



ASX Announcement

Smartgroup Corporation Ltd (SIQ) – appointed as a provider of fleet management/administration services to NSW Government

Release date: 4 March 2016

Smartgroup Corporation Ltd (SIQ) is pleased to announce that NSW Government has appointed Smartfleet Australia as one of two providers of fleet management/administration services. NSW Government Departments must choose one of the two appointed fleet management/administration companies by 8 April 2016 via a Request for Quotation (RFQ) process.

The “go live” date for the new fleet management/administration arrangement is 1 July 2016. The initial term of the contract is three years.

This contract is not expected to materially contribute to Smartgroup’s 2016 earnings.

Smartfleet Australia, part of Smartgroup Corporation Ltd, looks forward to servicing NSW Government.

On the next page please find a copy of the announcement made by the NSW Government in relation to this contract.

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Dominic Perrottet
Minister for Finance, Services and Property

MEDIA RELEASE

Friday, 4 March 2016

NEW GOVERNMENT FLEET PROVIDERS TO DRIVE DOWN COSTS

Minister for Finance, Services and Property, Dominic Perrottet, today announced the next step in the NSW Government's new fleet management model, with the appointment of two fleet management providers and a panel of six vehicle leasing providers to deliver fleet services to agencies across the NSW Government.

Mr Perrottet said the new model, announced in August last year, will drive value for taxpayer money, improve service quality, and free up around \$1 billion in capital over the next four years, as the current Government-owned fleet of more than 22,000 vehicles is wound down.

"This Government is committed to investing in the infrastructure and frontline services the state needs," Mr Perrottet said.

"Our new fleet model frees up hundreds of millions of dollars each year that is currently tied up in owning and maintaining a massive car fleet – I want to see that money put to better use," he said.

The reform follows recommendations from 2014 PricewaterhouseCoopers review that competition should be introduced in fleet leasing and management services, with subsequent market testing indicating that the private sector could provide leases and fleet management services at lower costs than under the existing fleet model.

"With providers like the ones we have announced today offering the best services in the field, and there is just no reason for government to be competing in that market."

"The private sector thrives on competition, and under our new model these providers will drive down the Government's costs and allow agencies to access best practice in fleet management, which means a better service for government, and better value for taxpayers."

Under the new model, each government agency will engage a fleet management provider that will offer a diverse range of services and technologies to optimise agency fleets and drive value for taxpayer money. Vehicle leases will be financed separately, with the panel suppliers bidding competitively on each lease.

The new model will take effect from 1 July 2016 for agencies' new vehicle requirements, with the current government fleet to be progressively wound down.

FLEET MANAGERS & LESSORS APPOINTED BY NSW GOVERNMENT

Fleet Management Panel

- SG Fleet Australia Pty Ltd
- Smartfleet Management Pty Ltd

Lessor Panel

- BMW Australia Finance Limited trading as Alphabet Fleet
- Custom Service Leasing Pty Ltd
- FleetPartners Pty Limited
- Interleasing (Australia) Limited
- LeasePlan Australia Limited
- Toyota Finance Australia Ltd trading as Toyota Fleet Management