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Plug-in hybrid vehicle sales on the rise

The EV fringe benefit tax exemption, a desire to save on vehicle running costs and expanded model availability are driving demand for plug-in hybrid vehicles (PHEV), according to the National Automotive Leasing and Salary Packaging Association (NALSPA).

New figures from the Federal Chamber of Automotive Industries released today show PHEV sales for passenger and SUVs have more than doubled (148 per cent increase) between March 2023 and 2024.

In addition, NALSPA analysis of VFACTs data shows over the past six months, PHEV SUV sales have represented nearly one in four (23 per cent) of all electrified sales of SUVs in Australia.

The data coincides with NALSPA's own figures showing that PHEVs represented 23 per cent of combined new novated BEV and PHEV leases in December 2023, up from just six per cent in the middle of 2023.

NALSPA CEO Rohan Martin said: "We are witnessing strong momentum of uptake in plug-in hybrid electric vehicles thanks to the EV FBT exemption, a desire to save on running costs, and additional PHEV models entering the Australian market that better meet the needs of consumers.

"Working Australians are finding PHEV models that suit their lifestyle and work needs and provide significant savings through novated leasing during a cost-of-living crisis.

"PHEVs help many consumers start the electric vehicle transition - often they're a stepping stone for motorists towards driving a full electric vehicle. They're particularly attractive to people who regularly drive longer distances, including in regional Australia and outer suburban areas.

"Range anxiety with pure electric vehicles is real for many drivers and fleet buyers, and with PHEVs this anxiety is removed, whilst they also benefit from lower running costs.

"Larger family vehicle types, such as the plug-in hybrid seven-seat Mitsubishi Outlander, which aren't generally available in pure battery electric form, are proving hugely popular.

"PHEVs are becoming significantly more affordable. The FBT exemption reduces the vehicles' larger capital costs, plus the use of electricity for the typical Australian commute can create substantial fuel cost savings."

With the New Vehicle Efficiency Standard (NVES) before Parliament, vehicle brands are seeing PHEV as a viable way to significantly reduce emissions in larger vehicles, with more set to land in Australia over the coming year, including the popular Ford Ranger and BYD Seal U SUV in PHEV form.

“With the help of the FBT exemption, we are seeing fleet buyers realising the potential of PHEVs to reduce their CO2 emissions and become a stepping stone in the EV transition.

“The fact that nearly one in four SUV electrified sales are PHEV is significant given that SUV sales are nearly triple passenger vehicle sales in the Australian market.

“NALSPA believes that PHEVs are a critical component of the transition to increased electric uptake, slashing vehicle running costs for motorists and reducing Australia’s transport related emissions.

“Interestingly in Europe in recent months PHEV demand has outpaced BEV sales growth. That trend could well continue here in Australia with the support of the EV FBT exemption, increased availability of PHEV in SUVs, and the ambitious requirements of the proposed NVES.”

NALSPA’s Top 5 Novated Lease PHEVs (Q2 2022 to Q4 2023)

1. Mitsubishi Outlander
2. MG HS
3. Mitsubishi Eclipse Cross
4. Mazda CX-60
5. Cupra Formentor