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Australia's outer suburbs embracing EV salary packaging benefits

Motorists living in commuter outer suburbs are among the biggest embracers of the federal government's discount for electric and plug-in hybrid vehicles, according to the latest data from the National Automotive Leasing and Salary Packaging Association (NALSPA).

New NALSPA figures show the outer suburbs, including Werribee and Tarneit (Vic), and Kellyville, Riverstone, and Baulkham Hills (NSW), rank within the **top ten postcodes** for the highest uptake of novated leases for battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs), since the federal government introduced its EV discount.

Meanwhile, data also shows EV uptake has shot up significantly since the federal government applied the EV fringe benefit tax (FBT) exemption from July 2022.

In June 2022, BEV and PHEV represented less than three per cent of total SUV/passenger sales in Australia. By March 2024, BEV/PHEV represented more than 14 per cent.

NALSPA estimates that some 40 per cent or more of all new BEVs and PHEVs are now being purchased via a novated lease with the help of the FBT discount.

For a \$67,000 Tesla Model 3, the discount can mean that the cost per week over a typical five-year lease is the same as an equivalent sized petrol car costing around \$40,000, even though the Tesla's driveaway price is over \$25,000 more than the equivalent petrol vehicle.

Alternatively, a novated lease holder buying a \$52,000 BYD Atto3 could save around \$6,300 a year compared with buying an equivalent sized \$59,000 petrol SUV.

NALSPA chief executive Rohan Martin said the discount is helping more everyday Australians go electric when they otherwise wouldn't have.

"As the cost of living continues to bite, everyday working Australians are taking advantage of the significant savings discount on electric and plug-in hybrid vehicles through salary packaging," Mr Martin said.

"Everyday workers living in the suburbs are noticing more than ever before that buying an EV is not only within reach thanks to government incentives but also makes financial sense for them. The further you are from the city centre, the more reliant you are on your car. It makes sense that so many outer suburban motorists are now switching to electric – be that BEV or PHEV - they're saving thousands on running costs by doing away with rising petrol prices, and the car price itself through the EV discount.

"This policy is doing what it was designed to do: help more everyday Australians consider and make their next car electric. Customers are telling our members that the savings from the electric car discount are pivotal in getting them to make the switch. Once customers have a salary-packaged EV, they're making further savings through GST-free benefits and a

lower taxable income.

“Both electric and plug-in hybrids are performing strongly in the outer suburbs, and they are also appealing to those families residing in regional Australia. In particular, we are seeing PHEVs emerging as the stepping stone for many motorists who are not quite ready to make the leap to full electric but still want to cut their costs and emissions.

“Over the last five to six months, nearly one in four of all electric SUVs sold in Australia have been PHEV.

“The Mitsubishi Outlander PHEV, a 7-seat SUV, for example is proving hugely popular with Australian families who are looking to electrify their family car but aren’t quite ready to jump to full electric or don’t currently have sufficient choice in affordable large family fully electrified SUVs.

“We are confident we will continue to see this segment of the market grow considerably with Australian families and corporate fleets on a low-emissions cost savings journey with the forthcoming introduction of the Ford Ranger and the BYD Seal U, amongst others, both in purely PHEV form.”

Top 10 postcodes for BEV/PHEVs via novated leases

Postcode	Suburbs include
1. 3030 (Vic)	Point Cook, Quandong, Werribee
2. 2155 (NSW)	Beaumont Hills, Kellyville, Rouse Hill
3. 2602 (ACT)	Ainslie, Dickson, Watson
4. 2611 (ACT)	Coombs, Duffy, Weston
5. 3029 (Vic)	Hoppers Crossing, Tarneit, Truganina
6. 2765 (NSW)	Box Hill, Marsden Park, Riverstone
7. 4152 (Qld) *	Camp Hill, Carina, Carindale
7. 2153 (NSW)*	Baulkham Hills, Bella Vista, Norwest
8. 4069 (Qld)	Chapel Hill, Fig Tree Pocket, Kenmore
9. 2615 (ACT)	Charnwood, Dunlop, MacGregor
10. 4053 (Qld)	Everton Park, McDowall, Mitchelton

Source: NALSPA for the period 1 July 22 – 31 December 2023 inclusive; * equal seventh;

Top postcode breakdown by state and territory available upon request.

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