



31 January 2025

The Hon Stephen Jones MP
Assistant Treasurer and Minister for Financial Services
Treasury
Langton Cres
PARKES ACT 2600
Submitted via email to: PreBudgetSubmissions@treasury.gov.au

Dear Minister Jones

PRE-BUDGET SUBMISSION 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 Government's call for 2025-26 Budget submissions.²

We represent over 135 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.

¹ [Australian Finance Industry Association \(afia.asn.au\)](https://afia.asn.au).

² The Hon Stephen Jones MP (Assistant Treasurer and Minister for Financial Services), '2025-26 Pre-Budget submissions' ([21 November 2024](#)).

INTRODUCTORY COMMENTS

AFIA is grateful for the opportunity to contribute to the 2025–26 Pre-Budget Submission process. As a key stakeholder in Australia’s financial system, we value this dialogue with the Treasury and the chance to advocate for policies that will sustain economic growth, ensure financial stability, promote efficiency, competition and innovation in finance, and enable our members to support the Australian economy effectively.

The Treasurer, the Hon Dr Jim Chalmers MP, recently distilled the economic challenge:

‘Our most pressing and primary goal has been to fight inflation without ignoring risks to growth, and while maintaining our labour market gains. We’d rather a soft landing than to clean up after a hard one.’³

This balanced approach reflects the priorities of AFIA and its members, who manage over \$3 trillion in receivables and operate across industries vital to Australia’s economic growth.⁴

The economic context for this Budget is challenging, but promising. The 2024-25 Budget forecasted real GDP growth at 2 per cent for FY25, indicating a modest recovery.⁵ Meanwhile, annualised headline inflation has significantly moderated from its December 2022 peak of 8.4 per cent to 2.1 per cent in October 2024.⁶ As Treasurer Chalmers noted, this sharp decline represents the fastest moderation in inflation during a parliamentary term since inflation targeting began, an achievement enabled by sound fiscal policy.⁷

However, the core fiscal challenge remains. The Mid-Year Economic and Fiscal Outlook 2024-25 (MYEFO) projects an underlying cash deficit of \$2.6 billion for FY25, an improvement of \$1.4 billion compared to the 2024-25 Budget forecast.⁸ However, there has been a cumulative deterioration of the underlying cash deficit over the forward estimates of \$21.8 billion.⁹ MYEFO projects a headline cash deficit of \$47.8 billion in FY25 which includes off-balance sheet spending, and a cumulative deterioration of \$33.6 billion over the forward estimates compared to the budget forecast.¹⁰

Furthermore, uncertainty in global markets remains, with geopolitical and other factors impacting global trade, investment and supply chains.¹¹ Despite this, Australia’s fiscal position remains relatively strong

³ The Hon Dr Jim Chalmers MP (Treasurer), ‘Address to the Australian Business Economists’ ([13 November 2024](#)).

⁴ AFIA, *Annual Review FY24*, ([23 October 2024](#)), p. 5.

⁵ Budget May 2024-25, [Budget Paper 1](#), p. 6.

⁶ Australian Bureau of Statistics (ABS), [Monthly Consumer Price Index Indicator](#), ABS Website, accessed 17 December 2024, (released November 2024, reference period October 2024).

⁷ The Hon Dr Jim Chalmers MP (Treasurer), ‘Inflation falls to lowest rate in almost four years’ ([30 October 2024](#)).

⁸ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, p. 6.

⁹ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, p. 6.

¹⁰ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 73 and Budget May 2024-25, [Budget Paper 1](#), p. 102.

¹¹ International Monetary Fund, ‘How High Economic Uncertainty May Threaten Global Financial Stability’ ([15 October 2024](#))

compared to global peers. Part of this fiscal strength is borne from tax collections from resilient sectors like finance, which contributes over \$420 billion annually, or approximately 17.3 per cent, to real GDP.¹²

Australia's economic recovery is shaped by both domestic priorities and global challenges. The Reserve Bank of Australia's (RBA) cash rate remains at 4.35 per cent for the ninth consecutive Board meeting, noting that the underlying inflation rate of 3.5 per cent remains too high.¹³ Meanwhile, unemployment has decreased to 3.9 per cent in November 2024, with employment increasing by 2.4 per cent, or 334,500 people, over the past year.¹⁴ This followed three months of a steady unemployment rate of 4.1 per cent. This suggests that despite slow GDP growth in the Australian economy, the labour market remains tight.

AFIA's members are integral to Australia's financial ecosystem, promoting economic activity, investment, and growth. In FY23–24, some of their achievements across specialist lending markets included:

- Equipment Finance: \$39.83 billion in new business, with demand for cars and light commercial vehicles rising by 11 per cent. Aircraft financing experienced a remarkable 54 per cent year-on-year increase.¹⁵
- EV Financing: EV financing increased by an incredible 134 per cent in FY23-24, compared to the previous Financial Year, with new vehicle volume increasing by 138 per cent, or approximately 24000 vehicles.
- Motor Finance: Novated and operating leases increased by 50 per cent and 40 per cent, respectively, while hybrid vehicle financing grew 90 per cent.¹⁶
- Car Rentals: Revenue reached nearly \$2 billion, with peak demand during holiday periods highlighting the sector's resilience.¹⁷
- Insurance Premium Funding (IPF): Over 450,000 loans originated, totalling \$8.2 billion.¹⁸

These figures highlight the finance industry's pivotal role in driving innovation, facilitating critical investments, and supporting national public policy priorities, such as transitioning to a low-emissions economy.

AFIA notes that the Government has committed to various items of public expenditure in order to drive scale and encourage private investment in these national priorities. We believe that additional public investment, along with private investment, in small businesses, transport, and insurance will not just drive productivity, growth and wellbeing, but also ensure we have a resilient, inclusive and sustainable Australia, now and into the future.

¹² IBISWorld, Finance in Australia – Market Research Report (2014-2029), ([May 2024](#)).

¹³ Reserve Bank of Australia (RBA), 'Statement by the Reserve Bank Board: Monetary Policy Decision', ([10 December 2024](#)).

¹⁴ ABS, '[Labour Force, Australia](#)', ABS Website, accessed 17 December 2024, (released December 2024, reference period November 2024).

¹⁵ AFIA data.

¹⁶ AFIA data.

¹⁷ AFIA data.

¹⁸ AFIA, *Annual Review FY24*, ([23 October 2024](#))

As the Treasurer has said:

*'The most important role for public investment will be to help unlock the vast amount of private sector investment we will need to deploy...'*¹⁹

The 2025–26 Budget offers a unique opportunity to prioritise efficiency, competition, innovation, stability, inclusion and sustainability today, while laying a robust foundation for economic growth tomorrow and for future generations. We look forward to continued collaboration with the Treasury to ensure Australia's financial system remains a cornerstone of a strong, sustainable, and inclusive economy.

