



Treasury

Salary packaging motor vehicle charges 2024 - 2025

Updated April 2024

Charges for executive and non-executive motor vehicle packages

Lease Costs			
Purchase price of vehicle	cost of vehicle including GST and all accessories for business or private use.		
Lease payment	payment payable each month in respect of the vehicle lease (or calculated lease payment in respect of agency owned vehicles).		
Running Costs (fuel, tyres, servicing and repairs)			
Vehicle Category	Item	Cost (cents per km)	Example
Passenger	Light - Hatchback	21.4	Toyota Yaris
	Light -- Hybrid	13.2	Toyota Yaris
	Small - Hatchback	23.5	Skoda Scala
	Small - Hatchback-Hybrid	14.4	Toyota Corolla
	Small - Hatchback-100% Electric	12.8	BYD Dolphin
	Small - Sedan	19.3	Toyota Corolla
	Small - Sedan-Hybrid	14.8	Toyota Corolla
	Small - Wagon	25.5	Renault Captur
	Small – Wagon - Hybrid	16.2	Kia Niro
	Medium - Hatchback	24.1	Skoda Octavia
	Medium - Hatchback-100% Electric	11.8	Polestar 2
	Medium - Sedan	25.0	Kia Cerato
	Medium – Sedan - Hybrid	14.8	Toyota Camry
	Medium - Sedan-100% Electric	11.4	BYD Seal
	Medium - Wagon	24.1	Skoda Octavia
Large – Sedan	27.1	Toyota Aurion	

	Large – Sedan - Hybrid	18.0	Toyota Camry
	Large - Wagon	30.4	Skoda Superb
	People Mover	27.9	Hyundai Staria
Sports Utilities	Small	24.8	Kia Seltos
	Small - Hybrid	19.5	Toyota Yaris Cross
	Small - 100% Electric	10.1	Kia Niro
	Medium	27.2	Kia Sportage
	Medium - Hybrid	18.61	Subaru Forester
	Medium – 100% Electric	11.5	BYD Atto 3
	Large	28.2	Ford Everest
	Large – Hybrid	23.2	Kia Sorento
	Upper Large	46.8	Hyundai Palisade
	Upper Large - Hybrid	13.8	Volvo XC60
Commercial	Bus to 20 seater - Bus	31.5	Toyota Hiace
	Pickup or Cab Chassis 4x2 - Cab Chassis	26.8	Isuzu D-Max
	Pickup or Cab Chassis 4x2 - Utility	28.5	Isuzu D-Max
	Pickup or Cab Chassis 4x4 - Cab Chassis	28.8	Ford Ranger
	Pickup or Cab Chassis 4x4 - Utility	28.0	Ford Ranger
	Van/CC 2.5-4.5 GVM (1T load and over) - Van	27.1	Hyundai Staria Load
Standing Costs			
Element	Item	Cost	Comment/Example
Comprehensive Insurance (ex GST) <i>Source: iCare. For FY2024/25</i> <i>These figures are a guide only.</i> <i>Please contact iCare directly if you have a fleet size over 1,000 vehicles or have emergency vehicles as the rates will differ.</i>	Passenger	\$1,096	Sedans
	Light Commercial	\$1,096	4WD
	Vans	\$1,531	
Compulsory Third-Party Insurance (inc GST)	Sydney	\$375	Greater metropolitan area

Source: QBE	Wollongong	\$348	Greater metropolitan area
	Newcastle/Central Coast	\$273	Greater metropolitan area
	Country	\$268	Regional areas
Registration Fee including Tare Weight Tax (ex GST) Figures are current as at 8.2.24. Users should use the source link to check most recent updates. Source: https://www.nsw.gov.au/driving-boating-and-transport/vehicle-registration/fees-concessions-and-forms/vehicle-registration-fees	Up to 975kg	\$486	Toyota Yaris
	976 – 1154kg	\$542	Kia Cerato
	1155 – 1504kg	\$639	Toyota Camry
	1505 – 2504kg	\$922	Toyota Landcruiser
NRMA membership (inc GST)	Annual fee	\$46	Per vehicle
Taxation			
Element	Item	Cost	Comment/Example
Parking Space Levy Estimate Users should update when new rates are issued by OSR on 1 st July each year Source: https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/parking-space-levy	Category 1	\$2800	Sydney, North Sydney, Milsons Point
	Category 2	\$1000	Parramatta, Chatswood, Bondi Junction, St Leonards
FBT Factors Source: ato.gov.au/rates/fbt/	Gross up factor	1.8868	
	Top tax rate	47%	
Statutory Factor Source: ato.gov.au/rates/fbt/	No km limit	20% (0.20)	For packages established after 10 May 2011 at 7:30pm.

