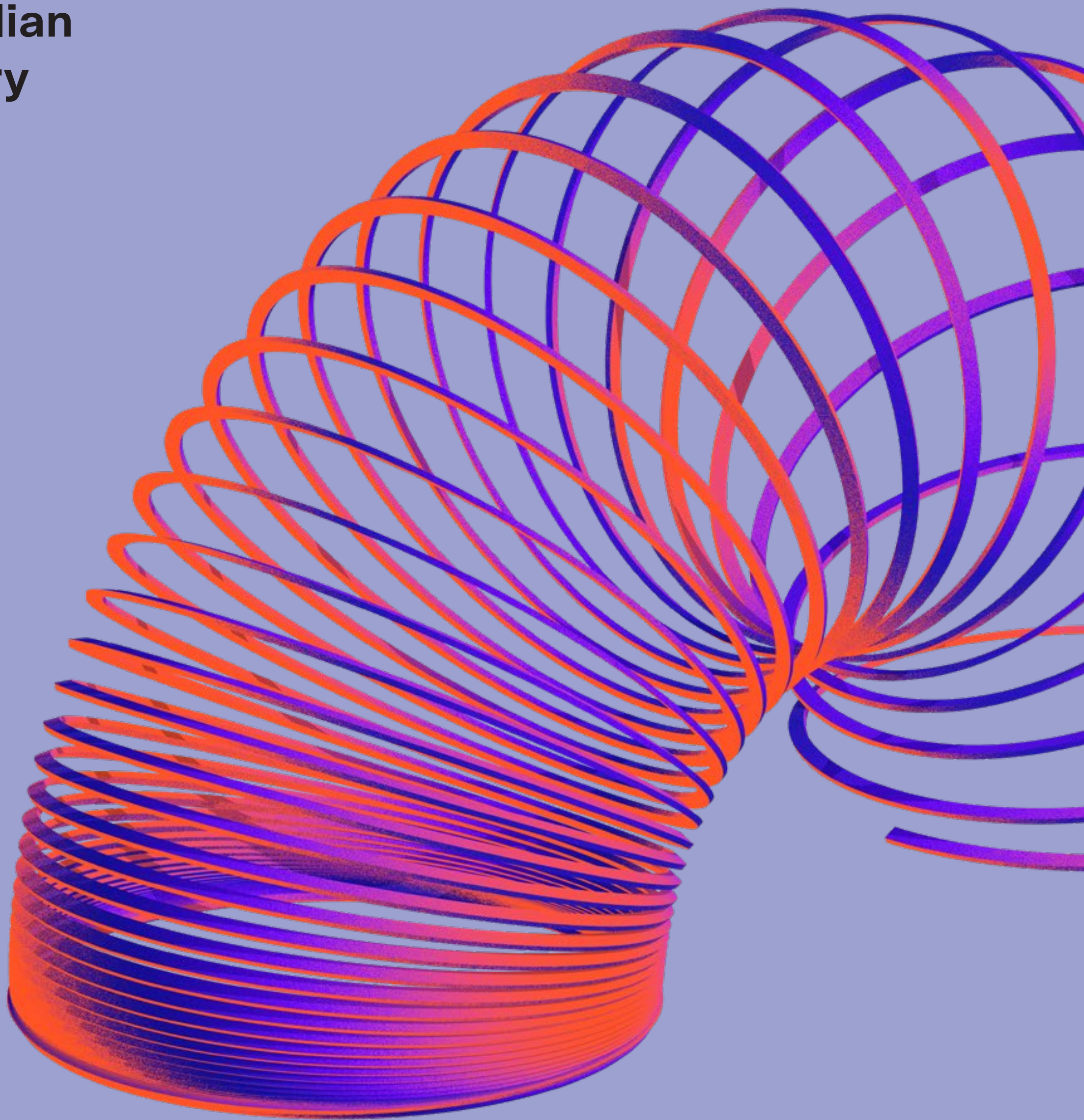
# Annual Review FY24

**The voice of a diverse Australian finance industry**



Australian
Finance
Industry
Association

afia.asn.au

# Welcome

Welcome to our Annual Review. We believe in prosperity for all Australians and our purpose is to champion a thriving finance industry, always acting in the interests of customers and communities.

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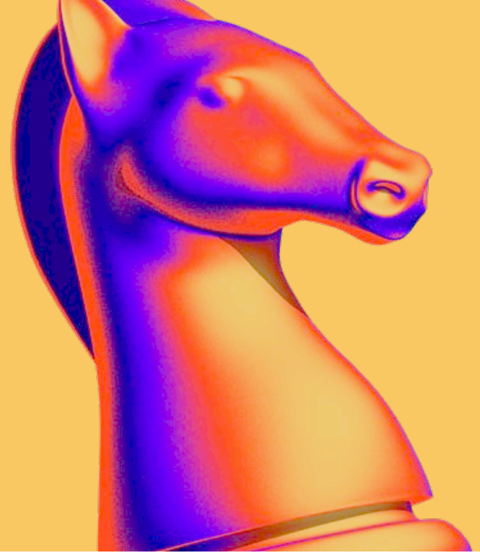
**Acknowledgement of country**
This report was produced on the lands of the Gadigal People of the Eora Nation. We recognise their continuing connection to land, waters and culture and we pay our respects to their Elders past, present and emerging.

# Our industry: AFIA by Numbers



AFIA is the only peak body representing the entire finance industry in Australia. We represent more than 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.

**$3T+**
Total receivables value

## Consumer Commercial Member Split

| Consumer | Both | Commercial |
|---|---|---|
| 38% | 26% | 36% |

## Members split by sub-sector

| | |
|---|---|
| 5% | Agricultural finance |
| 5% | Car rental |
| 10% | Small business lending |
| 21% | Asset / equipment finance |
| 6% | Insurance premium funding (IPF) |
| 19% | Consumer finance |
| 5% | Buy Now Pay Later (BNPL) |
| 19% | Motor finance |
| 10% | Novated Lease, Salary Packaging and Fleet |

Note: Members may be represented in more than one sub-sector category

# Chair's foreword

**Mario Rehayem** | AFIA Chair

The past year has been a period of change and adaptation for the finance industry. Throughout these challenging times, the industry has showcased its resilience, not only in weathering the storm, but also in finding new ways to thrive amidst uncertainty. The economic environment has been marked by fluctuating conditions, yet the industry has remained steadfast, demonstrating the strength and flexibility that underpin our financial system.

