



Australian Fleet Lessors Association

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MEDIA RELEASE

FLEET LEASING – BACK IN BUSINESS

The Australian Fleet Lessors Association (AFLA) is the association of fleet leasing companies in Australia. Members have a total portfolio in excess of 550,000 funded and/or managed vehicles.

Data for September from a sample of AFLA Members demonstrates beyond doubt the turnaround in the fleet leasing market following the 7 September election, with the new Government not proceeding with the changes to the FBT rules.

The changes announced by the former Government would have meant the removal of the statutory formula method for salary-sacrificed and employer-provided cars. This unfortunate announcement caused significant disruption to fleet leasing in Australia. As a result of the announcement of this measure on 16 July, new vehicle orders placed in August were 26 % less than July.

It is very pleasing to report that new orders in September have recovered to be only 10% below the July level, and a very significant 21% above August.

This recovery in activity is also gathering momentum, with new orders in the second half of September up a massive 64% on the first half.

Moreover this improved trend is more evident for Australian manufactured vehicles, and new orders for these vehicles in September increased by 24% on August, while the increase for vehicles of other manufacturers was 21%.

AFLA Members congratulate the new Government on its decision not to proceed with the FBT changes; the fleet leasing industry can now contribute fully to sustaining employment and growth opportunities in Australia.

For further details: John Bills, AFLA Executive Officer (02) 9232 1238