

Will your next car be an electric vehicle?



Whether you're driven by concern for the planet, or motivated by the extraordinary technology that powers electric vehicles, we can provide the most simple and cost-effective transition to an EV lifestyle

The Electric Car Discount provides an FBT exemption for an EV that costs below the luxury car threshold (\$91,387 in 2026 to 31 March 2027) and is financed under a novated lease. The threshold test for full exemption will change to \$75,000 as of 1 April 2027, with EVs above \$75,000 but under the LCT threshold being afforded a 25% concession from that time, instead of the current full exemption. From 1 April 2029 all EVs under the LCT threshold will be eligible for a 25% concession.

The discount applies to:

- ✓ The discount applies to eligible new or used fully-electric vehicles (provided they are first registered after 1 July 2022).



The potential savings of purchasing an Electric Vehicle with a Novated Lease[#]



For a **new Tesla Model 3** with a RRP of \$59,792 (including GST and on road costs), the tax savings could be

\$9,659 a year

For someone earning \$100,000 on a 3-year lease

[#]This example is indicative only and is based on the following assumptions: 1) Living in NSW, 2000, salary: \$100,000 ex-super p.a., travelling 15,000 km p.a., lease term: 3 years, 2) Vehicle purchased in NSW 3) Recommended retail price as advertised by the car manufacturer on their Australian website 4) Including all on-road costs 5) Salary sacrifice using EV FBT Exemption. Smartsalary Pty Ltd or any related bodies corporate cannot accept responsibility for any errors or omissions from the information or any reliance placed upon it. Figures and vehicle price are accurate as of 1 July, 2026.

Find out how much you could save [here](#)

Your top electric vehicle questions answered

1. What is the Electric Car Discount?	The Electric Car Discount is a Federal Government policy introduced to help reduce the cost of purchasing an EV to assist more Australians to get into an EV. It involves two key discounts – the first removes the 5% import tax from applicable EVs, although it is important to note that lots of EVs are already exempt from this tax as they are imported from countries that Australia has a Fair Trade Agreement with. The second and most exciting change is to make EVs purchased through a novated lease fully exempt from Fringe Benefits Tax.
2. What is the difference between a novated lease of a petrol vehicle and a novated lease of an EV?	When you take out a novated lease for a petrol vehicle, you still receive substantial savings, including no GST on the purchase price and tax savings on the finance and the running costs of your vehicle (petrol, insurance, maintenance etc). However, under the Electric Car Discount, these savings are substantially increased when you take out a novated lease for an eligible EV. This is because the EV will be fully exempt from Fringe Benefits Tax.
3. Can I lease an electric vehicle?	Yes you can! Novated leasing an electric vehicle is going to save thousands in Fringe Benefits Tax. The Electric Car Discount provides an FBT exemption for an EV that costs below the luxury car threshold (\$91,387 in 2026 to 31 March 2027) and is financed under a novated lease. The threshold test for full exemption will change to \$75,000 as of 1 April 2027, with EVs above \$75,000 but under the LCT threshold being afforded a 25% concession from that time, instead of the current full exemption. From April 2029, a 25% concession applies to all vehicles below the LCT threshold.
4. What is Fringe Benefit Tax?	Fringe Benefits Tax is a 47% tax on the personal use portion of a work motor vehicle. With the introduction of the new Electric Car Discount, eligible electric vehicles purchased after 1 July 2022 under a novated lease will be fully exempt from any Fringe Benefits Tax.
5. What can I claim?	The most common expenses that can be claimed include; electricity, servicing, tyres, registration, CTP, comprehensive insurance, car washes, roadside assistance and charging stations. For home charging stations, you will need to be able to show the breakdown between the EV charging costs and your normal household electricity costs (e.g. through the use of a Smart Meter or separate fitted electricity supply). For mobile or public charging you have the option to use a Chargefox RFID card. If you have paid for the charging from your own funds, you can submit a claim for reimbursement.
6. Can I claim the cost of wall chargers and other charging accessories?	Fringe Benefits Tax legislation does not allow the cost of third party wall chargers (including installation) or other additional charging accessories to be claimed as vehicle expenses as part of a novated lease. Most new EV's will be provided with a charging cable as part of the vehicle purchase and you are able to claim the replacement of a charging cable if it is a like for like replacement and not an upgrade in charging technology.
7. Am I eligible for government incentives if I get my car with a novated lease?	Current state-based rebates apply to private buyers, which means if your vehicle meets the criteria, you'll be eligible to apply for rebates.*
8. How do I claim an EV rebate?	Rebates vary from state to state, so it's best to speak with your state/territory government authority to understand how rebates are applied and how to claim them.*
9. How does the budget work?	The budget for your vehicle is worked out the same as any other vehicle - we create a budget for tyres, servicing, registration etc. for the life of the lease. We work directly with your employer to set up deductions each pay to cover these costs. The budget for your electricity will be set on an average electricity price in domestic settings and calculated based on the specific vehicle and battery size you choose.
10. Does an electric vehicle need to be serviced?	We recommend you keep your car up to date with servicing to ensure the safety and longevity of your car. And because servicing is in your running cost budget, you'll receive tax savings on it.

*Autopia does not administer government rebates and incentives, and all enquiries must be directed to state/territory government authorities.