This year, I have seen how the industry has risen to the challenges posed by economic shifts, technological advancements, and evolving consumer expectations. Our collective efforts have solidified our position as a critical pillar of the Australian economy, ensuring that we continue to provide essential services to consumers and businesses alike.

## Navigating Economic Uncertainty

The economic conditions over the past year have been challenging, yet they have also presented opportunities for growth and innovation. Inflation has been a significant concern, both in Australia and globally. However, recent signs suggest that inflationary pressures may be beginning to ease, providing a more stable foundation for future growth. This is a positive development, but it's essential that we remain vigilant over the coming months and years, with the side effects of challenging economic times still impacting customers and across the community. The recovery is still uneven, and there are potential risks on the horizon, particularly as household savings decline and personal debt levels rise.

Australia's housing markets have been a focal point of interest, both domestically and internationally. Despite ongoing speculation about a potential housing bubble, the markets have shown remarkable resilience, defying predictions and underscoring the stability of our financial system. This resilience is not just a reflection of the strength of the markets, but also of the borrowers who continue to meet their obligations in a challenging economic environment.

However, as we look ahead, it's clear that some households and small businesses are beginning to feel the pressure. The sharp decline in savings from their COVID-19 global pandemic peak, combined with rising levels of personal loans and credit card debt, and decreasing investment appetite, indicates that financial stress may be increasing for some consumers and small business customers. This trend is one that the industry must monitor closely, and we must be prepared to support those who may need assistance in the coming months.

> *The ability to work together, despite and because of, our diversity is a strength for AFIA.*

## The Importance of Collaboration

Collaboration has been a cornerstone of our success this year. The finance industry is a complex ecosystem, encompassing a wide range of financial firms in our membership. The ability to work together, despite and because of, our diversity is a strength for AFIA.

Throughout the year, we have seen remarkable levels of cooperation and partnership within the industry. Whether it has been in responding to regulatory changes, integrating new technologies, or developing strategies to support customers during economic uncertainty, collaboration has been at the heart of our achievements.

This spirit of unity is not just about surviving in a challenging environment; it's about thriving together and ensuring that the industry remains robust and resilient.

## Driving Efficiency, Competition, and Consumer Choice

Despite the challenges, the finance industry has continued to deliver significant economic benefits through its focus on efficiency, competition, and customer choice. These three pillars have been central to our ability to navigate the complexities of the past year and will remain critical as we move forward.

***Efficiency*** has been a key driver of the industry's success, particularly as we have promoted proportionate, scalable and targeted regulatory outcomes and we have embraced data and technological advancements. Automation and artificial intelligence (AI) are transforming the way financial products and services are delivered, allowing financial firms to streamline operations, reduce costs, and enhance the customer experience. These innovations are not just making existing processes more efficient; they are also enabling the development of new products and services that better meet the evolving needs of customers.

***Competition*** within the finance industry is essential for driving innovation and ensuring that consumers have access to a wide range of high-quality, competitively priced products. A dynamic and competitive market is the lifeblood of the industry, pushing all participants to continuously improve and adapt to changing industry, market, and economic conditions. It is through competition that we can deliver better outcomes for customers, ensuring that they receive the best possible products, services and technologies, at the most competitive prices.

***Customer*** choice is at the heart of a healthy financial system. The ability of consumers to make informed decisions about their products, services and technologies is crucial for the overall health of the economy. By providing a diverse range of options through diverse business models, the finance industry empowers customers to choose what best meets their needs. This focus on customer choice ensures that the finance industry remains responsive and adaptable to the changing demands of customers and the expectations of the wider community.

## Harnessing Technology for Innovation

One of the most significant trends shaping the finance industry is the rise of technology, particularly automation and AI. These technologies are revolutionising the way we do business, offering new opportunities for growth, innovation, and customer engagement. From digital banking platforms, to app-oriented finance channels, to AI-driven financial advice, technology is enabling financial firms to deliver smarter, more personalised and efficient products and services.

However, as we continue to integrate these technologies, it's important to ensure that they enhance, rather than replace, the human element of financial services. Customers must feel confident they can access the products and services they need in a way that is convenient, ethical and secure. The industry will maintain the trust and confidence of customers by making sure we leverage technological advancements, safeguard their personal and financial data, and continuously improve our products and services to meet the needs of a modern Australia.

**Building a Sustainable & Inclusive Financial Future**

As we look to the future, sustainability will play an increasingly important role in the finance industry. Customers are becoming more conscious of the environmental and social impact of their financial decisions, and they are looking to financial firms to provide solutions that align with their needs, interests and values. By integrating sustainability into our strategies and operations, the industry can meet this growing demand and contribute to a more sustainable future for all.

Sustainability is not just about environmental impact; it's about creating a financial system that is resilient, inclusive, and capable of withstanding future challenges. This requires a long-term perspective, one that takes into account the needs of future generations as well as the demands of today. By focusing broadly on sustainability, not just on supporting transition pathways to net zero but engaging in difficult public policy issues, like housing affordability, we can ensure that the finance industry remains a positive force for good in the economy and society.

**Looking Ahead: Embracing Change and Opportunity**

The finance industry is at a critical juncture. The challenges we face are significant, but so too are the opportunities. By continuing to collaborate, embrace technology, and promote competition, we can build a financial system that delivers better outcomes for all Australians.

Our focus should be on ensuring that our industry remains resilient, innovative, and responsive to the needs of consumers and business customers. The foundations we have laid this year will support a vibrant finance industry—one that is capable of meeting the challenges of today and seizing the opportunities of tomorrow.

**Mario Rehayem**
AFIA Chair

# CEO's letter

**Diane Tate** | Chief Executive Officer

## The past year has been marked by both challenges and opportunities, not only for our domestic economy and the global economy, but also for our members and customers.

As we continue to navigate through a period of significant market uncertainty, economic disruption and post-COVID adjustment, I am immensely proud of the resilience, adaptability, and proactive approach demonstrated by our industry.

It is hard to believe that the COVID-19 global pandemic started four years ago, similarly that the Financial Services Royal Commission was five years ago. While changes across our industry were well underway, the Royal Commission and the global pandemic have been catalysts for a shift towards a more customer-centric approach in financial services. This shift is more pronounced than ever, as we move through the latest economic, social and political cycles as they exist and collide in timing and magnitude.

