

MANAGING FLEET RISK

A holistic guide for organisations on the four key elements of fleet risk





Think of fleet risk and what's likely to come to mind are vehicle accident rates, driver training interventions and health and safety legislation. But the risks associated with running any passenger, light and heavy commercial fleet are far broader than this.

In this guide we take a holistic look at the risks inherent in owning or running business vehicles, as well as those directly related to having employees on the road for business purposes. As risk plays a part in almost all aspects of fleet management, this guide breaks down the key areas of risk into four categories:



Financial risk



Human resource risk



Reputational risk



Legal risk

For each of these categories, we'll deep dive into the considerations required to manage and reduce overall risk, as well as the day-to-day decisions and activities that need to be included in a fleet policy.

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DEVELOPING A FLEET POLICY

A comprehensive and effective fleet policy provides an organisation with strategic guidance on four key elements of fleet risk; financial risk, reputational risk, human resource risk and legal risk. When your fleet risk objectives and strategies are formally recorded in a fleet policy, the policy becomes the reference point for all your fleet-related decisions.

It's important to clarify that 'fleet' in this context not only relates to vehicles owned or leased by your organisation but all those used for business purposes, including vehicles owned by employees and contractors and those hired for short or medium term use. This is often referred to as 'grey fleet'.



FINANCIAL RISK

A comprehensive fleet policy should outline the overall financial objectives related to the fleet, as well as the key decisions on how these objectives will be achieved. The financial objectives are likely to include managing the amount of financial risk your organisation is willing to accept through its decisions on vehicle acquisition, funding methods and maintenance provision.

It should also cover how your organisation will seek to mitigate against the financial losses associated with vehicle accidents, including driver and vehicle downtime, repair costs, increased insurance premiums and expenditure on any resulting legal action.



REPUTATIONAL RISK

At the most fundamental level, the senior management team will need to make decisions regarding all potential risks to your organisation's brand that are associated with the fleet. This will mean determining how the fleet reflects the environmental, social and governance (ESG) commitments, sustainability goals of the business and its health and safety record and reputation as a socially responsible entity. With customers' and other stakeholders' expectations of organisations increasing all the time, a fleet policy that addresses these areas is becoming ever more important.



HUMAN RESOURCE RISK

Protecting the safety of individuals while at work must be of paramount importance to all organisations. The fleet policy needs to reflect all aspects of risk associated with travelling by passenger and commercial vehicles on company business. This will include rules relating to driver behaviour and training, licencing, insurance, health and driver fatigue.

A fleet policy should also provide direction on the most suitable vehicles for your business, and the ongoing maintenance and safety checks needed to keep these vehicles on the road. Just as important is how your organisation collects and uses telematics and accident data, with the aim of reducing the frequency and severity of these incidents.

As well as safety related issues, the fleet policy should determine how employer provided vehicles fit in to the overall benefit strategy. In today's highly competitive labour market, failure to provide the right type and level of benefits places the organisation at risk of not being able to attract or retain the best talent. The policy should include guidance on eligibility, options (including cash alternatives), breadth of choice and ensuring vehicle suitability. It should also put measures in place to encourage the preferred choice of vehicles in meeting cost, sustainability or other objectives.



LEGAL RISK

A fleet policy needs to determine how your organisation will stay compliant with relevant legislation through assessing, prioritising and controlling the risks that are associated with the operation of your fleet. It should also outline everyone's responsibilities for work-related road safety and highlight those with specific accountabilities.

There are two main pieces of legislation that define an organisation's duty of care responsibilities for on-road business activities. The Work Health & Safety Act 2011 (Cth) provides a framework to protect the health, safety and welfare of all workers at work. It also protects the health and safety of all other people who might be affected by the work. All Australian states and territories (with the exception of Victoria) have aligned to this act, with some minor modifications. Victoria has chosen to align with the Occupational Health & Safety Act 2004 (Vic).

Both sets of legislation treat a motor vehicle as a 'place of work' when the vehicle is used for work purposes, irrespective of who owns the vehicle. As such, organisations, employees and even volunteers have a duty of care to take 'reasonably practicable' steps to ensure their safety when vehicles – including privately owned and leased (grey fleet) vehicles – are being driven for work purposes.

