



**StateFleet**  
Government Services

# HotCom

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## ***The Japanese Tsunami – Impact on motor vehicle leasing and supply of vehicles.***

The Japanese Tsunami has affected the supply of vehicles and components to the automotive industry worldwide. This may result in significant delays in the manufacture and production of vehicles for the Australian market.

StateFleet is consulting with vehicle manufacturers' to ascertain the impact on the supply and delivery of vehicles to NSW Government Agencies. At this stage the impact is still unclear although it is acknowledged that generally the manufacture of Japanese built vehicles and those brands that use Japanese parts in manufacturing will be delayed.

The terms and conditions of the StateFleet Lease Arrangement provide a 'grace period' of six months after the Lease End Date of the vehicle to cover Agencies in such an event. In addition, the forward ordering of vehicles by three - six months in advance of the Lease End Date, as recommended by StateFleet, provides a total buffer of at least nine months before Late Return Penalties apply to the Lease.

Given the terms described above, it anticipated that the impact of the Japanese Tsunami to existing motor vehicle leases and the supply of new vehicles will be minimal.

As discussed at the recent launch of StateFleet's new online reporting facility, StateFleet will work with Agencies on a case-by-case basis and review lease terms, where delays extend beyond the 'grace' provisions of the lease. In these cases, StateFleet will consider waiving the Late Return Penalty and Excess Kilometre Charge, where it is deemed the Client requested the supply of vehicles in accordance with the terms and conditions of lease:-

- . selection of appropriate Lease Term & Kilometre (existing vehicle), and the
- . forward ordering of replacement vehicle so that delivery (in normal circumstances) coincides with the Lease End Date of the vehicle being replaced.

In these cases StateFleet will credit the Late Return Penalty and Excess Km Charge as agreed, on return of the vehicle to StateFleet.

It is highly recommended that all Fleet Managers ensure that all new vehicle replacements going forward are ordered in accordance with the terms and conditions of the StateFleet Leasing Arrangement. (For more information refer to the [Services Directory](#) and [Vehicle Delivery Times](#) @ [www.statefleet.nsw.gov.au](http://www.statefleet.nsw.gov.au) ).