Our operating environment is increasingly complicated, things don't happen in isolation, and reforms are no longer discrete pieces of legislation or regulations mostly impacting on members' legal and compliance teams. We move a piece of the puzzle in one spot, and it impacts on another. All industry developments, reforms and changes operate separately and collectively, generating increasing workloads for members' transformation teams, but also representing actual, potential or perceived industry reputation opportunities or risks. In an environment like this, we need to keep one step ahead, with a focus on the longer term and the big picture, while not losing sight of the immediate in front of us and the technical details that form that big picture.

At AFIA, this last year we have continued our commitment to ensuring all members have the benefits of our work across our strategic priorities – proportionate regulation, data and innovation, sustainability, financial inclusion, and a safe financial system – and our work program maximises these benefits by making sure our policy work and member services hit at least one of our strategic priorities, but ideally all of them. We have made sure we listen to our members and represent members to get results for our industry.

### A Finance Industry for the Future

Throughout FY24, AFIA has been actively pursuing positive outcomes for members, through our advocacy activities, campaigns, and work on industry standards.

#### *Advocacy activities*

AFIA has been engaged in several key initiatives that are critical to the future of our industry. One of our primary focuses has been on ensuring that the regulatory framework in Australia is proportionate, fit for purpose and fit for the future, capable of supporting efficiency, competition and innovation, while safeguarding customers.

We have been working on the roll-out of the Consumer Data Right (CDR) to the non-bank lending (NBL) sector, providing Treasury with feedback from across our membership. We have successfully advocated for a longer lead-time for NBLs to join the CDR, giving members more time to understand and implement the new compliance obligations. We have successfully advocated for existing participants, to make sure the rules get the balance better in terms of data collection and sharing, and what customers really want and what financial firms really need to streamline access to finance.

#### *Campaigns*

AFIA's campaigns have been part of our broader strategy to reinforce the importance of efficiency, competition and innovation in our industry. One of the key areas where our values have been particularly evident is in our work on developing an industry-wide financial hardship response package. In response to the growing cost of living pressures and financial challenges faced by many Australians, we have been working with our members and other stakeholders on raising awareness of industry's financial hardship and business distress responses, making sure programs embed continuous improvements and explaining the challenges members encounter when supporting customers through financial difficulties and potentially other vulnerabilities.

Our Buy Now Pay Later (BNPL) campaign has successfully advocated for proportionate and scalable regulation, setting us up to have a broader conversation with regulators about making sure scalable RLOs for all lenders is underpinned by integrity in industry practices, strengthened industry data sources, and reflecting changing customer expectations. Our Electric Vehicle (EV) and Hybrid Vehicle campaign has successfully gained the Government's attention with our market report demonstrating the significant impact members have on Australia's economy and influencing the policy settings for economic transition.

#### *Industry standards*

AFIA continues to uphold and advance industry standards through a range of established and emerging codes of practice that guide the responsible, ethical and fair conduct of our industry. In FY24, AFIA managed and supported several key industry codes, including the Online Small Business Lenders Code, the Car Rental Code, the Insurance Premium Funding (IPF) Code, and the BNPL Code.

With each of these codes being reviewed and updated by our members, it shows how codes will evolve to reflect industry practices, changes in markets, customer and stakeholder expectations, and to continue to drive good industry standards. Each code plays a crucial role in ensuring code signatories maintain standards of transparency and conduct, while ensuring that if things go wrong, customers have avenues to get their complaint resolved, dispute settled or have their financial arrangements adjusted through a temporary period of difficulty.

Our industry standards work is important to build and maintain trust and confidence of customers, regulators, and other key stakeholders. Alongside the ongoing management of these existing codes, AFIA is actively working on the development of a new AFIA Finance Industry Code of Practice. There has been significant work, input and feedback from members through our code sub-sector working groups, bilaterally, and via our member consultation questionnaire.

There is much more to do as we work through the next stages of consultation, refinement, legal advice, and ultimately, onboarding members through the transition period after we have published the new AFIA Code next year and ahead of the commencement date in 2026. As we move through the development milestones, I want to thank those members who have been dedicating their time and effort, often outside of hours and in addition to their day jobs, for the benefit of our industry. The AFIA Code would not happen without these champions – thank you!

### An AFIA for the Future

Looking ahead, AFIA is committed to advocating strongly on behalf of our members to create the settings that will support members and drive forward initiatives to position our industry for the future. A key element of our forward strategy is the development of comprehensive resources that will equip members to navigate a rapidly evolving landscape.

***Strategic projects***

AFIA is taking decisive steps to enhance our organisational capabilities, ensuring we continue to deliver value to members, while positioning ourselves for future success. The Board has made some strategic investments into our organisational capabilities, to build member value and position us for the future. This includes the introduction of our privacy and sustainability toolkits, designed to support members in aligning with emerging regulations and best practices in these critical areas.

***Industry data***

Access to high-quality, reliable data is essential for evidenced-based policy and informed decision-making about and in our industry. AFIA is leading the way with initiatives aimed at improving the availability and utility of industry data for our members, so they can use these trends to identify commercial opportunities and so we can use aggregated industry data to influence public policy debates and regulatory reforms. Our consumer attitudes research provided valuable insights into the shifting expectations and behaviours of Australian consumers and SMEs. Understanding these trends will help our members adapt and stay competitive in a marketplace that is constantly changing. Our industry data and market reports provided our members and stakeholders with useful information about industry trends and our contribution to Australia's economy.

> *We are committed to maintaining the momentum of change, ensuring that financial services continues to evolve in a way that benefits all Australians.*

***Culture & Governance***

During FY24, the Board uplifted its governance and decision-making frameworks, with an independent Board performance review completed and the recommendations of that review being implemented to ensure we continue to identify and align our strategic priorities with the needs of our members and the industry. Our annual member survey and stakeholder perceptions audit gave us some great feedback about our organisational performance and ways for us to improve, create and build member value and manage our large workload.

The Board also made a very difficult, but important and precedent, decision regarding compliance with AFIA's Constitution and Member Protocol. After completing an investigation following receipt of numerous complaints from members, a senior representative of a member was found to have behaved in a manner 'unbecoming' of the association and consequently membership has been revoked. This is a strong message about the expected conduct of our membership and ensuring respectful and professional behaviour for all.