Attachment A details AFIA's strategies to drive stable, inclusive and sustainable growth for all Australians. These initiatives are organised around three core themes: promoting economic growth through sustainability and net-zero efforts, strengthening the digital economy through innovation, competition, and secure financial systems, and improving consumer outcomes by advancing financial inclusion and balanced regulation.

Attachment B contains a thorough examination of Australia's current economic conditions and fiscal landscape.

Attachment C features case studies showcasing the contributions of AFIA members toward achieving sustainability and net-zero objectives.

CLOSING COMMENTS

I would appreciate the opportunity to discuss our recommendations and provide further information. Should you wish to discuss our submission, please contact me at diane.tate@afia.asn.au or AFIA Policy Advisor Kate Melville at kate.melville@afia.asn.au.

Yours sincerely



Diane Tate
Chief Executive Officer

¹⁹ The Hon Dr Jim Chalmers MP (Treasurer), 'Second reading speech, Future Made in Australia (Production Tax Credits And Other Measures) Bill 2024' ([25 November 2024](#)).

ATTACHMENT A: AFIA'S RECOMMENDATIONS

Last Federal Budget was centred around “Relief, Repair, and Reform”.²⁰

These principles also broadly align with and underpin AFIA’s advocacy for measures that enhance consumer outcomes, improve financial inclusion, and maintain proportionate regulation, ensuring a fair and accessible financial system for all Australians.

In this submission, AFIA outlines policy solutions under three strategic themes that align with our strategic priorities:

1. driving economic resilience and sustainability, while achieving our net-zero ambitions.
2. supporting the digital economy and a safe and transparent financial system.
3. improving consumer outcomes, financial inclusion, and proportionate regulation.

Theme 1 – Driving economic resilience and sustainability, while achieving our net-zero ambitions

AFIA remains committed to supporting Australia’s journey toward a net-zero economy, leveraging finance as a key enabler of economic performance, resilience and sustainability. As the Treasurer said:

‘The net zero transformation is a golden opportunity for Australia. We have been dealt the most incredible set of cards as a country to make ourselves the primary beneficiaries of the net zero economy. We have a unique combination of geological, meteorological, geographical and geopolitical advantages. And we know it would be an egregious breach of our generational responsibilities as a government if we didn’t play this winning hand.’²¹

In the past year, we have made the following submissions in relation to government workstreams on sustainable reporting and finance:

- The Australian Accounting Standards Board’s Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information.²²
- Treasury consultation on climate-related financial disclosure exposure draft legislation.²³
- Treasury consultation on the Sustainable Finance Strategy.²⁴

EV adoption is at the forefront of Australia’s sustainable transformation, with significant growth observed in 2023. AFIA members financed nearly \$2.5 billion in EVs in 2023, underscoring the finance industry’s pivotal role in reducing emissions and fostering cleaner transportation options.

²⁰ The Hon Dr Jim Chalmers MP (Treasurer), ‘Second address to the G20 Economic Ministers Forum, São Paulo, Brazil’ ([29 February 2024](#)).

²¹ The Hon Dr Jim Chalmers MP (Treasurer), ‘Second reading speech, Future Made in Australia (Production Tax Credits And Other Measures) Bill 2024’ ([25 November 2024](#)).

²² [AFIA submission to Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information.](#)

²³ [AFIA submission to climate-related financial disclosure exposure draft legislation.](#)

²⁴ [AFIA submission to Sustainable Finance Strategy.](#)

AFIA's EV Finance Report found:²⁵

- Novated leasing emerged as a key driver, with an average of 2,416 EVs financed monthly, representing 92 per cent of total EV financing.²⁶ June 2023 alone saw a peak of 4,000 vehicles financed, valued at \$260 million.²⁷
- Non-Internal Combustion Engine (ICE) vehicle transaction volume increased 138%, and hybrid vehicles increased 83%.²⁸
- The average EV financed was valued at \$64,300 compared to \$48,000 for ICE vehicles, highlighting cost as a persistent barrier to uptake of non-ICE vehicles in the Australian market, noting our reliance on overseas manufacturing.²⁹ However, targeted incentives such as the EV tax incentive, which helped raise EV sales from 2 per cent to 8.4 per cent in 15 months, demonstrate the effectiveness of policy support in overcoming these transition challenges.³⁰

To sustain this momentum, AFIA supports:

- The continuation of Fringe Benefits Tax (FBT) exemption for EVs, which have proven instrumental in driving adoption, particularly in regional areas.
- Extension of the FBT exemption for hybrid vehicles, which is critical to support transition challenges, especially pertinent in Australia due to our reliance on overseas manufacturing, ongoing challenges with public and private EV infrastructure, and uncertainty with changing global net-zero initiatives and commitments likely to directly and indirectly impact supply for EVs. (The FBT exemption for hybrid vehicles is due to expire in March 2025, we therefore strongly recommend this tax incentive is extended to mirror that for EVs, at least in the near-term.)
- The introduction of the New Vehicle Efficiency Standard, aligning Australia with global benchmarks to accelerate the shift towards cleaner vehicles.
- The continuation of the \$500 million Driving the Nation Fund to bolster EV charging across Australia.³¹

By reducing financial barriers and enabling access to low-emissions vehicles, the FBT exemption directly supports Australia's emissions reduction targets while delivering tangible financial benefits to individuals.

AFIA supports the continuation of the FBT exemption due to its effectiveness in making EVs more accessible and affordable for consumers. AFIA will be launching a research report in March 2025, which explores how the finance industry can enable Australia's transition to sustainable transport and contribute to achieving net-zero emissions by 2050. This research report was developed in collaboration with industry stakeholders, and leveraged a public survey of 630 Australian consumers along with a

²⁵ AFIA, 'EV Finance: Driving Down Australia's Emissions' ([March 2024](#)).

²⁶ AFIA, 'Novated Leasing Sparkes Surge in EV Adoption' ([7 May 2024](#)).

²⁷ AFIA, 'EV Finance: Driving Down Australia's Emissions' ([March 2024](#)), p. 3.

²⁸ AFIA data.

²⁹ AFIA, 'Novated Leasing Sparkes Surge in EV Adoption' ([7 May 2024](#)).

³⁰ AFIA, 'EV Finance: Driving Down Australia's Emissions' ([March 2024](#)), p.3.

