



EQUILEASE PROCESS AND CASHFLOWS



John Parker purchased his Ford Territory Titanium in 2014 for \$47,000 and has now paid it off. John wants the same benefit offered on a novated lease but has been told his car is too old to finance.

John has been introduced to **EquiLease**, where he can finance a vehicle of any age, if it is wholly owned by him. John, who earns \$80,000 per year, enters a sale and leaseback with **EquiLease** for \$22,000 over 3 years.

Make	Ford	✕	📦 AvgWholesale	\$18,772.73	 
Model Year	2014	✕	📦 AvgRetail	\$22,636.36	
Model	TERRITO	✕	📦 GoodWholesale	\$21,227.27	
Body Type	Wagon	✕	📦 GoodRetail	\$25,363.64	
Variant	SZ MkII Titanium Wagon 7st 5dr Seq Sport Shift 6sp 2.7DT [Oct]		📦		
Fule Type	Diesel		List Price	\$22,000.00	
Plate Year			GST On List Price	\$0.00	
Vehicle New/Used	Used	▼	Total Price	\$22,000.00	

EquiLease buy John's car and commit to paying him as follows;

Purchase Price	\$22,000
Less Residual (incl GST) held as security by EquiLease	\$11,345
Net due to John	\$10,655
Paid to John per month for 36 months (\$10,655 / 36)	\$296

John proceeds to salary package the **EquiLease** as a Novated Lease and pays for most of the running costs of his car pre-tax, with his employer paying the GST on the running costs and because he pays for some of the running costs post-tax through his pay, there is no fringe benefits tax.

The total budget for running John's car is \$1,242 per month, with his employer paying the GST, leaving a net budget of \$1,129. This includes a pre-tax finance repayment of \$491 (**\$331** post-tax) for the next 36 months, which is largely offset by the payment from the EquiLease of **\$296**.

	Not Salary Packaged		Salary Packaged
Vehicle Purchase			
Cost of car	22,000.00		22,000.00
Fleet Discount			0.00
GST	0.00		
Trade in	0.00		0.00
Total cost of car	22,000.00		22,000.00
FBT Base Value*			22,000.00
Ongoing running costs			
Lease repayments	540.42	4.0	491.29
Fuel	332.29		302.08
Service costs	91.66		83.33
Tyres	110.00		100.00
Rego	50.41		45.83
Insurance	73.34		66.67
Road Side Assistance	0.00		0.00
Other	44.44		40.40
	1,242.56		1,129.60

John now saves \$3,852 per year for the next 3 years and \$11,588 over the term. All costs of running the car are included and John is provided with a fleet card which he uses to pay all cost, excluding the registration and insurance. Because he uses the fleet card, he obtains discounts on maintenance, fuel, tyres, and batteries, as if he were a fleet user.

Your Vehicle Details

New/used:	Used	Year:	2014
Make:	Ford	Model:	TERRITO
Fuel:	Diesel	Seats:	7
Body Type:	Wagon	Transmission:	Sports Automatic
Trim:		Colour:	
Variant:	SZ MkII Titanium Wagon 7st 5dr Seq Sport Shift 6sp 2.7DT [C+]		
Accessories Included:			



573.49 Running Costs per pay	425.31 Salary Packaged Running Costs per pay	148.18 Savings per pay
3,852.68 Savings per year	11,558.04 Savings over the Lease Period	

What's Included

Registration	Fuel Card	Tyres	Service Maintenance	Lease Rental	Management	Roadside Assist	Comprehensive Insurance	Gap
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>					

John established his insurance with a well know provider and pays for it monthly. **EquiLease** refunds John directly for the cost of the insurance. When John renews his registration, he lodges a claim and **EquiLease** reimburses the cost of registration into his bank account.

At the end of the lease, whatever is left over in the budget is returned to John through payroll, who deduct tax from the surplus and then pay the balance to John.

There is also the Residual payment still due at the end of the lease:

Residual (incl GST) due from John	\$11,345
Residual held back by EquiLease	\$11,345
Amount owing to EquiLease	\$nil

At the end of the 36-month term, we can offset monies due on the Residual vs monies held back and John has full title in his car again, after having saved;

- \$11,558 in tax over the 3 years;
- Fuels discounts over 3 years;
- Maintenance and tyre discounts over the 3 years.

John is so happy with the process, that he decides to sell his car, which is now 10 years old and replace it with a brand-new novated lease, to keep benefiting from the savings.