



Novated Leasing Services

Frequently asked questions and answers – removal of external financiers

There have been changes to the way novated leases can be established under the Queensland Government's Salary Packaging Novated Leasing Services SOA – QGP 0026-16. The changes provide greater protections and transparency to employees when establishing a novated lease.

Note: The following FAQs are a reference tool only.

I was previously able to use my own financier or use one of the financiers established by the Novated Leasing Provider when seeking vehicle finance. Has this changed?

Yes. From **1 July 2019**, employees will be required to use the whole-of-government's Salary Packaging Novated Leasing SOA's panel providers' financiers prior to establishing a novated lease.

Why has the option to use a non-panel providers' financier been removed?

The option to use non-panel providers' financiers (external financiers) has been removed to ensure greater transparency for our employees.

External financiers in this case refers to:

- Finance re-sellers (such as dealerships offering finance);
- Finance aggregators;
- Finance brokers; and
- Financial Advisers or Planners acting as finance brokers or arrangers of finance.

Currently the Novated Leasing SOA requires that all novated leasing panel providers disclose all fees, charges, commissions and incentives on the Quote Summary Table. However, due to external financiers not being a provider under the whole of government SOA, there is no obligation for these entities to disclose the full cost of their finance agreements such as ongoing fees, charges, commissions or incentives to employees. This can result in employees paying more for their finance or other aspects of their novated lease than those who use a panel providers' financier.

What if I already have a novated lease with an external financier? Will this continue?

Yes. All novated leases established prior to **1 July 2019**, are still valid and will continue to operate as usual up until the end of the original lease period.

At the end of the current lease period or when establishing a new novated lease, you will be required to use a financier from the WoG Novated Leasing panel providers' list of financiers. Further information regarding these financiers can be found here: <http://qcd.govnet.qld.gov.au/SOA%20Documents/QGP0026-16%20Employee%20-%20Supplier%20Pricing%20-%20Nov%202018.pdf>

What happens if I sign a finance agreement with a non-panel provider financier (external financier)?

From **1 July 2019**, employees will not be able to use an 'external financier', however, if a novated lease has been established with an external financier prior to this date, the employee may still be able to proceed by selecting one of the seven novated leasing providers and a salary packaging provider (if not already salary packaging).





Where a finance agreement has been established with an external financier (a non-novated leasing panel financier) outside of the agreed Queensland Government novated leasing establishment process, **after 1 July 2019**, the employee will need to provide documentary evidence that the finance has been settled and a vehicle had been ordered prior to 1 July 2019.

In instances where the established process was not followed, and the finance has been settled and the vehicle ordered prior to the signing of the Standard Novation Agreement / novated lease establishment process, it will be at the discretion of the Novated Leasing and Salary Packaging Providers, along with the employee's agency/department delegate as to whether the lease can be novated. This will be treated as an exception to the established novated leasing process and will be determined on a case by case basis.

The exception process will remain in place until the end of **August 2019**. Where finance with a non-panel provider has been finalised after 30 August 2019, employees will need to be aware that their vehicle cannot then become novated under the current Salary Packaging Novated Leasing Services SOA – QGP 0026-16.

Does this mean that I can no longer seek independent financial advice before establishing a novated lease?

No. Queensland Government Procurement (QGP) strongly recommends that all employees seek independent financial advice prior to establishing a novated lease.

Financial advisers and Financial Planners are included in the changes made to the Novated Leasing SOA. Non-panel financiers (external financiers) and Financial Advisers and Planners are excluded from arranging or providing finance other than through a contracted novated leasing panel provider from **1 July 2019**.

Note: From **1 July 2019**, if you choose to use an independent financial adviser or financial planner, please be advised that your financial adviser/planner can only assist with arranging vehicle finance through a contracted Novated Leasing Provider on the Whole-of-Government Salary Packaging Novated Leasing Services Standing Offer Arrangement – QGP 0026-16.

A list of novated leasing provider financiers can be found here:

<http://qcd.govnet.qld.gov.au/SOA%20Documents/QGP0026-16%20Employee%20-%20Supplier%20Pricing%20-%20Nov%202018.pdf>

Where can I find more information about novated leasing?

For further information about the Salary Packaging Novated Leasing Services SOA – QGP 0026-16, please refer to the Queensland Contracts Directory on <http://qcd.govnet.qld.gov.au/Pages/qcdsearch.aspx>.

The Queensland Contract Directory contains important information on novated leasing, including, but not limited to:

- Novated leasing establishment process flow;
- Information Booklets;
- FAQs;
- Novated Leasing Provider Information Sheets
- Novated Leasing Provider Pricing Schedules
- Buyers Guide; and
- Contact information.