

Growth in novated leasing for EVs driving up new car sales

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Strong growth in novated leases, particularly for electric cars, is helping boost the number of new car sales in Australia, according to National Automotive Leasing and Salary Packaging Association (NALSPA).

New figures from the Federal Chamber of Automotive Industries reveal total new car sales were up 20.9 per cent in February compared with the same period last year.

Sales of BEV & PHEV combined made up 14.4 per cent of passenger and SUV vehicle sales (excluding light and heavy commercial vehicles), compared with 9.9 per cent in February 2023, reflecting growing interest in both pure battery and plug-in hybrid vehicles.

Meanwhile, NALSPA members have recently reported strong ongoing growth in total novated lease sales. Importantly, electric vehicles are making up between 35 and 40 per cent of all new novated leases and more in some cases.

NALSPA chief executive Rohan Martin said demand to buy new cars remains robust for a range of reasons including new discounts for motorists.

“The continual easing of vehicle supply constraints and government discounts on new zero and low emissions vehicles are making it easier and more affordable for everyday Australians to purchase a new car,” Mr Martin said.

“Our members are reporting robust growth in novated lease sales, particularly as a result of the Government’s EV FBT exemption and greater EV model availability. This discount is making EVs more affordable to purchase which is driving new interest from a range of Australians across the country.

“As many Australians navigate cost-of-living challenges, they’re looking for ways to help them save on their transport related costs - and a way they are achieving this is by turning to novated leasing.

“The family car is one of the biggest investments for Australian households and with the benefit of salary packaging they are able to reduce their income tax, potentially helping to save them thousands of dollars. Selecting an EV can save motorists even more when factoring in the EV FBT discount and their reduced running costs.

“These latest figures also underscore the important role that PHEVs are making as Australia transitions to a lower emissions future with sales up 126 per cent in January and February 2024 compared with the same period last year.”

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