***Financial performance***

AFIA delivered another strong financial result in FY24, with a net surplus after committed projects for the financial year of $102,149 against a budgeted deficit of ($297,633). This represents the fourth year in a row the association has outperformed expectations. A more strategic approach to member and stakeholder engagement and the development of additional member resources, including our strategic projects, has significantly enhanced the organisation's value proposition for members within the approved operating budget.

### Looking Ahead: Priorities for the Future

As we look to the future, our focus will continue to be on ensuring that the regulatory environment is conducive to growth and efficiency. We will continue to advocate for proportionate regulation that supports the needs of both customers and financial firms. We will continue to focus on leveraging technology so our industry can be more efficient, competitive and innovative. At the same time, we will maintain our commitment to sustainability, financial inclusion, and the safety and transparency of the financial system. These priorities are essential to ensuring our industry can continue to thrive in the years to come.

As we reflect on the past year, it is clear our industry has made significant progress, but there is still much work to be done. The lessons from the Royal Commission and the global pandemic continue to shape our approach, reminding us of the importance of putting customers at the centre of everything we do. We are committed to maintaining the momentum of change, ensuring that financial services continues to evolve in a way that benefits all Australians.

Looking ahead, I am confident that AFIA will continue to play a leading role in shaping the future of finance. I want to express my gratitude to our members and stakeholders for their continued support and dedication to our shared goals. The challenges we face are significant, but so too are the opportunities. By working together, I am confident we can navigate the challenges ahead and seize the opportunities that lie before us. Thank you for your ongoing commitment to AFIA and to the future of our industry.

Kind regards,

**Diane Tate**
AFIA CEO

# Purpose & strategic priorities

We believe in prosperity for all Australians and our purpose is to champion a thriving finance industry, always acting in the interests of customers and communities.

Government | Regulators | Members | Customers | Communities | Media

## OUR STAKEHOLDERS

### OUR VALUES

- Be the customer
- Communication is everything
- Forward thinking
- Purpose-full high performance
- Collaboration

### OUR VISION

Prosperity for all Australians

### OUR PURPOSE

To champion a thriving finance industry, always acting in the interests of customers and communities

### OUR CORE COMPETENCIES

- Leadership
- Expert advocacy and communications
- Building trusted relationships
- Authoritative data and insights
- Creative thinking

## OUR 5 STRATEGIC PRIORITIES

1. **A regulatory framework fit for the future**
   Build a stronger economy through proportionate, scalable and targeted regulation.

2. **Digital innovation and data**
   Drive competition and innovation through use of technology and data to create Australia as a world-class financial ecosystem.

3. **Sustainability**
   Champion a sustainable and timely transition to net-zero through green finance and ESG initiatives.

4. **Financial inclusion and diversity**
   Promote diversity, equality and fairness through a more inclusive financial system.

5. **A safe and transparent financial system**
   Build a more resilient economy through a safe and transparent financial system.

# FY24 in review... some highlights

## JULY 23

7/07 Consultation: Reforms to the Payment Systems (Regulation) Act 1998

10/07 Issues Paper: ACCC Data Broker Inquiry

20/07 Mid-year Member Catch-up event (in person)

20/07 Modern Slavery (webinar)

21/07 BNPL confidential submission on scaleable RLOs

21/07 Second consultation on climate related disclosures

21/07 Consultation: Licensing of Payments Service Providers

## AUGUST 23

17/08 Consultation: ASIC & APRA FAR - Proposed Regulator and Transitional Rules

17/08 CreditorWatch EOFY Survival Guide 2023 (webinar)

25/08 Consultation: Decision Proposal 316 - Non-Bank Lending sector alignment

30/08 Consultation Paper: CDR Screen scraping

31/08 Consultation: Unfair trading practices - Regulation Impact Statement

## SEPTEMBER 23

1/09 AFIA Releases EV Report

5/09 Internal Dispute Resolution (webinar)

12/09 Consultation: AFCA Approach to Responsible Lending

13/09 AFCA (webinar)

14/09 Gadens Cybersecurity and Privacy (webinar)

14/09 Privacy and Cybersecurity: Best Practices, Risks, and Compliance (webinar)

26/09 Land Use Victoria Changes to MCPs for Mortgages

27/09 Data Standards Body Consumer Data Right Forum (webinar)

29/09 Consultation: AFCA Appropriate Lending Approach

29/09 Personal Insolvency Consultation

## OCTOBER 23

6/10 Consultation: CDR Rules - Exposure Draft: Non-bank lending sector expansion

6/10 Decision Proposal 317 - BNPL Account Detail

10/10 Consultation: Digital ID

16/10 Consultation: Digital Asset Platform regulation - legislation

30/10 23 Affies Dinner (in person)

31/10 23 AFIA Conference (in person)

## NOVEMBER 23

1/11 Consultation: Draft PSRA 1998 Exposure Legislation

16/11 ARCA CR Code Variation Consultation

17/11 Personal Property Securities Act reforms consultation

23/11 ASIC Conversation with the Regulator (webinar)

27/11 QLD MAIC factors affecting cost of CTP

30/11 ANZ Household Economics (webinar)

## DECEMBER 23

2/12 Consultation: Sustainable Finance Strategy

6/12 Equipment Finance Lunch (in person)

8/12 Consultation paper 2: Licensing of Payment Service Providers – Payment Functions

8/12 Additional Consultation on CDR Data Standards for Fleet & Leasing

8/12 CDR Decision Proposal 318 - Non-Bank Lending Standards

12/12 Consumer Forum (webinar)

## JANUARY 24

2/01 VicRoads Fleet and Leasing Portal Issues

5/01 ASIC extended product intervention orders for short-term credit and continuing credit contracts

17/01 Consultation paper: Safe and Responsible Artificial Intelligence - Government's interim response

19/01 Consultation on the merger reform consultation paper, part of the Treasury's review of competition policy in Australia

19/01 ACCC Retail Deposits Inquiry

25/01 Pre-Budget Submission

29/01 Scams - mandatory industry code

## FEBRUARY 24

9/02 Climate-related Financial Disclosures Draft Legislation

9/02 Consultation: Payments System Modernisation (Regulation Of Payment Service Providers)

20/02 Australian Competition Tribunal expected to release decision on review of ACCC's decision to deny authorisation for ANZ's proposed acquisition of Suncorp Bank

22/02 2024 Headwinds and Tailwinds (webinar)

29/02 The latest in technology, data, and AI (webinar)

29/02 All credit and financial services licensees now required to report IDR data to ASIC

## MARCH 24

1/03 Consultation: Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information