Appendix 2

Notes on motor vehicle packages 2024 – 2025

Pre 10 May 2011 and Post 10 May 2011 Packages

In 2011 the Federal Government changed the FBT legislation. Where a package existed before 10 May 2011 at 7.30pm, the old statutory formula rates will be applied until the lease terminates or changes are made to the lease that constitute a new 'commitment'. As there are now so few packages using these rates, this section has been removed. See previous circular for details (DFS-C2014-2).

The flat rate of 20% applies to all new 'commitments' to provide a car.

Lease Fee

A lease fee including GST must be included in the calculation of a package for both leased and agency owned vehicles. This is because there is a cost to the agency for that vehicle even when it is owned. No package is to be calculated with a minimal or agency determined lease fee.

For agency owned vehicles, contact your Fleet Management Provider to obtain a lease fee for an equivalent make/model and term based on kilometres to be travelled annually, this will ensure that charges remain consistent across NSW Government.

Parking Space Levy

The Parking Space Levy is a charge on non-residential parking spaces within business districts specified in the Parking Space Levy Act 2009. The Parking Space Levy is not the cost of the parking space, but a levy on parking spaces in major Sydney CBD locations.

Parking Space Levy fees apply from 1 July each year. Users must get the new rates from the Office of State Revenue website and update the calculator.

The Parking Space Levy must be collected in full from the officer who has a vehicle under a salary sacrifice arrangement and who is provided with a parking space where the levy applies. There is no proportioning of the levy (e.g. by business/private split). The only change that can occur is at a reconciliation of a package where the officer has not held the spot for the entire FBT year. In almost all instances, there would be no exemption in accordance with clause 7 of the Parking Space Levy Regulation 2009.

(See also note in Appendix 3 under Taxation on the calculation and collection of the Parking Space Levy over whole year)

Additional Information

Reconciliation

Reconciliation of all packages is to be done as at 31 March (end of FBT year). Reconciliation requires the package to be recalculated based on closing FBT year information and reconciliation against the estimate provided to the officer. There may be further recovery from the officer or monies returned depending upon the outcome of the reconciliation.

When the package is reconciled, the FBT liability can be calculated using the Statutory Method or the Operating Cost method. The method that provides the lowest FBT amount payable can be used. The Operating Cost method should only be used when a valid log book has been maintained by the officer.

Please note: all reconciliation payments must be made before the end of the financial year and the Reportable Fringe Benefit amount put on the officer's payment summary.

Reportable Fringe Benefits

In accordance with DPC Circular 2000-46, the FBT charge for salary packaging arrangements in all NSW Government Agencies will continue to be determined using the lower gross-up rate.

From April 2020 the rate is = 1.8868.

Under this scenario, the employee bears the GST inclusive cost of relevant expenses but is only charged FBT using the lower FBT gross-up rate. Because the employee will only be charged FBT using the lower gross-up rate, the employee will not be entitled to any Input Tax Credits (ITC) that may be available to the agency.

Agencies (the employers) will be required to pay FBT to the Commonwealth using the applicable FBT gross-up rate, generally the Type 1 rate (now 2.0802) and retain any ITC, if available.

The Reportable Fringe Benefit figure placed on the officer's payment summary will be calculated using the higher gross up rate.

FBT and Electric Vehicles

You do not pay FBT if you provide private use of an electric car that meets all the following conditions:

- the car is a zero or low emissions vehicle
- the first time the car is both held and used is on or after 1 July 2022

- the car is used by a current employee
- luxury car tax (LCT) has never been payable on the importation or sale of the car.

Zero or low emission vehicle

A vehicle is a zero or low emissions vehicle if it satisfies both of these conditions:

It is a:

- battery electric vehicle
- hydrogen fuel cell electric vehicle, or
- plug-in hybrid electric vehicle.