³¹ Department of Climate Change, Energy, the Environment and Water (DCCEW), '[Driving the National Fund](#)' (accessed 17 December 2024).

detailed literature and comparative policy review of the latest academic research and global policies facilitating the sustainable mobility transition.

Early findings stress the importance of the finance industry as central to not only achieving net-zero ambitions but also in supporting broader innovation and accessibility, by enabling greater consumer access and choice electric vehicles. Public-private partnerships are essential to achieving these outcomes.

AFIA also believes that further public and private investment is needed into commercial markets to incentivise larger scale emissions reduction and energy efficiency.

The report found:

- The finance industry plays a key role in supporting the transition to sustainable transport by providing financing, leasing, and advisory services.
- Charging infrastructure remains a major barrier, with consumers and businesses struggling with charger availability, long wait times, and a lack of real-time information. A national system providing live updates on charger status could improve confidence in EV adoption.
- Financial incentives, such as the FBT exemption for plug-in hybrid vehicles, have been effective in encouraging EV uptake. However, the planned removal of this exemption in April 2025 raises concerns, as consumers prioritise purchase subsidies and lower upfront costs.
- Consumer interest in sustainable transport is growing, with environmental benefits ranking as a top motivator. However, cost concerns, infrastructure challenges, and uncertainty around resale value remain barriers that need to be addressed through policy and industry initiatives.

AFIA Recommendations

AFIA supports extending or implementing the following:

- Increasing Clean Energy Finance Corporation (CEFC) funding to expand and further accelerate EV and hybrid vehicle adoption and focus on capital investment in commercial emissions reduction and energy efficiency capital investment, along with the necessary infrastructure development needed to support consumer and commercial up-take.
- National standards in charging infrastructure for increased public and private investment, supported by government-backed interoperability policies.
- Establishing real-time information systems and interoperability for public chargers to build consumer and business confidence.
- Extending the FBT exemption for plug-in hybrid vehicles beyond April 2025 and broadening financial incentives to include emerging technologies like Vehicle-to-Grid (V2G) charging.
- Harmonising state and federal EV policies to ensure seamless adoption for fleets and consumers.
- Prioritising investments in fast-charging technology and advanced battery systems. Supporting trials for V2G technologies and explore partnerships with global OEMs to drive innovation.

- Improving product and service offerings, such as bundled home charging, battery and solar solutions, to create a seamless user experience for consumers.
- Incentivising small businesses and companies to upgrade their equipment, particularly in the transport, mining and resources, construction and agriculture sectors. We recommend a business investment incentive or tax rebate for small businesses and companies that purchase new, lower emissions equipment (noting schemes operating in Europe is bringing forward capital investment, supporting faster financing and enabling more efficient transition the commercial market).

Theme 2: Supporting the digital economy and a safe and transparent financial system

AFIA supports the government's efforts to ensure that Australia remains at the forefront of the digital economy, while safeguarding consumers. The Assistant Treasurer, the Hon Stephen Jones MP, stated:

*'There is a whole-of-government effort to ensure that consumers get the benefits that come from the digital economy – while ensuring that the rails of modern commerce are safe and secure.'*³²

In alignment with this vision, AFIA has contributed to critical discussions shaping the future of Australia's digital landscape through submissions to:

- Treasury Review of AI and the Australian Consumer Law.³³
- Department of Industry, Science and Resources consultation on AI Mandatory Guardrails.³⁴
- Treasury consultation on Consumer Data Right: Consent and Operational Enhancements.³⁵
- Independent Review of the Principles of Reciprocity & Data Exchange (PRDE).³⁶
- Attorney-General's Department consultation on Reforms to Australia's AML/CTF Regime.³⁷
- Treasury consultation on Payments System Modernisation (Regulation of Payment Service Providers).³⁸

Promoting efficiency, competition, and innovation through the digital economy is at the heart of AFIA's advocacy. Through our work on the Consumer Data Right (CDR), AFIA aims to empower consumers by advocating for secure and seamless data-sharing processes, while fostering innovation across financial services. Sensibly expanding the CDR to more sectors through clear and reasonable timelines is a key priority, with AFIA agreeing with the government that:

*'The CDR has the potential to be a transformational piece of economic reform and drive better outcomes for consumers.'*³⁹

Sustained investment in Australia's digital infrastructure and innovation capabilities is essential for maintaining global competitiveness. Programs such as the National AI Centre, initiatives to foster fintech development, and efforts to integrate critical technologies like blockchain into financial systems will help position Australia as a leader in the digital economy.

According to Pyxis Polling, consumer research commissioned by AFIA, efficiency and responsiveness to customers in the finance industry is seen as critical attributes for financial products, services and technologies, along with behaviours that demonstrate responsible, ethical and fair behaviours. It's crucial

³² The Hon Dr Jim Chalmers MP (Treasurer), 'Address to the Australian Business Economists' ([13 November 2024](#)).

³³ [AFIA submission to Treasury's Review of AI and the Consumer Law.](#)

³⁴ [AFIA submission to mandatory guardrails for AI in high-risk settings: proposals paper.](#)

³⁵ [AFIA submission to Treasury consultation on Consumer Data Right \(CDR\): Consent and Operational Enhancements Amendments.](#)

³⁶ [AFIA submission to Independent Review of the Principles of Reciprocity & Data Exchange \(PRDE\).](#)

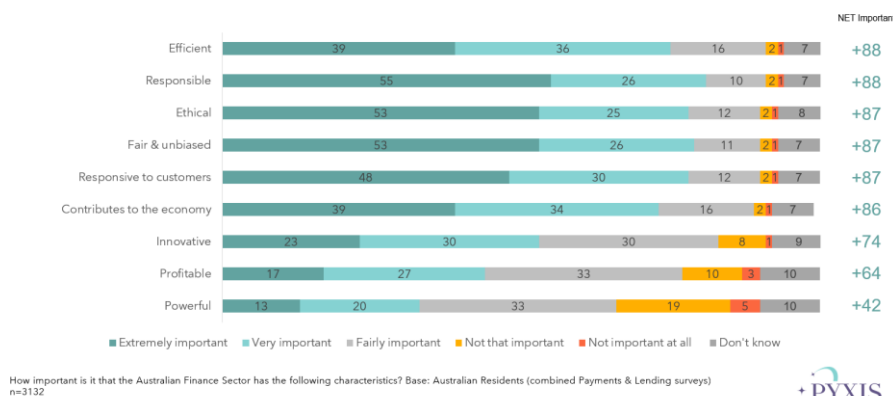
³⁷ [AFIA submission to Reforms to Australia's AML/CTF regime.](#)

³⁸ [AFIA submission to Treasury consultation on Payments System Modernisation \(Regulation Of Payment Service Providers\).](#)

³⁹ Committee for Economic Development of Australia (CEDA), 'Assistant Treasurer Stephen Jones' Speech to CEDA' ([9 August 2024](#)).

that financial innovation in the digital economy places efficiency, responsiveness, innovation and the consumer experience at its strategic core.

