



Novated Leasing Services

Employee factsheet – changes to novated leasing

What is a novated lease?

A novated lease allows a Queensland Government employee to enter an agreement with a financier to lease a vehicle. The rights and obligations of the lease are then novated (or transferred) to the employer via the Queensland Government Standard Novation Agreement (SNA).

The SNA is a tri-partite agreement between the financier, employer and employee. The employee and the employer enter into a salary packaging agreement to fund the novated lease costs, which allows the employee to pay for their vehicle costs using a combination of pre and post-tax dollars.

Once an employee chooses a novated leasing provider, and their financier, the provider will arrange for the relevant paperwork, including the SNA, to be completed by all parties to the agreement.

What's changing?

The current Salary Packaging Novated Leasing Standard Offer Arrangement QGP0026-16 (SOA) will change from **1 July 2019**, with external financiers removed from the panel of financiers.

The panel will include:

1. Bank of Queensland
2. Commonwealth Bank of Australia
3. Macquarie Leasing
4. St George
5. Warehouse funding provided by nlc, FleetPlus and Toyota Fleet Management.

Employees wanting to re-novate an existing lease, or establish a new novated lease, can only use one of these providers. Employees cannot contact the financiers directly – the novated lease provider will manage that.

Why is the change being made?

The current SOA requires 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 SOA, they are not obligated to do so. This can result in employees paying more for their finance, or other aspects of their novated lease, than those who use a panel financier.

Employees will now be required to arrange vehicle finance through a panel financier to ensure greater security and transparency.





What happens to novated leases signed before 1 July 2019?

All established novated leases remain valid and will continue to operate as usual to the end of the current lease period. Employees will be required to establish a new novated lease, with an approved financier, at the end of the period or when establishing a new novated lease.

If a finance agreement has been established with an external financier (a non-panel financier) before this date, the employee will need to provide documentary evidence that the finance has been settled and a vehicle ordered.

If this happened before the SNA was signed, the novated leasing and salary packaging providers and employee's agency will determine if the lease can be novated. This will be treated as an exception to the established novated leasing process and determined on a case-by-case basis.

What happens to novated leases signed after 1 July 2019?

If a novated lease is established with a non-panel financier after 1 July 2019, the employing agency will determine if the lease can be novated under the SOA.

This exception process will remain in place until **30 August 2019**. If finance is established with a non-panel financier after this date, the employee cannot novate their lease under the current SOA.

Can I still seek independent financial advice before establishing a novated lease?

Yes. All employees are advised to seek independent financial advice prior to establishing a novated lease.

Financial advisers and financial planners cannot arrange or provide finance, other than through a panel provider, from 1 July 2019.

Further information

For further information about the Salary Packaging Novated Leasing Services SOA – QGP 0026-16, please refer to the [Queensland Contracts Directory](#).

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
- Contact information.

Alternatively, please contact:

Kim Caswell
Senior Category Manager (Employee Services)
General Goods and Services
Department of Housing and Public Works
(07) 3215 3532, or email
kim.caswell@hpw.qld.gov.au