109 CO<sup>2</sup> offset







#### **Emissions**

In 2017 Camry Hybrid had a cost premium of \$3k over unleaded model In 2018, reduced to \$1.9k

Petrol rated at 7.8 litres per 100k

Hybrid rated at 4.2 litres per 100k

Over 3 years, fuel saving \$2,800

Average Resale premium \$2,800

Net saving \$3,700







#### Initiatives

- Mitsubishi Outlander PHEV
- Hyundai Ioniq
- Holden CO<sup>2</sup> offset Native Australian
- Hydrogen Fuel Cell, Mirai, Nexo
- Renault Zoe & Kangoo
- Tesla Model 3
- Nissan Leaf
- Kia Niro







#### Issues

- Having a clear strategy
- LEV & Diesel fuel
- EV & FCEV Buy or Lease
- FCEV
  - Availability
  - ANCAP
  - Residual Value







#### Issues

- Infrastructure
- Car park managers
- Charge stations
- Credit card for using free charging
- Home charging of government asset
- Hydrogen green, cost, pressure
- Range anxiety







## Safety Policy

**ANCAP** 

SATs

Safety Packs

CoR

Indemnities

WHS

**NHVR** 

**Driver Training and Education** 







#### Other Issues

AASB16 Accounting Standards – Leasing Replacement vehicle for Ministerial Fleet Machinery of Government changes Takata Airbag

**NDIS** 

Managing the tension between cost, safety, and the environment







## In Closing

Most problems you face have been experienced by others

Use the people in this room as a resource

Set up a strong network of contacts

Use innovation to drive business improvement







## Thank You



