Australian
Finance
Industry
Association

20 March 2026

AUSTRAC
PO Box K534
HAYMARKET, NSW 2140

By email: Industry_levy@austrac.gov.au

Dear AUSTRAC

STAKEHOLDER CONSULTATION PAPER: AUSTRAC INDUSTRY CONTRIBUTION (LEVY) 2025-26

The Australian Finance Industry Association (AFIA) is the only peak body representing the entire finance industry in Australia[1]. We appreciate the opportunity to respond to the industry consultation on the Industry Contribution (levy) 2025-26[2].

We represent over 150 members, including bank and non-bank lenders, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia.

AFIA would welcome additional clarity on how the levy will apply to corporate groups and elective reporting groups, particularly to ensure there is no unintended double counting of obligations or costs across related entities. Clear guidance on the treatment of group structures, including how reporting volumes and entities are attributed within an elected group, would support consistent interpretation and reduce compliance uncertainty for industry participants.

[1] Australian Finance Industry Association (afia.asn.au).

[2] Stakeholder consultation paper

Additionally, when the 'lead entity' of a reporting group is a non-reporting entity, and the earnings for this 'lead entity' includes earnings from many Australian and overseas non-reporting entities, how will the levy be calculated? To include these non-reporting entities will inflate the earnings and therefore result in a higher inappropriate levy burden. AFIA proposes the industry levy is based solely on the income/earnings of reporting entities and does not include non-reporting entities.

We acknowledge that the detailed apportionment methodology will be determined through the subsequent consultation process. In that context, we encourage AUSTRAC to consider levy settings that more explicitly reflect risk intensity and regulatory effort, rather than relying predominantly on earnings or raw reporting volumes. This would promote greater fairness for business models that operate on lower margins or pose lower inherent money laundering and terrorism financing risk. Such an approach would be consistent with AUSTRAC's previously articulated principles of fairness and capacity to pay, as discussed in industry forums, and would help ensure the levy remains proportionate and aligned with supervisory focus.

Should you wish to discuss our submission or require additional information, please contact me at emma.penzo@afia.asn.au.

Yours sincerely



Dr Emma Penzo
Head of Regulatory Policy