



# The Smart™ petrol price report

16 March 2026

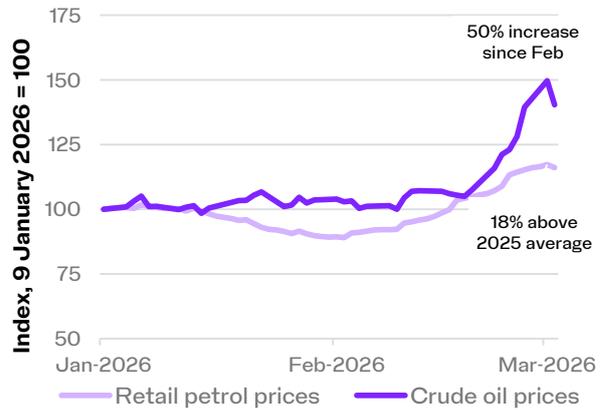
## Rising petrol prices are the latest cost of living challenge facing Australian workers in 2026.

Petrol prices have reached an average of \$2.40 per litre<sup>1</sup> and the national average which is 18% higher than the 2025<sup>2</sup> average. Some analysts are forecasting that the crisis could be worse than the 1979 oil shock<sup>3</sup> and Australians could end up paying as much as \$3.30 per litre at the petrol bowser.

However, there is an option for Australians wanting to shield themselves from the impact of rising petrol prices, while reducing the strain on Australia's limited fuel reserves.

Taking out a novated lease on an electric vehicle (EV) could save drivers thousands of dollars per annum compared to driving a petrol vehicle, according to economic modelling conducted for Smart™ by [Positive Economics Advisory](#).

Figure 1: Oil prices have spiked since the start of 2026



Source: Positive Economics Advisory



### How much could EV drivers be saving?

Positive Economics analysed two comparable entry-level EV and petrol vehicles. Based on current average petrol prices, an EV driver could save around \$3,500 annually - or \$289 per month - compared to driving a similar petrol car financed with a secured car loan.

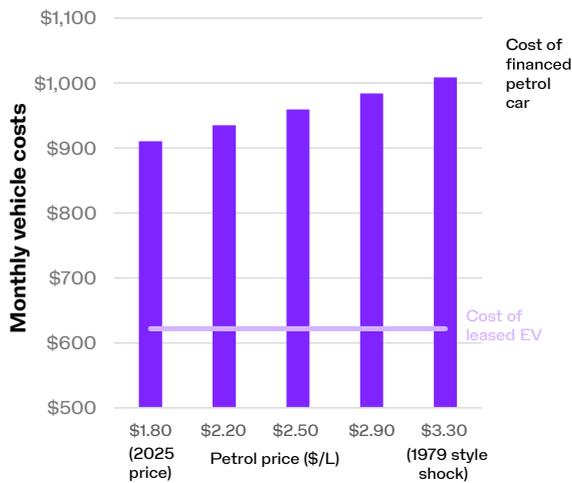
Characteristic	Novated Lease EV	EV purchased with a car loan	Petrol car purchased with a car loan
Make & model	BYD 2026 ATTO 1 Essential		Kia MY26 Picanto Sport Automatic
Drive away price	\$26,532		\$22,140
Monthly repayment & operating costs	\$564	\$882	\$789
Energy / fuel cost	\$58	\$64	\$122
Total monthly cost	\$622	\$946	\$911
Monthly savings compared to financing a petrol vehicle	\$289	(\$35)	N/A

### What if petrol prices continue to rise?

Positive Economics concluded that if petrol prices remained at \$2.20 per litre - which is 20% above 2025 levels - an EV on a novated lease would save drivers over \$3,700 annually (\$310 per month) compared to a petrol car financed with a car loan.