The number #1 thing Australians want the Finance Industry to be is efficient



The Treasurer's observation on the structural shifts shaping Australia's economy provides a framework for understanding the challenges and opportunities of the digital age:

*'Churn and change have become a new normal in the past 15 years. Our Intergenerational Report identified 5 major shifts in our economies and societies: From globalisation to fragmentation; information technology to artificial intelligence; hydrocarbons to renewables; younger to older; and the rapid growth in services.'*⁴⁰

AFIA supports harnessing these shifts to drive economic resilience, inclusivity, and sustainability, focusing on key areas where the finance industry can enable transformation.

The transition to AI represents a critical inflection point for Australia. While AI has the potential to deliver significant economic and productivity gains, its implementation must be carefully managed to ensure it is safe, ethical, and equitable. AFIA calls for sustained investment in initiatives like the National AI Centre and policies that establish robust AI guardrails to build trust and enable widespread adoption. Financial services firms are uniquely positioned to lead this charge, using AI to enhance existing processes while adhering to high standards of transparency and fairness.

According to the CSIRO:

*'When used well, AI allows people to do things faster, cheaper, safer and better. Just like electricity in the 1920s, AI has the capability to deliver an economy-wide productivity boost in the 2020s and beyond.'*⁴¹

⁴⁰ The Hon Stephen Jones MP (Assistant Treasurer and Minister for Financial Services), 'Address to Committee for Economic Development of Australia' (9 August 2024).

⁴¹ CSIRO, [Australia's artificial intelligence ecosystem: Catalysing an AI industry](#), (December 2023).

AFIA will be launching a research report which looks at the productive potential of artificial intelligence within financial services, examining the numerous use cases across the industry for both existing traditional AI and adopted generative AI. Through evidence-based analysis, the report finds the productivity output from generative AI adoption in the finance industry could be significant across the economy, while noting that the material risks of such an adoption will prompt regulatory intervention. The report is intended to contribute to an evidence-based discussion on regulatory reform focused on the specific risks posed by generative AI, balanced with the need to seize the productivity enhancing opportunities generative AI presents.

The report found:

- AI is already widely used in the Australian finance industry, with all surveyed institutions either implementing or trialling AI technologies.
- Uses range from credit risk assessment, fraud detection, and compliance automation to customer service enhancements and process optimisation.
- Many financial institutions are experimenting with Generative AI but are cautious due to compliance and regulatory risks.
- Key risks include biased decision-making, security vulnerabilities, and compliance with existing regulations such as privacy and financial sector laws.

Modernising payments regulation is another essential focus for AFIA, particularly as technology reshapes the way Australians transact. Reforms are necessary to ensure that the system remains secure, efficient, and globally competitive. Ensuring the inclusivity of Australia's payments system is another priority. As technological advancements reshape how Australians transact, it is essential to safeguard against the emergence of a digital divide, ensuring that vulnerable customers are not left behind. Similarly, industry-led self-regulation plays an important role, and AFIA believes in the value of regulatory settings that complement and strengthen these initiatives.

AFIA Recommendations

AFIA supports retaining or bolstering the following measures supporting safe and responsible AI:

- Establishing a reshaped National AI Centre (NAIC) and AI advisory body within the Department of Industry, Science and Resources, with funding of \$21.6 million over four years from 2024–25.
 - \$0.5 million for remunerating members of an AI Advisory Body.⁴²
 - Supporting industry analytical capability and coordinating AI policy development and regulation, supported by funding of \$15.7 million over two years from 2024–25, including strengthening existing regulations in health care, consumer protection, and copyright law.
- Mitigating national security risks related to AI, with \$2.6 million allocated over three years from 2024–25.⁴³

⁴² Mid-Year Economic and Fiscal Outlook (MYEFO) 2024–25, p.279.

⁴³ Budget May 2024–25, [Budget Paper 2](#), p. 141.

- Exploring tax incentives for AI and digital transformation, including a targeted investment plan allowing businesses to claim a tax discount on eligible digitalisation and AI-related investments.

Theme 3: Improving consumer outcomes, financial inclusion, and proportionate regulation

AFIA advocates for a financial system that promotes participation, accessibility, and prosperity for all Australians. This vision aligns closely with the Government's priorities, as articulated by the Treasurer, with the main priorities being:

*'Helping with the cost of living. Building more homes for Australians. Investing in a Future Made in Australia – and the skills and universities we'll need, to make it a reality. Strengthening Medicare and the care economy. And responsible economic management, which is set to produce another surplus and help fight inflation.'*⁴⁴

Furthermore, AFIA welcomes the newly announced \$900 million National Productivity Fund, which will be made available to states and territories to incentivise reforms designed to boost competition and productivity.⁴⁵

Compliance costs and regulatory overload remain key barriers to improved efficiency, and can diminish productivity gains from technology adoption, as well as increase costs for consumers. A consistent theme in AFIA member feedback is that constant regulatory change without a clear strategic roadmap contributes to increased compliance costs, forming an obstacle to productivity enhancing investment.

Accordingly, AFIA welcomes the Government's recently released financial sector Regulatory Initiatives Grid (RIG), which has the potential to better coordinate regulation across sectors, allowing businesses to allocate resources more efficiently for compliance purposes, and to help address the cumulative impact of regulation over time.⁴⁶ To be effective, AFIA supports increased resourcing to Treasury and participant agencies to ensure the RIG is dynamic, transparent and responsive to industry feedback. This will have flow on dividends for economy, as the Treasurer has said:

*'More confidence and certainty will encourage competition and improve productivity in the financial services sector.'*⁴⁷

AFIA commends the Government's emphasis on competition reforms to enhance productivity, noting the Treasurer's statement:

*'More competition means a more productive and more dynamic economy, with better jobs, more choices and growth, and fairer prices.'*⁴⁸

⁴⁴ The Hon Dr Jim Chalmers MP (Treasurer), 'Budget Speech 2024-25' ([14 May 2024](#)).

⁴⁵ The Hon Dr Jim Chalmers MP (Treasurer), 'Address to the Australian Business Economists' ([13 November 2024](#)).

⁴⁶ Department of the Treasury, 'Regulatory Initiatives Grid – December 2024' ([19 December 2024](#)).

⁴⁷ The Hon Dr Jim Chalmers MP (Treasurer), 'New tool to streamline and better coordinate financial sector regulation' ([19 December 2024](#)).