Additional fleet risk also lies in the way your organisation collects, uses and stores personal information about drivers. The main Australian regulation guiding privacy practices is the Privacy Act 1988 (Cth) and associated Australian Privacy Principles (APPs).

We cover this legislation in more depth later in this guide, but in summary this legislation exists to ensure Australian organisations take steps to implement appropriate security measures around:

- Transparency of collected personal information
- Data handling and security of personal information
- Data breach mitigation
- Lawful overseas transfer of information
- Consent and opt out alternatives

INTERLEASING FLEET POLICY ASSESSMENT

Ensuring your organisation's fleet policy is rigorous and robust enough to manage these key risks and optimise fleet performance can be made easier with the right partner. As your trusted adviser, Interleasing can review and refine your fleet policy to reflect the systems, processes and authorisations that will streamline the management of your fleet.

Our review takes into consideration the outcomes of our fit-for-purpose and whole of life analysis and will significantly reduce the administrative burden to your program stakeholders.



FINANCIAL RISK

ACQUISITION METHODS AND FUNDING

As with most financial choices, there is a trade-off in fleet decision-making between the overall cost to your organisation and the degree of risk you're willing to accept. Perhaps the most notable, from a fleet perspective, is the decision to buy or lease fleet vehicles.

BUY OR LEASE

While the outright purchase of passenger and commercial vehicles might, in some circumstances, deliver lower costs, your organisation takes on all of the risk associated with the vehicle's lifetime expenses plus its eventual disposal and residual value. Leasing, in the form of funding methodologies such as an operating lease, can provide cost certainty for many aspects of the vehicle's in-life costs and remove the risk associated with its disposal value, making short and long-term budgeting simpler.

VEHICLE ACQUISITION

Regardless of the type of vehicle funding chosen, there is also an underlying risk that your organisation might not be getting the best deal possible for new vehicle acquisitions.

Choosing a partner who is able to secure favourable rates and provide priority access to vehicle stock can have a big impact on the price paid for vehicles. Interleasing sources vehicles from a preferred dealer network that is reviewed annually and maintained via a tender process.

This process ensures Interleasing is able to secure favourable rates and priority access to vehicle stock so that we can meet client expectations in relation to vehicle discounts and deliveries. In each state, dealerships are appointed based on their ability to fulfill certain key criteria including:

- Trade discount levels on base vehicles and standard options and accessories
- Dealership stock levels of required vehicles and any known vehicle promotions or sale events
- Delivery of vehicles with full fuel tanks
- 100% timely and accurate completion of delivery paperwork
- Location and proximity to our customer base
- Free delivery of vehicles within a 150km radius of the dealer
- Overall provision of service excellence in accordance with agreed KPIs



INTERLEASING 'WHOLE OF LIFE' COST REVIEW

When weighing up the cost of a new vehicle, taking into account the 'whole of life' cost is just as important as the upfront price. At Interleasing, we provide clients with a fit-for-purpose and whole of life cost analysis of available vehicle models to ensure the most cost effective and appropriate fit for an organisations needs. Completed by your dedicated Relationship Manager, the analysis includes:

- Selecting complying vehicles within the ranges of all manufacturers
- Negotiating rebates with manufacturers of all vehicles that are deemed fit-for-purpose
- Preparation of a whole of life costing analysis based on negotiated rebates
- Monitoring vehicle utilisation against budget to alleviate the risk of incurring excess kilometre charges or paying for unused kilometres
- Assessing whole of life cost against CO2 emissions
- Selecting the most cost-effective fleet mix to meet fleet emissions targets
- Ongoing tracking and reporting against benchmarks

Once a baseline is established, Interleasing will conduct periodic audits to measure performance and identify further reductions as new vehicle models are introduced to market.

COMMERCIAL APPLICATION

REDUCING EMPLOYEE TRAVEL

Equipped with the right technology and data, organisations can significantly reduce unnecessary employee travel, and the associated costs and risks. At Interleasing, through telematics data we provide actionable insights on driving patterns and trends, and recommendations on how to improve fleet utilisation and optimise car journeys in line with your organisation's objectives.

RIGHT VEHICLE FOR THE JOB

Selecting vehicles that are appropriate for the job is extremely important in reducing the risk of unforeseen expenses. For example, a vehicle with too small a payload may limit its lifespan if business needs change and could put extra strain on the vehicle, making mechanical failure more likely. Choosing a vehicle that is too large will cost more in both acquisition and running costs.

