

Sustainability and fleet management

Data helping drive best EV leasing outcomes



Christopher Tulloch (above) is CEO of leasing specialist Custom Fleet, which is guiding companies as they transform their fleets into electric vehicles.

The fleet vehicle leasing industry is undergoing significant change with the move to electric vehicles becoming a priority for drivers and fleet managers alike.

Even though the Australian car market has been slow compared to the rest of the world when it comes to adopting electric vehicles, the surge in model diversification along with a worldwide imperative to turn away from traditional fuel sources is seeing momentum shift.

"Two-thirds of our top-tier customers have at least one electric vehicle in their fleet," says Christopher Tulloch, CEO of leasing specialist Custom Fleet. "And that trend will only continue upwards. Customers want sustainable options and we have seen electric vehicle numbers increase four-fold over the past five years."

Worldwide, 6.6 million electric vehicles were sold in 2021, almost double the number in 2019. However, Australia is continuing to play catch-up with just 20,000 electric vehicles sold in 2021, a fraction of the 1 million annual new car sales.

Nevertheless, with 30 electric models now available in Australia – including 65 variants comprised of 28 plug-in hybrid electric vehicles and 37 battery electric vehicles – interest in EVs is accelerating.

"We take our role of leading customers, suppliers, employees and community to a safer, more sustainable and better future, seriously," Tulloch says. "Having fleets fit for purpose is very important to us."

"Our strategic consulting capability is helping our customers electrify their fleets – to meet their needs. Custom Fleet's own vehicles will be

100 per cent electric across Australia and New Zealand by the end of June, with our NZ fleet already fully electric.

"Sustainability is not just about replacing an internal combustion engine vehicle with an electric vehicle; it is about electrifying vehicles that have the most impact on emissions. In the last-mile delivery business, we are helping customers with pilots and trials of commercial electric vehicles.

"By piloting shared mobility solutions, we can also reduce the number of vehicles in a company's fleet. We can do that safely and efficiently without impacting the day-to-day business."

A recent IBISWorld report, 'Fleet Vehicle Leasing in Australia', put the value of the industry around \$3 billion, with novated leasing continuing to grow in popularity. IBIS tipped novated leasing revenues to grow by 4.5 per cent in 2022-2023.

Positive business confidence was likely to encourage more businesses to establish or upgrade fleets of vehicles, according to the report. Additionally, continuing low unemployment would encourage businesses to offer corporate cars and salary packaging as they seek to retain employees in an increasingly competitive labour market.

"Customers are looking for further support and we are offering that with our consulting engagements, along with focusing on data and insights to help them be more productive, safer and smarter with their fleets," Tulloch says.

"We continue to increase our investment in technology to ensure we have timely and impactful data to support our customers in every

"Part of our role is to be the aggregator and to translate all of the information we have gathered and communicate that back to the customer to enable them to make smarter decisions."

Christopher Tulloch

way when it comes to fleet management."

Despite the surge in EV interest, Tulloch notes that there remain challenges with charging infrastructure in Australia.

Since 2021, the Australian Renewable Energy Agency (ARENA) has been funding projects to expand the public vehicle charging network to address EV charging blackspots, increase public take-up of EVs and better understand how the emerging market will function.

Significantly, the projects are also designed to ensure renewable energy is used to power all charging sites, while providing insights into:

- The impact of public fast charging on the electricity grid.

- The effect of existing tariffs on EV supply equipment use cases.

- The relationship between EV uptake, utilisation and charger congestion.

State governments are also rising to the challenge, with the NSW government investing \$149 million to develop charging networks across the state, including co-funding for private industry development of fast-charging stations.

"We need support from state governments to supply turnkey, end-to-end solutions," Tulloch says.

"We are working with other eco-system players to develop solutions that will accelerate the adoption of electric vehicles such as energy companies, charging equipment manufacturers and charge point operators, and have built out a national installer network in Australia and New Zealand".

Vehicle supply is another issue for the local EV industry, with almost all manufacturing taking place overseas. "We continue to look at the means to manage these supply challenges," Tulloch says.

As the market continues to expand, he believes providing key insightful data will prove strategically important for customers.

"The more data the better," he says. "Part of our role is to be the aggregator and to translate all of the information we have gathered and communicate that back to the customer to enable them to make smarter decisions."

"Customers want the right information in the right context at the right time. We can provide that real-time intelligence for them. Our team shares insights with our customers, and we are continuing to make further enhancements in this space."



Partner with us
Simply Smart



customfleet.com.au/afr
1800 812 681

