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MEDIA RELEASE

Australia's recent EV uptick looking likely to accelerate

Australia's recent sharp uptick in EV sales looks likely to accelerate further as public awareness grows about the advantages of various government initiatives, according to the National Automotive Leasing and Salary Packaging Association (NALSPA).

EV sales in Australia have jumped more than 400 per cent since the middle of 2022, from less than two per cent of new car sales in June 2022, to around nine per cent in recent months.

NALSPA chief executive Rohan Martin said the experience of novated leasing and salary packaging providers indicated a large part of this shift was due to the government's recent policy changes.

"When you're dealing with a once in 100-year technology change it's extremely difficult to make accurate long term forecasts. But what we understand from research and experience in other countries is that five per cent of market penetration represents a critical tipping point, after which EV take up becomes much more rapid," Mr Martin said.

"Recent policy initiatives and improved availability of EVs have helped propel the market toward and beyond that crucial five per cent mark, and it would be reasonable to expect take-up to continue to accelerate from there.

"Changes legislated to novated leasing for electric vehicles in December 2022 through the EV FBT exemption allows everyday working Australians to achieve significant savings on the cost of an EV.

That being said, like any change to taxation arrangements, awareness of this new policy will take time to filter through to employers and employees alike. But the experience of our members in the sector is that more and more everyday working Australians are recognising the benefit of this shift and are taking advantage."

Mr Martin also noted that a number of new low-cost EV models, importantly including PHEVs, were due for release in Australia in the medium term, which would be expected to drive further demand for low and zero emissions vehicles.

"Yes, there remain headwinds in the transition to EVs – including consumer understanding of EVs, available charging infrastructure and greater diversity in the types of EVs available on the market that meet Australian needs," Mr Martin said.

"But the industry notes through the support of the Federal Government's national EV strategy, and the proposed introduction of a balanced fuel efficiency standard, as we have seen in most other global jurisdictions, a number of these challenges will continue to be addressed leading to further EV uptake and adoption in Australia."

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