But selecting the right vehicle for the job also involves ensuring that your drivers are comfortable and on board. One of the ways we do this at Interleasing is by giving your drivers and stakeholders an opportunity to 'try before you buy' at a vehicle valuation and drive day.

Selecting the best fuel option can also have a big impact on the running costs of your fleet. When weighing up the fuel types, it's important to take into account journey profiles, load and destinations. While petrol and diesel-powered vehicles continue to form the bulk of fleet sales, interest in Alternative Fuel Vehicles (AFV) is growing.



INTERLEASING VEHICLE VALUATION AND DRIVE DAY

This immersive experience provides your stakeholders with the ability to touch and drive a range of vehicles and ultimately make more informed decisions. An example of a typical vehicle valuation and drive day includes:

- Presentations from several vehicle manufacturers
- The ability to evaluate test vehicles on-site
- The opportunity to take all vehicles out on a test-drive
- Review of point-of-sale material and appropriate boot capacity
- The ability to install and remove cargo barriers in each vehicle

Stakeholders are surveyed at the beginning and end of the day to understand their initial vehicle preferences and how this changed throughout the course of the day.





PRODUCTIVITY AND MINIMISING OFF ROAD TIME

VEHICLE LIFECYCLES

While vehicle selection plays a big part in reducing financial risk, there are other measures that can be taken to improve productivity, minimise downtime and cut costs. A key consideration is vehicle lifecycles; keeping vehicles for an extended period of time may appear to be an obvious choice in reducing fleet expense, but reduced acquisition or rental costs can be outweighed by the additional maintenance required and, in particular, by the vehicle-off-road costs for both scheduled and corrective repairs.

VEHICLE ALLOCATION

One of the greatest financial risks faced by fleets is having vehicles standing redundant. Using the latest technology with Interleasing, under utilised vehicles are detected early and informed decisions can be made about whether to dispose or sell the vehicle, terminate a lease agreement early or re-allocate the vehicle to a new employee.

POOL CAR MANAGEMENT

Optimising fleet utilisation in a busy fleet can be made easier with a comprehensive vehicle booking system. The Interleasing Pool Book solution is a calendar-based system that makes shared vehicle booking easy and efficient. Drivers are guided through each step of the booking process and given full visibility into availability, helping you to increase your fleet utilisation.

Pool Book also enables greater compliance and WHS controls and provides actionable insights and reporting to help you continually monitor and optimise your fleet's utilisation.

MAINTENANCE MANAGEMENT

Finding a partner than can provide a fully customised maintenance program can help you navigate complex and costly vehicle maintenance. Interleasing clients benefit from a dedicated maintenance team who proactively implement and monitor high service standards with carefully vetted maintenance providers. Doing this has a number of benefits:

- Maintenance suppliers are held to high standards
- Maintenance requires authorisations before work can commence
- Routine service costs are fixed and agreed upfront
- Service turnaround times are guaranteed
- Vehicle downtime and off-road costs are reduced
- Driver safety is improved

ACCIDENT MANAGEMENT

Accidents are an unfortunate part of any fleet operation and often the incident itself is just the beginning of the challenge for fleet managers. The fallout can be lengthy and hard to keep track of, from fact-gathering to processing insurance claims and, of course, the cost.

Interleasing's Accident Tracker platform can help to streamline the process by capturing the driver's details, time and type of accident, average cost of repair and days off the road, and also the status of accident claims associated. The financial and operational impacts of accidents can be quickly assessed, helping you make informed decisions to optimise your fleet.



REPUTATIONAL RISK

In the past, reputational risk mainly concerned very large organisations aiming to avoid or mitigate negative publicity following major events involving their operations, products or employees. Today, the expectations placed on fleets go far beyond avoiding catastrophic incidents, to include all aspects of their impact on drivers, vehicles and the community. With customers' and other stakeholders' expectations of organisations increasing all the time, environmental, social and governance (ESG) is becoming a key component in fleet risk management policies – from both an organisation-wide and driver perspective.

FLEET EMISSIONS

ESG commitments and climate change targets and goals are driving Australian organisations to plan for a radically changed future. Electric vehicle (EV) adoption is part of that ongoing journey and is set to bring about the most significant change to the motor vehicle sector in over 100 years.