It is a car designed to carry a load of less than 1 tonne and fewer than 9 passengers (including the driver).

Motorcycles and scooters are not cars for FBT purposes and do not qualify for the exemption, even if they are electric.

Plug-in hybrid electric vehicles – 1 April 2025 onwards

From 1 April 2025, a plug-in hybrid electric vehicle will not be considered a zero or low emissions vehicle under FBT law. However, you can continue to apply the exemption if both the following requirements are met:

- Use of the plug-in hybrid electric vehicle was exempt before 1 April 2025.
- You have a financially binding commitment to continue providing private use of the vehicle on and after 1 April 2025. For this purpose, any optional extension of the agreement is not considered binding.

See this link for more information: <https://www.ato.gov.au/businesses-and-organisations/hiring-and-paying-your-workers/fringe-benefits-tax/types-of-fringe-benefits/fbt-on-cars-other-vehicles-parking-and-tolls/electric-cars-exemption>

Pooled Car Benefit

Since 1 April 2007, pooled car fringe benefits, if exempt, do not need to be reported on the employee's payment summary. A pooled or shared car is one provided by an employer for the private use of two or more employees.

It is not NSW Government policy to have individual salary packaging arrangements that result in a car benefit for more than one employee.

Appendix 3

Components in calculating a package

Purchase Price and FBT

The purchase price is the invoiced value of the vehicle including all accessories and options whether used for business or private use. Accessories are purchased from a dealer or third party as options or aftermarket fittings (e.g. towbar, driving lights etc). Under tax law any accessory added after the vehicle is purchased must be added into the purchase price of the vehicle.

The NSW Government previously decided that the FBT charge for salary packaging arrangements will use the lower gross up rate. Under this arrangement the employee bears the GST inclusive cost of relevant expenses but is charged FBT at the lower rate. As such GST is included on those items not exempt from the payment of GST.

Lease Payments

The lease payment is a calculated fee incorporating the components of purchase price, residual value, interest rates and the lease term of the vehicle. The lease payment also includes GST.

Running Costs

The running costs for a vehicle are calculated to include the cost of fuel, servicing, general maintenance such as oil and tyres, and repairs (non-insurance).

Vehicles categorised as commercial, which are salary sacrificed, are not exempt from the payment of FBT under the *FBT Assessment Act 1986*. They must be treated the same way as passenger vehicles.

Standing Costs

CTP is applicable and paid based on the agency garaging address of the vehicle and not the private officer's address.

For vehicles leased after 4 July 2018, the initial registration fee is not included in the lease fee.

For older vehicles leased from StateFleet, the initial registration fee is included in the lease fee for that year.

Agencies should use the following formula to remove the registration fee from the lease fee. When the adjusted lease fee is used in package calculations, the officer should be charged the full registration fee in the package. **This is the recommended approach.**

$$\text{Adjusted Lease fee} = \frac{\text{Capital Cost of vehicle} \times \text{StateFleet lease fee}}{\text{Capital Cost of vehicle} + \frac{(\text{Days of Rego to CED} \times \text{Sal Sec Rego Charge})}{365}}$$

Days of Rego to Common Expiry Date (CED) = (CED - Purchase date or Lease Commencement date) + 1

NRMA membership is applied to packages where an agency has a specific account with the NRMA and pays the annual fee for the car to be covered. If an agency has elected to have a Fee for Service arrangement with the NRMA, no cost is payable by the officer. Where a manufacturer has a roadside assist package as part of the vehicle cost, no fee is to be charged to the officer. Most packages will be costed as Fee for Service.

Taxation

Revenue NSW revises the Parking Space Levy annually for parking spaces in prime business districts. The levy commences on 1 July annually.

It is NSW Government policy to recover the full cost of the levy. However, the salary package calculation does not have to be adjusted to accommodate the two different rates which may apply over the FBT year, as this is administratively time consuming and not worth the minor cost change.

For packages created before the 1 July of the applicable year the old rates can be used for the whole year and for those created after the 1 July the new rates should apply.

Where an officer may hold two vehicles packages over the year, both vehicle packages must be calculated separately and then the total reconciliation determined by joining of both sets of final figures.

Further information and contacts

For further Information or clarification on issues raised in the discussion paper, please contact:

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