⁴⁸ The Hon Dr Jim Chalmers MP (Treasurer), 'Address to the Australian Business Economists' ([13 November 2024](#)).

Along with other initiatives to increase competition, AFIA notes the Government's competition agenda with respect to the banking sector as well as the issues paper released by the Council of Financial Regulators (CFR) in consultation with the Australian Competition and Consumer Commission (ACCC) as part the Review into Small and Medium-Sized Banks.⁴⁹

When considering these reviews and initiatives alongside the Reserve Bank's Review of Merchant Card Payment Costs and Surcharging, AFIA contends that consideration should be given to a broader review of the financial system, covering all parts of the financial ecosystem, including credit and lending, banking and payments, to ensure a consistent and strategically sound regulatory reform agenda that can inform the RIG.⁵⁰ Furthermore, a piecemeal and non-holistic view of legislative and regulatory reform inevitably creates unnecessary complexity, additional regulatory, administrative and compliance burden, additional compliance costs, and impedes efficiency, competition and innovation.

Fighting scams and financial crime

AFIA is actively engaged in combating scams through advocacy for a Scams Prevention Framework and the development of mandatory industry codes. The \$10.6 million allocated to the ACCC and other agencies in the previous Federal Budget will enhance protections against financial crime. AFIA further proposes the expansion of the real-time financial crime network, which would enable swift information sharing and response capabilities. Initiatives such as the Financial Crimes Exchange enhance the security and resilience of our finance system and its preparedness.⁵¹ AFIA supports the Government's allocation of \$14.7 million over two years to establish an external dispute resolution scheme for scams administered by the Australian Financial Complaints Authority (AFCA), establishing a clear single pathway for victims of scams under the Scams Prevention Framework.⁵²

Submissions and advocacy

AFIA continues its advocacy through submissions on key regulatory matters pertaining to consumer outcomes and financial inclusion, including to:

- Senate Economics Committee Inquiry into Australia's Financial Regulatory Framework and Home Ownership.⁵³
- Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Financial Services Regulatory Framework in Relation to Financial Abuse.⁵⁴
- Treasury consultation on the Scams Prevention Framework.⁵⁵

⁴⁹ The Hon Dr Jim Chalmers MP (Treasurer), 'Helping Australians get a better deal on banking products' ([15 June 2024](#)) and Council of Financial Regulators (CFR), 'Review into Small and Medium-sized Banks: An Issues Paper by the Council of Financial Regulator, in consultation with the Australian Competition and Consumer Commission' ([December 2024](#)).

⁵⁰ RBA, 'Review of Merchant Card Payment Costs and Surcharging' ([15 October 2024](#)).

⁵¹ [Australian Financial Crimes Exchange \(afcx.com.au\)](#)

⁵² The Stephen Jones MP (Assistant Treasurer and Minister for Financial Services), 'Albanese Government to provide scam victims clear pathway for redress' ([23 October 2024](#)) and Mid-Year Economic and Fiscal Outlook ([MYEFO](#)) 2024-25, 301.

⁵³ [AFIA submission to Inquiry into Australia's financial regulatory framework and home ownership.](#)

⁵⁴ [AFIA submission to Inquiry into Financial Services Regulatory Framework in relation to financial abuse.](#)

⁵⁵ [AFIA submission to Scams Prevention Framework.](#)

- Treasury consultation on scams – mandatory industry codes.⁵⁶

Supporting Consumers

AFIA believes ensuring consumers have access to financial products and services that support their financial wellbeing is essential. Financial Counselling Australia (FCA) has recently published a statement on how the national debt helpline is receiving increased contact from Australians struggling with cost of living pressures and their money, finances and debt⁵⁷. We strongly support the role of financial counsellors in assisting individuals dealing with financial and other hardship and we recognise the critical need for a sustainable, evidence-based funding model for case work and special programs and projects, such as the national debt helpline.

To achieve these outcomes, funding must be drawn from both government and private sector contributions. While recognising there is a newly created foundation with voluntary contributions to provide support over the next few years, a new funding model should have shared contributions from key sectors not just the finance industry, such as telecommunications, utilities and gambling, and should not be short term and piecemeal.

AFIA would support a pragmatic solution for contributions from the finance industry whereby the ASIC levy is leveraged, either directly through specific amendment or indirectly as a methodology, as the primary mechanism for contributions from the financial services industry. This approach would ensure that the finance industry contributes fairly and transparently to financial counselling services, avoiding the need for only certain financial firms contributing in a short term and piecemeal way. Additionally, funding mechanisms should be identified for other key sectors, including telecommunications, utilities, and gambling, ensuring that those industries also contribute to consumer financial support programs through existing lines.

AFIA also supports professional consumer advocacy, particularly through the Consumers Federation of Australia (CFA), which acts as an overarching network for consumer and community organisations. It is vital to maintain a unified and coordinated consumer voice to prevent fragmentation and enhance collaboration with the finance industry. Consumer advocacy groups play an important role in ensuring the finance industry is provided with early warning signs about changing economic conditions and their impact on consumers, particularly more vulnerable consumers. They also contribute to the development of industry codes of practice by providing input on code development and support for appropriate consumer representation on code compliance committees across various sectors. Their involvement strengthens industry accountability and promotes fair consumer outcomes, and therefore ensuring the peak body for these organisations has adequate resources will contribute to a more stable and fair financial system.

⁵⁶ [AFIA submission to Scam – mandatory industry codes consultation.](#)

⁵⁷ [Big increase in people reaching out to the NDH - Financial Counselling Australia.](#) (6 January 2025)

AFIA Recommendations:

AFIA supports retaining key measures to address consumer outcomes and financial inclusion:

- Affordable housing initiatives: \$6.2 billion investment to build 1.2 million new homes over five years, addressing supply bottlenecks and improving accessibility.
- The extension of the \$20,000 instant asset write-off (IAWO) until 30 June 2026, reducing receipts by \$290 million over five years.⁵⁸ To ensure small businesses can take full advantage of the tax incentive for FY25 and have an appropriate pathway for FY26, we recommend the IAWO be legislated as soon as possible to avoid uncertainty and confusion with the scheme experienced in previous years.
- Tax incentives for energy savings and cybersecurity assistance, helping small businesses adapt to modern challenges.
- Financial counselling services: improved access to financial counselling services, such as through the National Debt Helpline and continued funding for financial counselling services and special programs and projects.
- Consumer advocacy: renewed funding for the Consumers' Federation of Australia (CFA) as the coordinating body for consumer and community organisations in Australia.
- Regulation: maintain funding for regulators like ASIC (Moneysmart), ACCC (Scamwatch), and ACSC to enhance consumer safeguards, particularly on education and outreach on cybersecurity threats, fraud and scams.
- Continuing support for digital literacy and cybersecurity education initiatives for small businesses, including funding for programs and projects facilitated through the ASBEFO.