When including fleet emissions as part of your fleet policy, key questions to consider include:

- Does your organisation have an overall environmental policy? Does the fleet policy align with this?
- Does your organisation want to set a vehicle CO2 limit? If so, consider reviewing and reducing this limit on an annual basis
- Should limits be set subject to driver grade or whether the car is a business need rather than perk vehicle?
- What is the organisation's policy on encouraging the use of ultra-low CO2 vehicles such as electric or hybrid cars? Should they be added to the choice list?
- Does your organisation intend to use vehicle tracking and/or fuel card data to monitor the fuel consumption performance of individual drivers and vehicles? Should targets and incentives be set?

SERVICE DELIVERY

For many organisations the performance of their fleet is fundamental to the service they provide to their customers. Be this delivery of physical goods or the provision of services at customer locations, a failure to arrive on-time, or at all, means dissatisfaction and the potential for lost business or poor customer reviews.

Minimising vehicle downtime and the immediate availability of back-up vehicles is therefore key. This can be a particular issue for businesses that utilise a range of highly specialised commercial vehicles.

SAFETY STANDARDS AND DRIVER BEHAVIOUR

When it comes to driver and public safety, a bad accident track record can have a big impact on potential reputational risk. According to Safe Work Australia¹, 3 out of 4 worker fatalities in 2020 involved a vehicle.

It's not just accidents that create reputational risk. The fleet, and in particular vehicles with branding, are a very public expression of your organisation's culture and values. Poor driver behaviour can present a highly negative view of the brand, whether this is failure to adhere to road laws, aggressive behaviour behind the wheel or simple discourtesy. It is essential that all drivers recognise that they are representatives of your organisation when they are driving for business and need to behave accordingly.

Through telematics, Interleasing provides detailed driver data to help monitor and identify potential issues with driver behaviour, such as speeding. Taking a proactive approach can help your organisation get on top of undesirable behaviour before it causes reputational damage or a serious accident.

VEHICLE CONDITION AND GREY FLEET

In a similar way to driver behaviour, the condition of vehicles being used for company business is a direct reflection of the brand. For vehicles that are owned or leased by your organisation, this is relatively simple to control with quality marque selection, moderate replacement cycles, good maintenance policies and clear instructions to drivers about vehicle cleanliness and appearance.

All of these factors become more difficult to manage when employees use their own vehicles for business journeys. A fleet policy that incorporates grey fleet vehicles, and mandates their maintenance and general condition, is essential.



1. [Safe Work Australia, Work-related traumatic injury fatalities Australia, 2020](#)



HUMAN RESOURCE RISK

As a fleet manager, managing the health and safety of individuals is always a top priority over and above any other aspect of your fleet's operations. Human resources risk has significant cross-over with all other elements of fleet risk, and some of the key elements include:

DRIVER ASSESSMENT AND TRAINING

Tracking the driving performance of employees is essential to measuring overall fleet risk. This should include the number and severity of incidents across your fleet and also for each individual. Drivers identified as being high risk should be given more education and practical training to help reduce the risk of further incidents. Fleet managers should also consider methods to promote safe driving through incentives and reduce poor driving behaviour through penalties.

LICENCING AND INSURANCE

It is essential to carry out periodic checks of all drivers' licences (including the licences of additional drivers such as spouses and other family members) to ensure that they are qualified to drive the vehicles and have not become disqualified due to traffic offences.

This can also identify persistent offenders and provide the opportunity for training interventions. In the same way, for private vehicles used for business journeys, checks must be carried out to verify that employees' insurance policies have the correct type and level of cover.

DRIVER HEALTH AND FATIGUE

Certain disabilities and illnesses require the driver to declare these to the appropriate state-based licencing authority and employers should also be aware of any impairment to the individual's ability to carry out work-related journeys. The same applies to any medication a driver might need to take in order to manage an ongoing health issue.

Using driver declarations to verify any health issues is good practice. Periodic eyesight tests are also mandated by some employers to ensure that any deterioration is spotted and rectified with the correct prescription.



