



A cost-effective way to keep a business on the road is through leasing a fleet of vehicles and a fleet can be anything from one to hundreds of cars.

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Cashflow and budgeting are two big considerations in business, especially when it comes to a small business where one big expense—like a new car—can have to be put off due to finances.

Leasing a fleet offers an alternative to buying a car; the costs can be claimed as a tax deduction if the car is used to generate taxable income and fixed monthly lease payments can make it much easier to budget.

Then there is always the option of buying the car at the end of the lease period.

Under a car lease, the business owner chooses their preferred car, but instead of making the repayments via a car loan, the car is actually bought by the leasing company and then paid for by regular lease instalments.

Fleet leases can run from one to five years, with the business owner given the option of rolling over the lease at the end of the ▶

□ BETTER BUSINESS SENSE WITH TOYOTA FLEET

Toyota Fleet makes better business sense when managing today's fleet. Apart from offering the range, reliability and value for money fleets need to operate efficiently and effectively, Toyota maintains its commitment to fleet operators and the success of its organisation by responding to the many issues facing the fleet operator.

Today's fleet manager is recognised as making a major contribution to corporate performance, with a typical manager responsible for a thousands of dollars worth of company assets.

Senior management are now recognising the importance of the fleet manager's ability to manage a strategic asset in a difficult environment.

With more than 508,000 registered fleet vehicles per year on Australian roads, companies and organisations face an array of issues which impact on fleet function, including managing for shareholder value, return on investment, driving productivity up while holding operating costs down, delivering high levels of customer service and reliability and managing for growth in competitive markets.

For many years, Toyota has seen its role as a strategic partner with its fleet customers and remains committed to responding to the many issues facing Australian fleets.

- ▶ term and upgrading the car for a new model, returning the car to the leasing company or paying the amount outstanding to buy the car outright.

COSTS OF LEASING

A quick call to small business car fleet manager LeasePlan, found most small businesses take an operating lease for 36 months, with an average mileage of 25,000km per year. Customers pay a monthly management fee, determined by the model of car they choose to lease, which includes the car cost, insurance, registration and maintenance. Business owners are given their own fuel card to use when filling up their car and they are then reimbursed for this expense by LeasePlan.

Using a standard model 1.6L automatic diesel Hyundai i30 hatchback as an example (and based on a three-year lease and 25,000km per year), the monthly rental cost with LeasePlan is around \$887. An accountant can help advise on the type of a car a business can afford to lease.

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WHICH CAR TO CHOOSE

When it comes to choosing the right car for a small business fleet, a number of factors come into the equation, including how the car will be used, the number of kilometres predicted, the type of driving (local, highway or remote) and even which model of car the business owner prefers.

Another factor to consider is the environmental impact of the fleet. As fuel costs rise and environmental concerns come to the fore, business owners are considering greener options more now. To choose a more eco-friendly fleet, choose the smallest car that meets the business' needs; consider hybrids, such as the Toyota Prius or Honda Civic Hybrid, if the majority of travel is stop-start city driving; or consider efficient diesel cars, such as a Citroen C3 or Hyundai i30, if for more highway driving.

GOING GREEN

Besides the financial costs of running a small business fleet, there are also environmental costs to consider. Greenfleet marketing manager Merryn Coutts said the biggest cost was greenhouse gas emissions, generated through the burning of fuels in the vehicles.

“These greenhouse gas emissions are contributing to human induced climate change, with transport contributing almost 15 percent of Australia's total greenhouse gas emissions in 2007, according to the National Greenhouse Gas Inventory released in May 2009.”

These emissions can be offset by businesses paying an amount calculated on their fuel consumption, which goes towards planting native forests to absorb greenhouse gas emissions. “Biodiverse, native forests not only recapture greenhouse gas emissions, they also provide habitat for wildlife, improve water quality in rivers and streams, reduce salinity and erosion, and help our landscape build resilience against the effects of climate change,” Coutts explains. Greenfleet recommends businesses start by offsetting emissions they already create, but then set targets to reduce future emissions. This saves on fuel costs, which are only ever going to increase, as well as saving on future offset costs.

Not only will this ease your environmental conscience, but it doesn't cost as much as you think. Offsets with Greenfleet cost \$12.50 per tonne of carbon dioxide equivalent (CO₂-e). They can work out a business' annual offset through calculations based on the number of cars in the fleet, or, more accurately, measure the amount of fuel used by the fleet over a year. **DB**

CASE STUDY

A FUEL CARD TO SUIT EVERY KIND OF FLEET

Caltex offers a variety of fuel card options at the highest level and its StarCard, StarFleet and StarFleetPlus cards have been designed to help drive your business.

Caltex StarCards can help you manage your fuel costs more efficiently, whether you have a single car or a fleet of vehicles.

Each has been designed to suit specific needs, from basic through to comprehensive fleet management.

StarCard is a simple, cashless option that provides you with visibility over fuel costs and simplified paperwork to make fuel management easy. You can:

- Access a network of more than 1,800 fuel and convenience retail outlets across Australia.
- Track vehicle spending and maintenance online.
- Set restrictions around spend limit and the types of purchases allowed on each card (e.g. fuel and lubricants only, groceries, car accessories etc).
- Minimise paperwork with a monthly, ATO-approved tax invoice detailing all purchases charged on your card.
- Pay via direct debit.
- Manage your cashflow more efficiently with up to 51 days' interest-free credit.
- Choose to add a PIN and odometer reading to every card for increased card security.
- Access our dedicated local customer service team that's available 24/7.
- Choose to add on optional roadside assistance.

The StarFleet and StarFleetPlus cards offer more comprehensive fleet management options.

If you'd like more information visit www.caltex.com.au