⁵⁸ Budget May 2024-25, [Budget Paper 2](#), 14.

ATTACHMENT B: HIGH LEVEL ECONOMIC ANALYSIS

The Australian economy is navigating a period of subdued growth, characterised by persistent cost-of-living pressures, weak household demand, and mixed signals across key sectors. While inflation has eased to its lowest level since 2021, the benefits of this moderation are yet to fully materialise, with discretionary spending constrained and real wages struggling to deliver meaningful gains. Business and dwelling investment show pockets of resilience, but overall activity remains uneven, and long-term structural challenges persist. The labour market, though stable, reflects slowing momentum, as participation increases while underemployment remains elevated.

AFIA believes the Federal Budget should adopt a forward-looking strategy to unlock growth, prioritising support for households, stimulating private investment, and fostering economic resilience. With global uncertainties and domestic challenges intensifying, it is important that fiscal measures are used to enhance productivity, boost consumer confidence, and address cost-of-living concerns, laying the foundation for sustainable and inclusive economic recovery.

The economic outlook outlined below has shaped our recommendations—overall, we assess that the economy is as follows:

Real GDP growth has slowed significantly, reflecting subdued household demand and broader economic challenges. The Australian economy grew by just 0.3 per cent in the September quarter of 2024, marking the twelfth consecutive quarter of growth but the weakest annual growth outside the COVID-19 pandemic since 1991–92.⁵⁹ For the 2023–24 financial year, GDP growth was 1.5 per cent according to the ABS, as household consumption detracted 0.1 percentage points from growth, while government consumption contributed 0.3 percentage points.⁶⁰ According to the 2024-25 MYEFO, real GDP grew by 1.4 per cent in 2023-24 and projected a growth of 1.75 per cent in 2024-25 due to a rebound in household consumption (but revised down from 2 per cent forecasted in the 2024-25 Budget).⁶¹

Household consumption weakened in the last year, declining from 5.0 per cent growth in FY23 to 1.1 per cent in in FY24, reflecting the persistent pressures of high inflation, elevated interest rates, and eroding disposable incomes.⁶² Spending has bounced back in the month of October by 0.8 per cent, largely driven by expenditure on recreation and culture.⁶³ Seasonally adjusted, current price data shows a 0.8 per cent monthly rise in household spending, with goods consumption rising 0.2 per cent due to increased spending on clothing and footwear, recreation and culture, furniture, floor coverings and household goods. These increases may reflect growing consumer confidence in the

⁵⁹ ABS, 'Australian economy grew 0.3 per cent in September Quarter' ([4 December 2024](#)).

⁶⁰ ABS, '[Australian National Accounts: National Income, Expenditure and Product](#)', ABS Website, accessed 19 December 2024, (released September 2024, reference period June 2024).

⁶¹ Mid-Year Economic and Fiscal Outlook ([MYEFO](#)) 2024-25, 4.

⁶² Mid-Year Economic and Fiscal Outlook ([MYEFO](#)) 2024-25, 39.

⁶³ ABS, 'Spending bounces back, boosted by recreation and culture' ([5 December 2024](#)).

economy, combined with the flow on effects from the stage 3 tax cuts. Nevertheless, annual goods consumption has still declined 0.1 per cent through the year to October, highlighting the continuing strain on discretionary spending. While savings rates remain low in historical terms, it rose to 3.2 per cent in the September quarter. However, real wage growth has yet to deliver relief, and therefore household consumption is expected to remain subdued.⁶⁴ Consequently, forecasted consumption growth for FY25 has been revised down from 2 per cent as per the 2024-25 Budget, to 1 per cent according to MYEFO 2024-25.⁶⁵

Dwelling investment declined by 1.4 percent in FY24 according to the 2024-25 MYEFO, and improvement from the 3 per cent decline forecasted in the 2024-25 Budget.⁶⁶ It has showed signs of recovery in October 2024, with the seasonally adjusted estimate for total dwellings approved increasing by 4.2 per cent to 15,498, following a 5.8 per cent rise in September. Although private sector house approvals fell 5.2 per cent to 9,191, approvals for private sector dwellings excluding houses has continued its strong rebound, rising 4.7 per cent after a sharp 13.5 per cent drop in August. This has contributed to a revised MYEFO forecast of 1 per cent dwelling investment growth FY25, supported strengthening demand, easing construction cost inflation and a predicted monetary policy expansion. Despite this recovery in approvals, the value of total residential building remained flat at \$8.04 billion, while non-residential building values increased by 3.6 per cent to \$5.57 billion. Trends in total dwelling approvals also showed growth, rising by 1.2 per cent, following a 1.4 per cent increase in August.⁶⁷

Business investment has shown mixed performance, with notable increase in the latest quarter following a decline in the June quarter, which is a positive indicator for future expenditure. Total new capital expenditure rose by 1.1 per cent in seasonally adjusted terms, driven by a 1.1 per cent rise in buildings and structures and a 1.1 per cent increase in equipment, plant, and machinery. In trend terms, total new capital expenditure fell slightly by 0.4 per cent, reflecting a 0.9 per cent decrease in investment in buildings and structures, which offset a 0.6 per cent decline in equipment, plant and machinery investment. Looking ahead, business sentiment remains optimistic, with Estimate 4 for 2024-25 reaching \$178.2 billion, a 5.1 per cent increase compared to Estimate 3.⁶⁸ In the 2024-25 MYEFO it was reported that total business investment rose by 6 per cent in FY24, an improvement of 0.5 percent from the 2024-25 Budget forecast.⁶⁹ Nevertheless, business investment is projected to swing back heavily in FY25, with a growth rate of only 1.5 percent forecasted by the 2024-25 MYEFO.⁷⁰

⁶⁴ ABS, '[Monthly Household Spending Indicator](#)', ABS Website, accessed 19 December 2024, (released December 2024, reference period October 2024).

⁶⁵ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39.

⁶⁶ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39 and Budget May 2024-25, p. 53.

⁶⁷ ABS, '[Building Approvals, Australia](#)', ABS Website, accessed 24 December 2024, (released December 2024, reference period October 2024).

⁶⁸ ABS, '[Private New Capital Expenditure and Expected Expenditure, Australia](#)', ABS Website, accessed 24 December 2024, (released November 2024, reference period September 2024 quarter).

⁶⁹ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39 and Budget May 2024-25, p. 53.

