

CEFC and Eclipx target lower vehicle emissions with \$50 million finance

Program focuses on corporate, government and not-for-profit fleet buyers

INVESTMENT PROGRAM

The Clean Energy Finance Corporation and Eclipx, Australia's largest independent fleet vehicle finance company, are backing the increased uptake of low emissions vehicles through a \$50 million funding structure.

The \$50 million package will provide Eclipx corporate, government and not-for-profit fleet buyers with access to favourable loan interest rates when choosing eligible low emissions passenger and light commercial vehicles.

With the combined Australian fleet market estimated at 450,000 passenger and light commercial vehicles, the finance is intended to make a positive difference in lifting the cost competitiveness of low emissions vehicles in the Australian market.

"This is an important initiative intended to encourage fleet buyers to select more efficient vehicles. More efficient fleets will reduce emissions as well as reduce operating costs, achieving productivity and environmental gains."

Oliver Yates
CEO, Clean Energy Finance Corporation



PROJECT IMPACT

The provision of CEFC finance will provide an incentive for vehicle fleet users to make more emissions-sensitive buying decisions when it comes to Australia's 450,000-strong lease vehicle fleet. In order to be eligible for the CEFC finance, Eclipx customers must ensure the vehicles meet a CO₂ emissions threshold that is 20 per cent below the most recently published Australian averages for new passenger and light commercial vehicles.

The CEFC finance will be available through an Eclipx sponsored, publicly-rated securitisation warehouse, providing a significant demonstration of the potential of alternative funding structures to finance low emissions technologies. This is in line with the CEFC's focus on financial innovation achieving lower emissions and higher energy productivity.

VEHICLE EMISSIONS IN AUSTRALIA

The Australian light vehicle fleet has become more efficient and less emissions-intensive over time. However, light vehicles continue to represent 10 per cent of Australia's total greenhouse gas emissions, the largest share within the transportation sector, signalling this is an area that requires action.

Australia's Climate Change Authority has reported that readily-available technological improvements mean that steps to lift the emissions efficiency of light vehicles represent one of the lowest cost emissions reductions opportunities in the Australian economy.

The Authority's 2014 Targets and Progress Review found there are three broad ways to reduce transport emissions without diminishing living standards:

1. increase efficiency of motorised vehicles
2. reduce emissions intensity of fuels
3. introduce more efficient demand management.

Eclix is committed to supporting the reduction of carbon emissions through the increased use of energy efficient vehicles.

The company has more than \$1.7 billion of fleet assets under management or financed across Australia and New Zealand. This represents more than 10 per cent of the Australian-funded commercial vehicle leasing market.

The company, which listed on the ASX in April 2015, is now one of Australia's largest independent fleet leasing companies.



ECONOMIC BENEFITS

The improved fuel efficiency of low emissions vehicles can deliver substantial economic benefits.

Within 10 years, Australia could save up to \$7.9 billion per year through reduced fuel use from the increased uptake of low emissions vehicles, according to ClimateWorks.

In its analysis, ClimateWorks also estimates that by converting to more efficient low emissions vehicles, the average driver's fuel bill could be reduced by \$850 per year.

"Transport is a leading factor in Australia's greenhouse gas emissions, with light vehicles alone accounting for an estimated 10 per cent of our total emissions. This is clearly an area where we need to take action, and by focusing on fleet buyers we are hoping to see an accelerated uptake of low emissions vehicles."

Oliver Yates
CEO, Clean Energy Finance Corporation

THE CEFC AND TRANSPORT EMISSIONS

The CEFC has identified lowering carbon emissions from transport as a key area of focus for the future. In addition to reducing emissions, improving vehicle fuel efficiency has the potential to cut costs for consumers and reduce reliance on imported fuels, thereby improving Australia's energy security. In addition to the vehicle lease financing program with Eclix, CEFC programs to encourage lower vehicle emissions include:

IMPROVING FUEL EFFICIENCY

TO REDUCE EMISSIONS

— AND —

CUT COSTS

FOR FLEET BUYERS



- A \$120 million program with National Australia Bank to provide an incentive for Australian businesses, particularly those in rural and regional Australia, to invest in new plant and equipment to cut their energy and operating costs. The program is designed to help accelerate the switch to 'greener' vehicles, as well as help businesses upgrade to high performance industrial and agricultural equipment and increase their uptake of solar.
- A \$50 million asset financing commitment with Firstmac, a leading non-bank lender in the home loan sector, to deliver low emissions cars and lower power bills for Australian residential and business consumers. As much as half of the \$50 million asset finance program is expected to finance low emissions and electric vehicles. The finance program can also be used for solar installations and building improvements.



INSIGHTS INTO AUSTRALIA'S TRANSPORT EMISSIONS

In its research into light vehicle emissions, the Climate Change Authority has reported the following:

- Transport emissions increased by 50 per cent between 1990 and 2012, the fastest sectoral growth over the period
- Australia's overall transport emissions are projected to increase in the period to 2030, as demand growth continues to outpace efficiency improvements
- Road transport contributed 85 per cent of all transport emissions in 2012 (77 Mt CO₂-e). Almost two-thirds of this, or 57 Mt CO₂-e, results from the use of light vehicles, which are 10 per cent of Australia's total emissions
- Australia's pattern of vehicle use is changing: the average daily time spent commuting has peaked and future growth in light passenger vehicle activity is expected to mainly be driven by population growth
- However, light commercial vehicle activity is projected to grow more than twice as fast as passenger vehicles to 2030, although this will still contribute less than a quarter of the total kilometres travelled by light vehicles

Eclix Group (ECX:AX) is an established leader in vehicle fleet leasing, fleet management and diversified financial services across Australia and New Zealand.

The group offers consumers and businesses access to funding and management solutions including fleet leasing and management, novated leasing, commercial equipment finance and consumer motor vehicle finance via its suite of brands and end-to-end technology.

Eclix Group's brands include FleetPartners, FleetPlus, FleetChoice, AutoSelect, CarLoans.com.au and Eclix Commercial.

For more information, please visit the group website: <http://www.eclix.com/>

"Eclix is committed to supporting the reduction of carbon emissions through the increased use of energy efficient vehicles. Many of our customers, including publicly-listed companies, government and not-for-profit entities, are acutely aware and concerned about reducing their carbon footprint."

Doc Klotz
CEO, Eclix



The Clean Energy Finance Corporation (CEFC) invests using a commercial approach to overcome market barriers and mobilise investment in renewable energy, energy efficiency and low emissions technologies.

Since its inception, the CEFC has committed over \$1.4 billion in finance to investments in clean energy projects valued at over \$3.5 billion.

The CEFC invests for a positive financial return, with more than 55 direct investments and 34 projects co-financed under aggregation programs. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities.

The CEFC operates under the *Clean Energy Finance Corporation Act 2012*. More information is available on our website www.cleanenergyfinancecorp.com.au

Clean Energy Finance Corporation
Suite 1702, 1 Bligh Street
Sydney, NSW 2000 Australia
ABN: 43 669 904 352

e info@cleanenergyfinancecorp.com.au
t 1300 002 332
i +61 2 8039 0800
cleanenergyfinancecorp.com.au