DIGITAL CAPABILITIES

Interleasing's Driver Manager system provides a user-friendly dashboard to store key driver information including driver profiles, medical information, driver licence details and fine/infringement information. It includes the following modules:

- **Policy Review:** scores safety-related policy content against our best practice tool which tests for evidence of over 100 elements across 13 different safety-categories. In addition, the system has the ability to send reminders to drivers to 'read and acknowledge' relevant policy documentation.
- **Fines and Infringements:** stores details of a driver's current infringement demerit points (i.e. those not older than three years). The system has the ability to set agreed 'point thresholds' and send an alert directly to the driver and fleet manager, when the threshold has been exceeded.
- **Drivers Licence:** holds all Australian and International vehicle licence details including licence number, expiry date and any licence restrictions or conditions. The system can store multiple licences on one driver record and sends reminders to drivers and nominated personnel of approaching renewal dates.
- **Medical Conditions:** drivers are required to complete a health declaration relating to their 'fitness to drive' and any specific medical or licence conditions (e.g. eyesight tests). Information is updated annually, or in accordance with expiration of renewal dates in the system.
- **Grey Fleet:** assists with WHS/OHS compliance for staff who drive privately owned vehicles for work-purposes. Grey fleet driver profiles are created to capture crucial vehicle details such as vehicle make, model, age, ANCAP rating and historic service and maintenance, tyre and insurance records.

Additionally, the Driver Training platform delivers driver safety e-learning content produced in conjunction with AA NZ driver training.

JOURNEY PLANNING

Journey planning is becoming ever more important from a productivity, sustainability and risk management perspective. The first question businesses should be asking is whether a car journey is really required, or whether a public transport or telecoms solution would be more effective.

There are also some other considerations:

- Is it possible to avoid journeys in the riskiest periods, such as the early hours of the morning?
- Can visits and deliveries be scheduled more effectively so that mileage covered is kept as low as possible?

- Can routes be planned that make the most of the safest roads (motorways and dual carriageways in general) and avoid accident blackspots and areas of high congestion?
- Can journeys be shared by individuals attending the same meetings to minimise fatigue and journey costs?
- Are drivers being put under time pressures that cause them to speed or to drive for extended periods without a break?

Technology such as telematics can provide data insights and reporting to help identify and mitigate potential issues before they come up. Getting on the front foot to optimise journey planning can reduce risk, cost and driver fatigue at the same time.

VEHICLE CONDITION AND MAINTENANCE

As previously mentioned, ensuring the maintenance of company owned or leased vehicles is relatively straightforward. However, issues can arise when drivers use private vehicles for business journeys and if certain regular roadworthiness checks are not carried out. One way of mitigating this risk is to gain proof of servicing for private vehicles used for business, another is to mandate driver declarations that their vehicles are correctly maintained.

Using technology solutions, staying road safe and compliant is easy and efficient with the ability to centralise data gathering, monitoring and reporting of key driver and vehicle information.

VEHICLE TELEMATICS

The sophistication of telematics systems has grown rapidly over recent years and they can now provide a wealth of real-time information to assist in reducing fleet risk.

The data from this can be invaluable in, not only identifying areas of fleet risk, but also implementing preventative and remedial measures to actively reduce the frequency of incidents. The effort involved in managing and analysing this huge amount of data does, of course, need to be balanced against the potential benefits.

The risk related benefits of running a telematics system across the fleet include:

- Enhanced journey analysis and more efficient, safer route planning
- Identification of poor driver behaviour and training needs
- Reduction of incidents caused by driver distraction and fatigue
- Reduction of vehicle and equipment theft
- Vehicle efficiency and fault monitoring and pre-emptive maintenance scheduling
- Vehicle location reporting in the event of an accident or emergency
- Improved accident reporting information and evidence gathering

As well as these benefits, telematics can also help to improve fuel management, reduce insurance premiums, enhance leasing contract management and reduce your fleet's environmental impact.

EMPLOYEE VEHICLE PROPOSITION

While not as obvious as risks to the health and safety of employees, having a competitive employee vehicle proposition can help to reduce the risk that your organisation cannot attract and retain high calibre talent in a competitive market. Benchmarking your employee vehicle proposition against other organisations in the same sector and geographical area is one way to ensure your offer remains competitive.