⁷⁰ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39.

Inflation eased significantly in the September 2024 quarter, with the Consumer Price Index (CPI) rising by just 0.2 per cent, the lowest quarterly increase since the June 2020 quarter. Annual CPI inflation fell to 2.8 per cent, down from 3.8 per cent in the June quarter, marking the lowest annual rate since March 2021. Underlying inflation eased to 3.5 per cent annually, down from 4.0 per cent in the June quarter, reflecting continued moderation in broader price pressures. However, substantial falls in electricity and automotive fuel prices offset these rises. Electricity prices fell 17.3 per cent in the quarter and 15.8 per cent over the past 12 months, driven by the expanded Commonwealth Energy Bill Relief Fund and state-specific rebates.⁷¹ CPI remained at 2.1 per cent in the year to October 2024, with underlying inflation remaining steady at 3.5 per cent.⁷² According to MYEFO 2024-25, CPI increased by 3.8 per cent in FY24, which was above the 3.5 per cent forecasted in the 2024-25 Budget.⁷³ Treasury has forecasted a 2.75 per cent CPI increase for FY25, unchanged from the 2024-25 Budget forecast.⁷⁴

Wage growth remained stable in the September 2024 quarter, with the Wage Price Index (WPI) rising by 0.8 per cent, seasonally adjusted, for the third consecutive quarter. Over the year, wages increased by 3.5 per cent, the lowest annual growth rate since December 2022, following four quarters of annual growth at or above 4 per cent. Both private and public sector wages rose by 0.8 per cent for the quarter, with private sector wages remaining consistent with the previous quarter but below the 1.4 per cent growth recorded in the same period last year.⁷⁵ According to the 2024-25 MYEFO, WPI rose by 4.1 per cent in the 2023-24 financial year, with wage growth predicted to moderate to 3.0 per cent in FY25 as the economy softens.⁷⁶

The unemployment rate rose to 4.0% in December 2024 in seasonally adjusted terms, rising from 3.7% in November 2024.⁷⁷ Labour force participation rose to a record high of 67.1%, while the employment-to-population ratio rose to 64.5%. Underemployment decreased to 6.0%, and monthly hours worked increased by 0.5%, reflecting steady demand for labour.⁷⁸ The unemployment rate outcome for FY24 was 4.1 per cent according to MYEFO, with unemployment forecasted to increase to 4.5 per cent in FY25, closer to the long-run natural rate of unemployment.⁷⁹

⁷¹ ABS, '[Consumer Price Index, Australia](#)', ABS Website, accessed 24 December 2024, (released October 2024, reference period September 2024 quarter).

⁷² ABS, '[Monthly Consumer Price Index Indicator](#)', ABS Website, accessed 24 December 2024, (released November 2024, reference period October 2024).

⁷³ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39 and Budget May 2024-25, p. 53.

⁷⁴ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39.

⁷⁵ ABS, '[Wage Price Index, Australia](#)', ABS Website, accessed 24 December 2024, (released November 2024, reference period September 2024 quarter).

⁷⁶ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39.

⁷⁷ ABS, '[Labour Force, Australia](#)', ABS Website, accessed 24 December 2024 (released December 2024, reference period November 2024).

⁷⁸ ABS, '[Labour Force, Australia](#)', ABS Website, accessed 24 December 2024 (released November 2024, reference period October 2024).

⁷⁹ Mid-Year Economic and Fiscal Outlook (MYEFO) 2024-25, 39.

ATTACHMENT C: AFIA MEMBERS' CONTRIBUTIONS TO SUSTAINABILITY

AFIA members play a critical role in Australia's journey toward sustainability, particularly in the transition to EVs. Corporate and government fleets managed by AFIA members represent a key opportunity to drive the adoption of EVs, reducing emissions and fostering a cleaner transportation future.

AFIA members FleetPartners, Taurus Motor Finance, Metro Finance, Plenti, Angle Auto, the Commonwealth Bank of Australia (CBA), and more, are driving innovative financing solutions that support the adoption of EVs and other clean energy technologies. These efforts are bolstered by essential government collaboration, ensuring alignment with national net-zero targets and enhancing the scalability of green initiatives.⁸⁰

FleetPartners: Championing sustainability

FleetPartners has taken significant steps to accelerate the adoption of EVs in corporate and government fleets, leveraging the company's '5 Step Journey to Carbon Zero,' which includes:

1. Carbon strategy
2. Fleet mission
3. Vehicle selection and funding
4. Charging and infrastructure
5. Vehicle policy and employee engagement.⁸¹

Working with the CEFC, FleetPartners provides innovative funding models that make EV adoption more accessible. These efforts align with AFIA's focus on supporting members to reduce emissions and facilitate Australia's transition to cleaner transportation.

FleetPartners is transitioning its company fleets in Australia and New Zealand to include battery electric vehicles (BEVs) and plug-in hybrids (PHEVs), achieved 100 per cent renewable energy for its New Zealand offices⁸², and issued AU\$75 million in green bonds under Climate Bonds Standards.⁸³ These results reflect the tangible benefits of integrating ESG priorities into business operations.

The importance of EV adoption cannot be overstated. The transport sector remains one of Australia's largest contributors to greenhouse gas emissions, contributing an estimated 18 per cent in 2020.⁸⁴ Transitioning corporate and government fleets to EVs not only reduces emissions but also supports the development of a second-hand EV market, making low-emission vehicles more accessible to Australian

⁸⁰ [CEFC finance drives down green car loan cost to accelerate Australia's EV uptake - Clean Energy Finance Corporation](#)
[CEFC finances cheaper Metro green loans to lift business energy efficiency - Clean Energy Finance Corporation](#)
[CEFC identifies \\$850m in potential green loans, announces Plenti as first HEUF commitment - Clean Energy Finance Corporation](#)

⁸¹ <https://www.fleetpartners.com.au/about-us/our-commitment/environment>

⁸² [Fleetpartners.com.au/sustainability_report](https://www.fleetpartners.com.au/sustainability_report)

⁸³ [Fleetpartners.com.au/sustainability_report](https://www.fleetpartners.com.au/sustainability_report)

⁸⁴ <https://www.climatechangeauthority.gov.au/sites/default/files/2021Fact%20sheet%20-%20Transport.pdf>

households. FleetPartners' initiatives are driving this shift, creating ripple effects that benefit the wider community.

By integrating ESG priorities into its operations and fostering collaboration with clients and communities, FleetPartners demonstrates the collective impact of AFIA members. Through innovative solutions and measurable outcomes, AFIA and its members are driving Australia's transition to a sustainable, low-emission future.