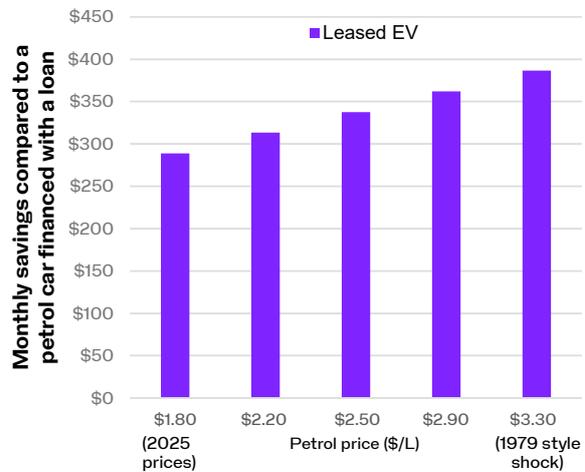
If the situation continues to escalate to levels experienced in the 1979 oil shock, and fuel prices surged by 80% to \$3.30 per litre, the research found savings from driving a leased EV would exceed \$4,600 annually (\$386 a month). See Figure 3.

**Figure 2: Total costs of operating a petrol car financed with a car loan vs a novated lease EV**



Source: Positive Economics Advisory

**Figure 3: Monthly savings on a novated lease EV (compared to a petrol car financed with a car loan)**



Source: Positive Economics Advisory

### About novated leasing

Novated leasing is a way to package your salary so you can pay for a car using your pre-tax income. One simple deduction each pay day takes care of your lease and all the usual running costs such as fuel, servicing, insurance and more. Novated leases are available on a wide range of vehicles, including new, used and electric cars.

### Take the next step with Smart™

Smart™ is Australia's largest provider of salary packaging and novated leasing, with more than 490,000 active salary packaging customers. Services are available to 2.5 million people employed by Smart's clients across the government, health, education and corporate sectors.

[smart.com.au/novated-leasing](https://smart.com.au/novated-leasing)

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Research was commissioned by Smart™ and conducted by Positive Economics Advisory in March 2026. The analysis is based on the following key assumptions and limitations:

- a) The representative individual is assumed to earn the average annual full-time Australian income of \$110,542. Source: ABS.
- b) Monthly energy and fuel costs are estimated based on 15,000 km travelled per year. Source: AAA.
- c) Monthly repayments for EV and petrol vehicles financed with a secured car loan are derived using Savvy's Car Loan Repayment Calculator, assuming 100% of the drive-away price is borrowed at an average car-loan interest rate of 7.73% p.a. over a 5-year term.
- d) A 1% increase in crude oil prices is assumed to raise retail unleaded petrol prices by 0.504% per Abbas Valadkhani et. al., 2021.
- e) Retail electricity prices are assumed to remain unchanged in the short-term following oil price shocks. This reflects regulatory settings for retail power prices, including the annual nature on which contracts are generally repriced.<sup>4</sup>
- f) While the current supply disruption has pushed up gas prices, the analysis does not reflect any potential flow-through to residential electricity tariffs.
- g) The analysis does not incorporate any potential state government EV incentives or rebates. At present, only the Northern Territory offers an active scheme.
- h) Key sources used in the analysis: Australian Institute of Petroleum, 2026. AIP Annual Retail Price Data, [Link](#); MotorMouth, 2026. Daily average petrol prices, [Link](#); Fusion Media, 2026. Brent Oil Futures - May 26 (LCOK6), [Link](#); BYD, 2026. BYD ATTO 1, [Link](#); KIA, 2026. Picanto Model Year 2026, [Link](#); Smartsalary, 2026. Novated lease calculator, [Link](#); Savvy, 2026. Average Car Loan Interest Rate in Australia: 2026, [Link](#); Mariam Gabaji, 2026. What is the average cost of electricity (per kWh) in Australia?, [Link](#); Abbas Valadkhani et. al., 2021. Are petrol retailers less responsive to changes in wholesale or crude oil prices when they face lower competition? The case of Greater Sydney, [Link](#).

**Footnotes:**  
 1. Alison Branley & Daniel Ziffer, 2026. NAB warns rising petrol prices could drive inflation above 5 per cent, [Link](#).  
 2. Australian Institute of Petroleum, 2026. AIP Annual Retail Price Data, [Link](#); MotorMouth, 2026. Daily average petrol prices, [Link](#).  
 3. Australian Institute of Petroleum, 2026. AIP Annual Retail Price Data, [Link](#); MotorMouth, 2026. Daily average petrol prices, [Link](#).  
 4. Australian Energy Regulator, 2025. Retail pricing and the Default Market Offer, [Link](#).