Consider the following questions:

- Which employees are eligible for a vehicle? Should you consider an 'all employee' car benefit for those not currently eligible for a company car?
- What vehicle bands and value limits are appropriate for your organisation based on competitive benchmarking?
- Can some/all eligible employees opt out of a company vehicle and take a cash allowance instead?
- Do you intend to place restrictions on the type of vehicles available to ensure they are fit-for-purpose (e.g. fuel type, CO2 emissions, bodystyle, number of doors)?
- Will you operate an open or restricted selection of vehicle manufacturers?
- What replacement cycle is most appropriate for your vehicles to meet driver expectations?
- Will employees be eligible to make contributions towards their allowance to enable them to 'trade-up' to a more expensive vehicle?
- When will new starters be eligible to order a vehicle? Do they need to complete a probationary period before they become eligible?
- If you have existing, unallocated vehicles do you want newly eligible employees to take one of these rather than ordering a new vehicle?



LEGAL RISK

In many ways, the risks of being non-compliant with the various laws related to driving at work are mitigated by addressing the areas we've covered in this guide so far. If measures are in place to deal with human resource, financial and reputational risks then it's likely that you'll have gone a long way to fulfilling your duty of care to workplace drivers.

FOUR-STEP FRAMEWORK: A HANDY CHECKLIST

However, without the correct policies and management systems in place, it can be difficult for an organisation to demonstrate that it is doing everything possible to reduce work related driving risks and to keep its drivers safe. The framework and four steps outlined below, which is adapted from the [UK's Health and Safety Executive](#), can act as a helpful checklist to guide you through some key considerations:

STEP 1: PLANNING

Assessing your current situation, determining your objectives and developing a plan for work-related risks is the first step. This should include:

- An assessment of the work-related road safety risks that currently exist within your organisation, including:
 - How your organisation uses the road; the employees involved, the vehicles they use and the types of journeys undertaken
 - What risks this road use generates to employees and others
 - The potential consequences of those risks
 - What measures need to be put in place to effectively manage and reduce these risks and consequences
- A road health and safety policy based on the identified risks. The policy should include how your organisation will manage the following:
 - Vehicle suitability, maintenance and condition
 - Accident management and reporting
 - Driver assessment, licence checking and declarations
 - Grey fleet management
 - Driver health and fatigue prevention
 - Alcohol and drugs
 - Use of mobile devices
 - Journey planning
- Defining and recording roles and responsibilities for work-related road safety, plus lines of communication and reporting.

STEP 2: IMPLEMENTATION

This is about implementing your plan and ensuring that the policies and procedures within it are understood and adhered to. This should include:

- Determining the biggest risks to your fleet and the priority areas to address
- Deciding on the preventative and proactive steps required to reduce risk
- Ensuring that the right resources, training and information are in place both to implement the actions and to maintain them over time
- Delivering clear communication for all employees to ensure everyone is clear about their fleet related health and safety responsibilities

STEP 3: MONITORING

This is about measuring your performance against your fleet risk objectives. This should include:

- Assessing how successful your organisation has been at implementing its plans. It's important to note that while documentation of actions taken is useful, it's the tracking of incidents and analysis of whether fleet risk is actually being reduced that is essential
- Encouraging employees to report all incidents, no matter how minor
- Investigation of fleet incidents, and even near misses, to identify the causes and determine any failures in the risk management processes
- Undertaking formal audits, particularly in the case of major fleet incidents, to identify changes that need to be implemented to prevent any recurrence

STEP 4: OPTIMISATION

The final step is using the information collected as part of your fleet risk management processes and analysis to improve future performance. It should also include being aware of improvements to industry best-practice and implementing any learnings from this.

As the amount and depth of information increases, it should also be possible to identify those drivers at greatest risk and take preventative action to reduce incidents. A further action would be to revisit all risk policies and processes to ensure that they are still fit-for-purpose.



FLEET DATA RISKS AND PRIVACY

The main regulation guiding the privacy practices of Australian organisations is the Privacy Act 1988 (Cth) and associated Australian Privacy Principles (APPs). Over and above this, your organisation should also be aware of any additional state-based and industry-specific regulation that will apply.

In summary, the APPs set out baseline privacy and data protection controls that the Australian government expects Australian organisations to implement. These controls are designed to ensure among other things:

- Security of personal information
- A transparent collection and processing of personal information
- Lawful overseas transfers of personal information
- Consent is gained when applicable, and opt-out alternatives are provided when applicable

The Privacy Act gives greater control over the way that personal information is handled. There are a number of concepts under the Privacy Act that have risks that need to be understood and managed, including:

PERSONAL INFORMATION

At all times, fleet managers must only collect the information they need for the particular function or activity they are carrying out. The definition of 'personal information' also includes items, such as IP addresses, mobile device identifiers and 'pseudonymous data' which may have been encrypted but is still traceable to an individual.