8/03 Treasury releases FAR Rules. Regulators will publish the Regulator Rules, Transitional Rules, and reporting form instructions shortly after

12/03 Regulatory Grid announced

12/03 Consultation: Buy Now Pay Later draft regulation

12/03 Report on the Digital ID Bill released

21/03 Risk Radar Experian (in person)

25/03 Consumer Data Right Workshop (in person)

25/03 Consumer Data Right Workshop - Cuscal (in person)

26/03 CreditorWatch Business Risk Index (webinar)

31/03 Privacy Act Reform (consultation on 116 reform proposals)

## APRIL 24

8/04 Consultation on application to vary the Credit Reporting Code

9/04 ASIC Conversation with the Regulator (webinar)

10/04 Consultation on AI Mandatory Guardrails and Safety Standard [Expected]

16/04 Compensation Scheme of Last Resort (webinar)

24/04 AFCA - Working with Industry and Consumers (webinar)

26/04 Review of Australia's Credit Reporting Framework

30/04 AGD roundtable on privacy act reform

## MAY 24

2/05 CEO Small and medium-sized enterprises Forum (webinar)

2/05 ACCC Designated Complaints first application period

8/05 Consultation: Draft of the Corporate Governance Principles and Recommendations 5th Edition

14/05 Federal Budget 2024-25

15/05 2024-25 Federal Budget (webinar)

21/05 2024 Risk Summit (in person)

21/05 ACCC's 8th report from the Digital Platform Services Inquiry released

## JUNE 24

1/06 CEO Forum (in person)

1/06 Financial Services Regulatory Framework in relation to financial abuse

5/06 Honest Reflections on Five Years in the CDR (in person)

5/06 Honest Reflections on Five Years in the CDR - Biza (in person)

11/6 CEO Forum June 2024 (webinar)

11/06 Prohibition against the use of credit cards, credit-related products, and digital currency for online gambling commences

13/06 AML/CTF Reforms - second consultation

16/6 Navigating Climate Finance Opportunities for Equipment Finance (webinar)

17/6 The Impact of AI on AML (webinar)

21/06 Senate Economics Legislation Committee – Inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse

28/6 Senate Economics Legislation Committee - BNPL Inquiry

30/06 ASFI Sustainable Finance Taxonomy

## Key

Member Engagements

Regulatory Updates

# Leadership and FY24 priorities

## 1 A regulatory framework fit for the future

Build a stronger economy through proportionate, scalable and targeted regulation

AFIA consistently advocates on behalf of our members for a regulatory framework fit for the future.

In FY24, AFIA made over 46 formal submissions and many additional informal representations to key stakeholders including regulators, federal departments and state governments. Including:

- our Pre-Budget submission called for greater funding to support key economic regulators, prevent and combat scams, protect privacy, promote economic transition measures, including uptake of EV and hybrid vehicles, and enhance technological developments.
- AFIA engaged with members and the Attorney-General's Department's on the ongoing Review of the Credit Reporting Framework, led by former APRA Executive Heidi Richards, which will be finalised by 1 October 2024. We recognise the importance of getting the credit reporting settings right to ensure the finance system works for everyone.
- AFIA made submissions on the Financial Accountability Regime ('FAR') regulations, ahead of FAR commencing on March 2024.
- We provided submissions on the Compensation Scheme of Last Resort ('CSLR') and held a webinar with CSLR CEO David Berry shortly after the scheme commenced on 2 April 2024, for the benefit of AFIA members.
- AFIA has continued to defend the exemption from the *National Consumer Credit Protection Act 2009* (Cth) ('the Credit Act') for small business lending, given the unique characteristics of business lending.
- we made a detailed submission on proposed reforms to the *Personal Property Securities Act 2009* (Cth)('PPS Act'), which is so essential to many of our members business models.
- AFIA also made a submission on proposed changes to the ASX's Corporate Governance Principles, which are non-binding guidance for our members who are ASX-listed.
- we have continued to make detailed submissions on upcoming BNPL legislation to ensure it is fit for purpose and that it is proportionate, scalable and targeted. This includes a submission to Treasury and a submission to the Senate Economics Legislation Committee.

## 2 Digital innovation and data

Drive competition and innovation through use of technology and data to create Australia as a world-class financial ecosystem

AFIA supports Australia's flourishing digital economy, with a focus on harnessing the power of innovation, while ensuring the protection of data and privacy. Five key areas of focus in FY24 include:

1. Payment system reform
2. The Consumer Data Right (CDR)
3. Screen scraping
4. Digital ID
5. Privacy legislation.

AFIA made submissions to Treasury on proposed reforms to the payments system in the last financial year, including:

- a submission on proposed changes to the *Payments System Regulation Act 1998* (Cth) ('PSRA') in July 2023. There was a second submission on this topic including draft legislation in November 2023.
- in July 2023, AFIA responded to proposed changes to the licensing of Payments Service Providers ('PSPs'). Additionally, we made a further submission on the same topic of licensing in February 2024.

AFIA has worked closely with our members on the application the Consumer Data Right (CDR) to the Non-Bank Lending (NBL) sector to ensure it is applied proportionately and is fit for purpose. We made more than five separate submissions on the CDR to Treasury and the Data Standards Body, the most crucial of which was on the draft rules. These written submissions were accompanied with regular meetings and engagement.

AFIA has also been part of consultation and engagement on other CDR and related matters, such as screen scraping and Digital ID.

> *CDR… is most effective in scenarios where customers have the freedom to readily move between various providers – such as when they are looking for a home loan or switching between energy or telecommunications providers. In those scenarios there is a high level of data portability.*

## 3 Sustainability

### Champion a sustainable and timely transition to net-zero through green finance solutions and Environmental, Social, and Governance (ESG) initiatives.

AFIA is a champion of Australia's journey towards a low-carbon economy. Our members are at are at the forefront of Australia's transition to a low carbon economy, creating and distributing innovative finance products and project financing that empower Australian consumers and businesses to adopt low and zero-carbon technologies.

In collaboration with our members, AFIA has spearheaded campaigns to support Environmental, Social, and Governance (ESG) initiatives. Recognising the significance of ESG for the finance industry, we developed new and advanced industry specific tools for our members. Notably, in FY24, we introduced the AFIA ESG Portal, a member-only toolkit, which was co-designed with members in partnership with BWD Strategic.

