

Novated leases

Benefits that go beyond saving on tax



Chris Penney, beCarWise managing director (right), and Paul Tomes, fleet sales manager City Ford (left), delivering a new Ford Ranger to novated leasing client Alex Clark. BELOW: beCarWise general manager Peter Antoniazzi.

“The reality is that the ease by which an employer can now provide a true employee engagement and reward program via novated leasing has never been more relevant.”

Peter Antoniazzi



end of the lease, which isn't possible with a traditional company car.”

Because it acquires hundreds of vehicles a month, beCarWise has a powerful buying capacity.

“We can match the employee to a car of their choice and provide more options rather than simply being a number in a never-ending queue at the dealership,” Penney says. “We can provide options in this tight new car market to ensure employees don't have to wait for months – sometimes 18 months or more – for their preferred choice.”

With access to a large range of funders, the business can offer not only competitive rates but also a “fit for purpose” finance arrangement that enables the customer to buy a used car, or introduce their existing vehicle into the program.

Should the employee change jobs, the lease remains with the employee and is portable from employer to employer.

Penney adds that beCarWise's bespoke approach is as relevant to SMEs as large organisations employing thousands of people.

Employers, he says, are becoming more aware of the financial and efficiency benefits of removing leasing liabilities from their balance sheets.

Meanwhile, the future for novated leasing is about to become even brighter – and greener – with the new federal government moving to enact its promise to exempt electric vehicles (and plug-in hybrids) from FBT entirely.

These vehicles currently account for about 9 per cent of new car sales, up from 7.6 per cent last year. But with most major car makers

committing to an EV-only future, this proportion should rise sharply over time.

Penney says the proposed tax changes will bridge the still-substantial cost gap between acquiring an EV and a traditional internal combustion engine (ICE) vehicle, with all associated finance and running costs salary-packaged in the same way.

On the company's analysis, removing the tax will equalise the acquisition and running costs of a circa \$40,000 ICE vehicle, relative to a \$70,000-plus EV.

Penney adds that while the EV reforms are a “massive opportunity” the market will remain ICE-focused for now, given constrained EV stock supply and limited EV charging infrastructure.

Proudly Australian owned, beCarWise was founded a decade ago to fill a service void in a market dominated by inflexible larger players.

“Each and every time we can tailor a program to suit the specific needs of both employers and employees,” Penney says. “For instance, if you want to find your own car you can, or maintain comprehensive insurance with a current supplier, we can do that as well.”

Antoniazzi says at a time of cramped household budgets, novated leasing gives employees the comfort of set deductions over the period of the lease.

“Our customers know they don't have to budget any further car expenses as they are already covered in their novated lease,” he says. “That's one less thing to worry about at a time of such economic uncertainty.”

Attract, reward and retain your employees

Offering a novated leasing program to employees is a proven engagement tool. Here's a few reasons why employers choose **beCarWise** for their novated leasing:



No cost to the employer, includes program administration



Largest choice of finance providers



Suitable ‘company car’ replacement program



Off-balance sheet program with FBT mitigated to zero



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