Perhaps the key takeout here from a fleet perspective is that data collected via telematics devices on location, speed and driving style are likely to be construed as personal information under the Privacy Act. Employees driving for business must be made aware of the types and depth of information being recorded, what uses it could be put to and how they are able to access it and request its deletion. If these measures are not in place, your organisation may be under considerable risk of breaching privacy laws.

TRANSPARENT GPS DATA COLLECTION

Australia has state-based laws regarding the GPS (global positioning system) tracking of vehicles which fleet managers need to be aware of. Vehicle tracking using a GPS is considered surveillance under some laws and certain rules need to be followed. Under these laws, your organisation must give employees advance notice before the GPS tracking is to begin, in addition to many more requirements. It's important to consider any applicable state-based laws before establishing GPS tracking.

DATA HANDLING

When it comes to data, transparency is everything. Drivers need to be educated on what data will be captured, how it will be used and what privacy frameworks are in place, especially given more drivers are using their personal vehicle for work purposes now.

In many instances, the driver will have given this consent within their employment contract. If this is not the case, then the creation of an addendum to the contract, or the signing of a separate declaration of consent is advisable to mitigate risk of a breach.

In addition to consent, there are other circumstances that allow an organisation to handle and process personal data. These include compliance with a legal obligation and where a 'legitimate interest' exists. Organisations can process data without consent of the individual if they are deemed to have a legitimate interest in doing so. This could include administrative purposes (e.g. running payroll), prevention of fraud, health and safety, security and market research. The key here is that the processing of the data does not interfere with individuals' rights, freedoms, and legitimate interests.

DATA SECURITY

As a fleet manager, it's important to take reasonable steps to protect personal information from misuse, interference, or loss. This involves ensuring that you do not disclose personal information to other parties other than those described in their Privacy Policy. You will also need to consider physical security measures to prevent unauthorised entry to your organisation's premises and access to personal information. All computer systems should be secure and reasonable steps taken to de-identify the information when it is no longer needed for the purposes described or not required to be retained under an Australian law.

TRANSBORDER DATA FLOWS

It's important to be aware of where data is being transmitted and not send personal information overseas for marketing or other purposes without obtaining consent.

DATA BREACH MITIGATION

Fleet managers are responsible for a wide range of drivers' personal data, so it's important that all of the processes for collecting, using, storing and deleting data are documented and regularly reviewed.

According to the Office of the Australian Information Commissioner (OAIC), a good way to ensure compliance with privacy requirements is to conduct a Privacy Impact Assessment (PIA) on all of the data collection processes involved in managing your fleet. A PIA is designed to help you systematically analyse, identify and minimise the data protection risks. It is a key part of your accountability obligations under the Privacy Act, and when done properly, it helps you assess and demonstrate how you comply with all of your data protection obligations, and that you have considered all of the risks related to the processing of data. To find out more about how to undertake a PIA, [click here](#).


It's also important to recognise that your responsibilities for protecting drivers' data extends beyond your organisation to any relevant suppliers. This means ensuring that their processes are also compliant in keeping drivers' data secure.

For more information on privacy, visit the [OAIC's website](#). The OAIC also recommends that fleet managers include data breach response processes within Incident Response plans and functions. The OAIC provides a detailed guide for [data breach preparation and response](#).




SPEAK TO THE EXPERTS

Managing all aspects of fleet risk can feel complex, but it doesn't have to be. At Interleasing, we can support you with the development of a tailored fleet strategy that could lower costs, reduce administration and improve your fleet's performance. [Get in touch](#) with us today.

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ABOUT INTERLEASING

A subsidiary of the ASX-listed McMillan Shakespeare Limited, Interleasing helps organisations across a range of sectors in Australia and New Zealand maximise the value of their asset services through tailored fleet and commercial asset solutions.

With more than 35 years' experience, our services include asset finance, vehicle sourcing and fleet management for a wide range of assets. Interleasing is run by people who care about the work they do and are committed to driving what's possible so that their clients achieve their goals in line with our company values.