> *AFIA's leadership in sustainable finance is helping the industry recognise its role in driving positive environmental and social outcomes.*
>
> – Motor financier

This member resource offers valuable industry commentary, resources, and interactive features on current ESG thinking, designed to assist organisations across all our member sub-sectors in monitoring and reporting their ESG performance. This initiative underscores our commitment to helping our members integrate ESG principles into their operations.

AFIA continues to support the introduction of consistent standards for managing climate-related financial risks in Australia. AFIA provided submissions to Treasury on the development of the Australian climate-related financial disclosures framework and draft legislation, as well as the Australian Accounting Standards Board (AASB) draft Australian Sustainability Reporting Standards. These efforts aim to establish a robust framework for climate-related financial disclosures, ensuring that businesses can effectively manage and report their climate-related risks.

In line with our commitment to sustainable finance, AFIA encouraged the development and introduction of an overarching Australian Sustainable Finance Strategy. This strategy seeks to align the financial industry with sustainability goals, fostering a more sustainable economy. By supporting this initiative, we aim to create a cohesive approach to sustainable finance across Australia.

With transportation being a significant contributor to carbon emissions, AFIA is actively engaged in efforts to decarbonise this sector. We participated in the development of the Government's National Electric Vehicle (EV) Strategy, working to expand EV and hybrid vehicle uptake in Australia. Our involvement aims to promote low-emissions mobility, supporting the transition to a cleaner, more sustainable transportation system.

AFIA made a submission to the House of Representatives Standing Committee on Climate Change, Energy, Environment and Water's inquiry into the uptake of EVs. This submission included AFIA's latest EV report, which showed:

- in the reporting period, AFIA members financed nearly $2.5 billion of EVs.
- monthly EV sales rose from 1,400 in January 2023 to 2,594 by December 2023, an 85.28 per cent increase.
- novated leasing financed 92 per cent of these EVs, driven by the Government's EV tax cut.
- the Government's EV tax cut is driving the overwhelming majority of increased EV uptake since it passed in November 2022.
- the average cost of an EV financed by AFIA members dropped from $69,800 to $64,300 in 2023, a 7.9 per cent reduction.

Promoting green finance solutions is another key aspect of our work. AFIA advocates for financial products that address the needs of consumers, business customers, and the environment. By championing green finance, we aim to foster sustainable economic growth and address the environmental challenges facing our society.

At this critical time, AFIA also recognises the importance of building industry knowledge on climate change. In FY24, we introduced the AFIA International Climate Change Scholarship. The AFIA Scholarship provided a comprehensive, fully integrative and multi-disciplinary understanding of the threats, challenges and opportunities of climate change. Through this initiative, we aim to equip industry professionals with the knowledge and skills needed to address climate change effectively.

This scholarship has proven very popular, with members asking for it to be continued, which we will do, and other industry associations looking at how they can replicate AFIA's member services, including building their own scholarship program, along with toolkits and other support services to build capabilities and member value.

AFIA is committed to driving the transition to a net-zero future, promoting sustainable finance solutions, and supporting our members in their ESG efforts. By championing a sustainable and timely transition to net-zero, AFIA is helping to shape a more sustainable and resilient future for Australia.

## 4 Financial inclusion and diversity

### Promote diversity, equality and fairness through a more inclusive financial system.

At AFIA, we are committed to promoting diversity, equality, and fairness within the finance industry, ensuring a more inclusive financial system for all Australians. Our initiatives and collaborations are aimed at supporting economic, social, and financial inclusion across the finance industry.

AFIA works with our members on policies and campaigns that support inclusion at every level. Our close collaboration with our members as part of our Consumer Advisory Group allows our members to stay informed about current and emerging consumer topics, enabling us to discuss these proactively.

In September 2023, AFIA engaged closely with members when responding to the Australian Financial Complaints Authority (AFCA) draft approaches to Responsible Lending and Appropriate Lending to Small Business.

One of our significant efforts is the development of industry standards. We work together with our members to develop industry standards in order to improve transparency, fairness and customer confidence. These practices assist members in meeting community standards and their legal obligations, strengthen trust and good standing of the finance industry amongst stakeholders as well as lift practices for a better future for finance.

We actively engaged with our members and stakeholders, contributing to government reviews and promoting those who've voluntarily supported financial counselling. We recognise the vital role financial counsellors play in helping Australians in need, and we're committed to developing a sustainable, industry-wide funding model. Engagement on an industry-wide funding model will continue, and we will aim to work with members and stakeholders through that process.

AFIA is currently developing a new AFIA Finance Industry Code of Practice designed to raise industry standards, improve consumer protections, and build greater trust with the public. Recent consumer research commissioned by AFIA reveals that 81 per cent of Australians support such a code, with only 3 per cent who don't and 16 per cent are not sure. This highlight's the public's desire for higher standards in the finance industry.

AFIA is actively consulting on industry guidance for members regarding financial abuse, financial difficulty, customer vulnerability, and recognising and responding to family, domestic, and intimate partner violence. This guidance is crucial in ensuring that our members are equipped to support vulnerable customers effectively and respectfully.

AFIA responded to the Parliamentary Joint Committee on Corporations and Financial Services inquiry into the 'Financial Services Regulatory Framework on financial abuse', emphasising the need for adequate protections and support for affected individuals.

To assist our members in implementing industry standards, we have held numerous webinars covering implementing policies for complaint handling and external dispute resolution, and managing financial hardship and customer vulnerability.



## 5 A safe and transparent financial system

### Build a more resilient economy through a safe and transparent financial system

AFIA works to promote a safe and transparent financial system for all Australians, with a focus on issues such as privacy, Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) and combating fraud and scams.

We engaged regularly with the Attorney-General's Department on the ongoing implementation of the major reforms to the *Privacy Act 1988* (Cth). Our advocacy includes seeking greater consultation and clarification on the reform process as well as making sure the outcome of greater safeguards translates into practice without causing unnecessary inefficiencies for customers or financial firms.

AFIA has also worked closely with the Attorney-General's Department to provide feedback into the proposed reforms to the AML/CTF Act 2006 (Cth) ('the AML/CTF Act'). This includes a submission made in June 2024, building on AFIA's previous submission in June 2023. We welcomed the simplification and modernisation of the regime and the inclusion of tranche 2 entities.

To support members through changes to the AML/CTF regime, AFIA hosted a webinar 'The Impact of AI on AML Compliance' with FirstAML. This webinar provided valuable insights into the role of technology in enhancing compliance and mitigating risks in this space.We also hosted the CEO of AUSTRAC at our May 24 Risk Summit, who spoke about AI and compliance obligations, as well as the importance of AML/CTF risk management happening from the Board down.