FleetPartners was recognised by AFIA with the 'Promoting Sustainability Award' for 2024.

Taurus Motor Finance: Green car loans for EV uptake

Taurus Motor Finance, supported by the CEFC, has introduced discounted green car loans to make EV ownership more affordable for Australian consumers. In 2022, the CEFC committed \$20.5 million to Taurus, enabling approximately \$100 million in green finance to accelerate EV uptake. Eligible borrowers benefit from reduced interest rates compared to loans for internal combustion engine vehicles.

This initiative addresses a significant barrier to EV adoption—cost—while leveraging government collaboration to foster decarbonisation in the transport sector, which contributes 18 per cent of Australia's greenhouse gas emissions. By partnering with the CEFC, Taurus demonstrates the effectiveness of green car loans in stimulating demand for EVs and advancing supporting infrastructure, such as smart charging networks. These efforts showcase how government involvement can amplify private sector initiatives.

Metro Finance: Empowering SMEs with clean energy financing

Metro Finance is helping SMEs adopt clean energy technologies through its MetroEco initiative, supported by a \$50 million CEFC commitment. Metro provides discounted loans for EVs, solar PV systems, batteries, and energy-efficient equipment, delivering a 1 per cent discount on standard loan rates, with CEFC and Metro each backing a 0.5 per cent reduction.

'Through the New Vehicle Efficiency Standard and our latest CEFC investment with Metro Finance, we are putting the power back in the hands of small business and helping to ease cost-of-living pressures,' said Climate Change and Energy Minister Chris Bowen.

For SMEs, which account for 98 per cent of Australian businesses, these discounts are crucial for upgrading to energy-efficient machinery and vehicles. For example, an SME taking out a \$60,000 loan for an EV could save around \$1,700 in interest over five years. A previous \$50 million tranche put more than 4,000 EVs on Australian roads by December 2024, with significant take-up of Tesla and BYD EVs. This demonstrates the value of government-backed initiatives in driving change.

‘More EVs, rooftop solar, batteries, and electric machinery will help businesses to save on energy bills and decarbonise,’ Bowen added, noting the transport sector’s role as one of the nation’s biggest emitters.

Plenti: Advancing home energy upgrades

Plenti is driving household energy efficiency through its partnership with the CEFC under the HEUF. With a \$60 million CEFC commitment, Plenti offers discounted green loans for solar PV systems, home batteries, and energy-efficient upgrades.⁸⁵ Customers can receive an additional discount of 0.6 per cent by joining a Virtual Power Plant (VPP) via Plenti’s GreenConnect platform, enabling total annual discounts of up to 3.3 per cent per annum.

Government collaboration ensures the success of such initiatives by providing the necessary funding and policy frameworks. For example, a \$25,000 green loan could save a customer over \$3,500 in interest over seven years compared to standard rates. This type of public-private partnership helps address high upfront costs, empowering consumers to reduce energy bills and household emissions.

Angle Finance: Expanding EV access through finance

Angle Auto Finance is working to increase the availability of EVs in Australia through an innovative wholesale financing arrangement. With up to \$50 million in finance from CEFC, Angle Auto Finance aims to bring as many as 20,000 new EVs onto Australian roads.⁸⁶ This initiative speeds up the turnover and recycling of credit for major vehicle dealer and supplier networks, ensuring a greater supply of EVs in the market. In addition to supporting dealers, the funding will also help provide competitive retail finance options for consumers purchasing EVs.

As Australia seeks to transition to net-zero emissions by 2050, improving EV supply is a critical challenge. Analysis from the Electric Vehicle Council suggests that to meet climate targets, EVs must account for over 50 per cent of new car sales by 2030. The CEFC-backed financing arrangement through Angle Auto Finance is a key step in addressing this supply issue by enabling greater access to EVs and encouraging wider adoption of low-emission vehicles. This transaction represents the first known floorplan finance arrangement specifically designed to tackle supply shortages, removing a major barrier to EV uptake in Australia.

CBA EV Access Program

The CBA is supporting essential workers in accessing EVs through its EV Access Program, backed by a \$150 million commitment from CEFC.⁸⁷ The program provides discounted loans to CBA customers

⁸⁵ <https://www.cefc.com.au/media/media-release/cefc-identifies-850m-in-potential-green-loans-announces-plenti-as-first-heuf-commitment/>

⁸⁶ <https://www.cefc.com.au/case-studies/angle-auto-finance-revs-up-ev-availability-for-aussie-drivers/>

⁸⁷ <https://www.cefc.com.au/case-studies/cba-puts-essential-workers-in-the-ev-driving-seat/>

earning less than \$100,000 annually, as well as police, teachers, firefighters, healthcare workers, and other essential personnel. Through this initiative, eligible customers can receive interest rate discounts of 1.0 to 5.0 per cent on EV-specific loans compared to traditional vehicle financing. For example, a \$40,000 loan with a five per cent discount over seven years could save customers more than \$8,000 in interest.

Recognising that many essential workers rely on personal vehicles for commuting due to irregular shift work, particularly in cities like Melbourne and Sydney, this initiative helps improve their transport accessibility while reducing their carbon footprint. Additionally, by increasing consumer demand for EVs, the program supports the development of a second-hand EV market, further enhancing affordability and accessibility.

This investment aligns with CEFC's broader efforts to encourage EV adoption across Australia, including funding for electrified bus fleets and charging infrastructure. By reducing financial barriers for essential workers, the CBA EV Access Program plays a crucial role in driving the shift towards low-emission transport and supporting national emissions reduction goals.

The importance of government partnership, collaboration and investment to promote further private investment

The success of these initiatives underscores the importance of government collaboration in achieving national sustainability goals. Chris Bowen highlighted that the New Vehicle Efficiency Standard, effective from January 1, 2025, is expected to reduce emissions from new passenger vehicles by more than 60 per cent by 2030 and halve the emissions of new light commercial vehicles. Motorists could save around \$95 billion in fuel costs by 2050, while transport sector emissions are projected to fall by approximately 321 million tonnes.⁸⁸

By partnering with the CEFC, AFIA members benefit from financial backing and policy support that enhance their ability to scale impactful programs. These collaborations not only lower costs for consumers and businesses but also create a systemic shift toward cleaner energy use and reduced emissions.

AFIA members are demonstrating how effective collaboration between the public and private sectors can drive Australia's clean energy transition. Their efforts to reduce emissions, support SMEs, and empower consumers highlight the essential role of government partnerships in building a sustainable future.

⁸⁸ <https://minister.dcceew.gov.au/bowen/media-releases/joint-media-release-australian-made-new-vehicle-efficiency-standard>