AFIA remains committed to assisting members in navigating the evolving AML/CTF landscape. In addition to ongoing dialogue with government bodies, we actively engage with key stakeholders to ensure our members are equipped with the tools and knowledge required to comply with regulatory changes.

AFIA also made a submission on the government's proposed mandatory industry code for scams in January 2024.

AFIA has supported the government's scam prevention initiatives, advocating for clearer definitions, practical compliance steps, and alignment with existing laws. We have highlighted concerns about penalties for smaller businesses and stressed the importance of collaboration to better protect consumers.

> *AFIA is very connected, particularly in government. They have a strong understanding and read of government too.*
>
> – Non-bank lender

# Scale of regulatory changes

## AFIA advocacy on regulatory changes during the FY24 period

We collaborate with our members, governments, financial regulators, and customer representatives to promote efficiency, 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 activities and campaigns in building a more prosperous Australia.

### ASIC

ASIC & APRA FAR - Proposed Regulator and Transitional Rules

ASIC extended product intervention orders for short-term credit and continuing credit contracts

All credit and financial services licensees now required to report IDR data to ASIC

Extending design and distribution obligations instrument

Product intervention orders: Short term credit facilities and continuing credit contracts

Updating responsible lending systems and procedures to reflect the 'Wagyu & Shiraz case'

Monitoring financial hardship

Implementing new reportable situations system

### ACCC

ACCC Data Broker Inquiry

ACCC Retail Deposits Inquiry

Australian Competition Tribunal expected to release decision on review of ACCC's decision to deny authorisation for ANZ's proposed acquisition of Suncorp Bank

ACCC Designated Complaints first application period

ACCC's 8th report from the Digital Platform Services Inquiry

National Anti-Scams Centre

### Federal Parliament

Pre-Budget Submission

Standing Committee on Climate Change, Energy, Environment and Water inquiry on the transition to electric vehicles

Review of the Consumer Data Right (CDR) Exposure draft legislation to enable action initiation.

Inquiry into influence of international digital platforms Inquiry into ASIC investigation and enforcement

Inquiry into promoting economic dynamism, competition and business formation

Prohibition against the use of credit cards, credit-related products, and digital currency for online gambling commences

Senate Economics Legislation Committee – Inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse

Senate Economics Legislation Committee – BNPL Inquiry

### AFCA

AFCA Approach to Responsible Lending

AFCA Approach to Appropriate Lending

### RBA

RBA - The Future System for Monetary Policy Implementation in Australia

RBA - Review of retail payments regulation

### AGD

Personal Insolvency Consultation

Personal Property Securities Act reforms

Privacy Act Reform (consultation on 116 reform proposals)

AGD roundtable on privacy act reform

Review of Australia's Credit Reporting Framework

### DSS

Financial Counselling Industry Funding Model

### Treasury

Reforms to the Payment Systems (Regulation) Act 1998

BNPL confidential submission on scaleable RLOs

Licensing of Payments Service Providers

Second consultation on climate related disclosures

Decision Proposal 316 - Non-Bank Lending sector alignment

Screen scaping consultation

Unfair trading practices – Regulation Impact Statement

CDR Rules – Exposure Draft: Non-bank lending sector expansion

Decision Proposal 317 – BNPL Account Detail

Digital ID

Digital Asset Platform regulation

Draft PSRA 1998 Exposure Legislation

Sustainable Finance Strategy

Additional Consultation on CDR Data Standards for Fleet & Leasing

Licensing of Payment Service Providers – Payment Functions

CDR Decision Proposal 318 – Non-Bank Lending Standards

Consultation on the merger reform consultation paper, part of the Treasury's review of competition policy in Australia

Climate-related Financial Disclosures Draft Legislation

Scams - mandatory industry code

Payment times confidential submission

Payments System Modernisation (Regulation Of Payment Service Providers)

Buy Now Pay Later draft regulation

Treasury releases FAR Rules. Regulators will publish the Regulator Rules, Transitional Rules, and reporting form instructions shortly after.

Report on the Digital ID Bill released

Financial sector regulatory initiatives grid

### APRA

Proposed changes to liquidity and capital requirements for authorised deposit-taking institutions

Revisions to the capital framework for authorised deposit-taking institutions

Remuneration requirements for all APRA-regulated entities

Remake of Prudential Standard APS 910 Financial Claims Scheme

Operational risk management

Macroprudential policy settings

### Self Regulation

Car Rental Code of Practice: External review of the operation of the Car Rental Conciliation Service undertaken in September 2023

Car Rental Code of Practice: Consultation with the ACCC and the Consumers Federation of Australia between February - April 2024

Online Small Business Lenders Code: Review of aspects of the OSBL, including the scope of products to which the code applies, was underway at the end of FY24

Insurance Premium Funding Code of Practice: Review of the Code commenced in April 2024 to clarify certain definitions and aspects of the operation of the Code

AFIA Industry Code: Drafting continued with our sub-sector working groups; motor finance, fleet and novated leasing, consumer lending and business lending, with the consultation draft being published early FY25

### Other

AASB – Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information

ASFI – ASFI Sustainable Finance Taxonomy

ASX – Draft of the Corporate Governance Principles and Recommendations 5th Edition

AUSTRAC – AML/CTF Reforms - second consultation

Industry – Safe and Responsible Artificial Intelligence - Government's interim response

OAIC – Consultation on application to vary the Credit Reporting Code

ARCA - Credit Reporting Code variation

Land Use Victoria – Land Use Victoria Changes to MCPs for Mortgages

MAIC – QLD MAIC factors affecting cost of CTP

VicRoads – VicRoads Fleet and Leasing Portal Issues

PTR - Payment Times Reporting Rules

DHA – 2023-2030 Australian Cyber Security Strategy Discussion Paper

ACSC – Reporting and partnership engagement on cybersecurity attacks

# Depth of member engagement

Our engagement programs deliver valuable opportunities for members to develop, learn and discuss. Focused on professional development, our diverse range of leadership forums, CEO boardroom lunches, workshops and webinars provide access to industry leaders, business experts, financial regulators and policymakers covering important topics to move the industry forward.

**+94**

Reputation score

**+50**

Net Advocacy Score

**96%**

Member retention rate

> *They're good people and that's important - they're genuine, authentic people.'*
>
> – Non-bank lender

# Depth of member engagement

**46**
Number of events

**1743** Number of Registrations

**18**
In person events

**459** Number of Registrations

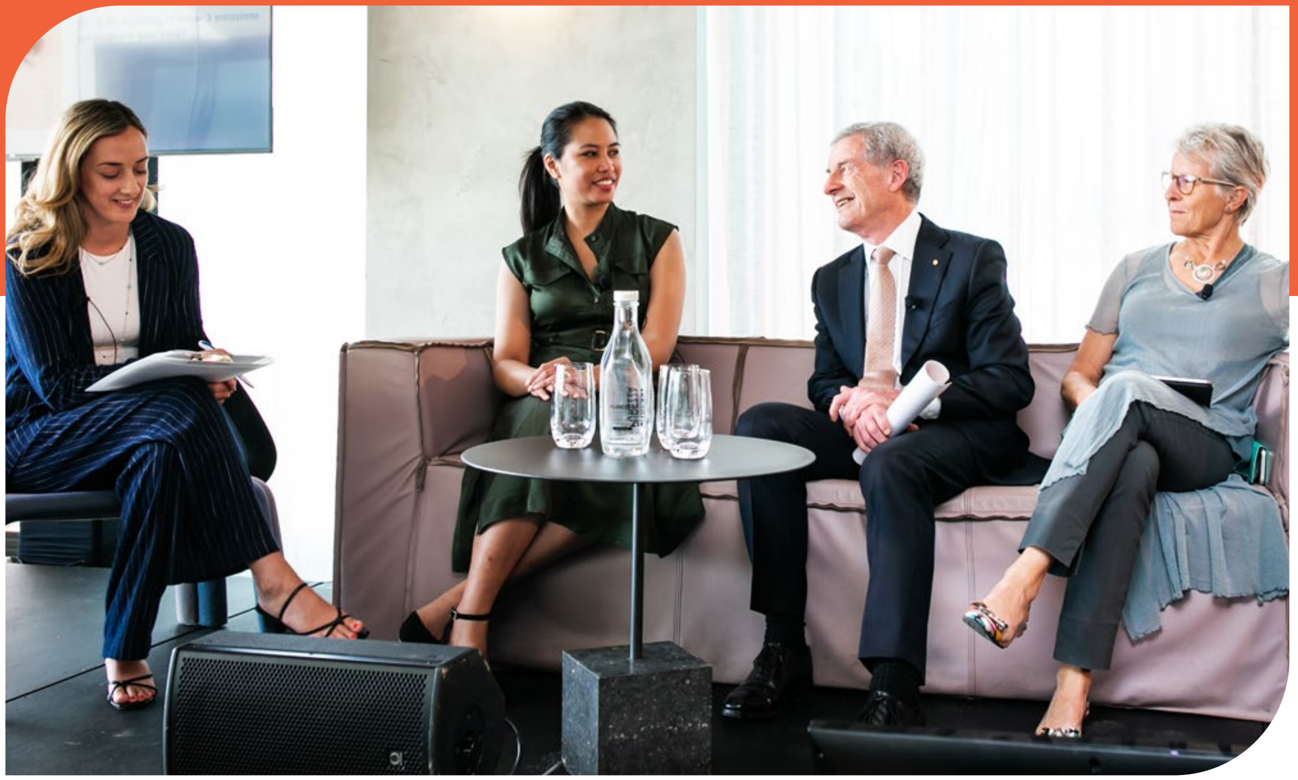
**2024 Risk Summit**
Best Performing In Person Event
(not including AFIA Conference)

**28**
Virtual events

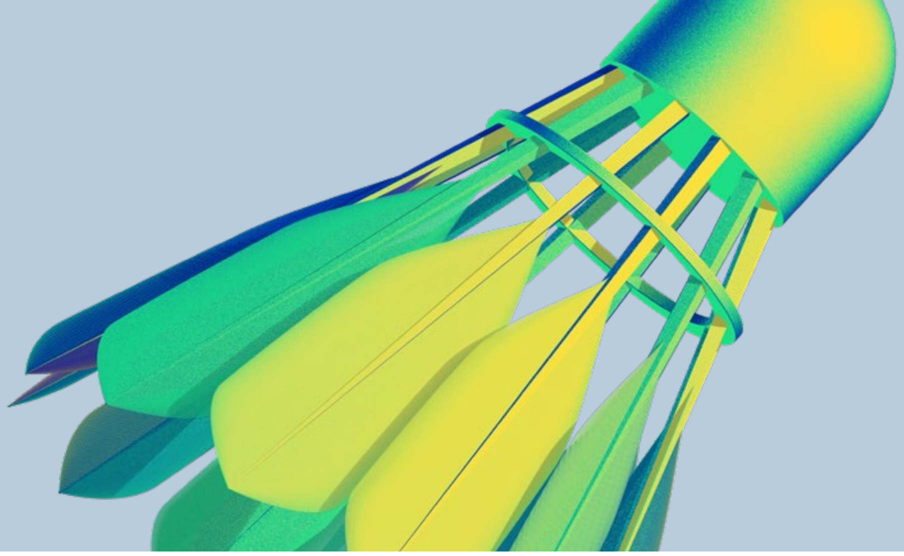
**1248** Number of Registrations

**ASIC: Conversation with the Regulator**
Best Performing Virtual Event

> *As an industry association, they create a strong community with members*
>
> – Commercial financier




# Industry data



Our data reports provide our members with trend analysis and benchmarking capability. They are critical to our ability to advocate for evidence-based policy.

## Motor Finance

The motor finance industry saw substantial growth in FY24, with new business volume increasing by 15.74 per cent and the corresponding value rising by 20.71 per cent. Internal Combustion Engine (ICE) vehicles remained dominant, with a 6.9 per cent increase in transaction volume and a 9.13 per cent rise in value compared to the previous financial year.

Meanwhile, the non-ICE and hybrid vehicle segments exhibited remarkable growth, with hybrid vehicle value up 92 per cent and transaction volume up 83 per cent, while non-ICE vehicles saw a 138 per cent increase in transaction volume. Commercial customers led in new business value, with a 23 per cent increase from the previous financial year, while consumer new business also grew by 15 per cent. The dealer finance channel was the most lucrative, with revenue up 15 per cent from the previous financial year and a 10 per cent increase in car volume, confirming its critical role in motor finance.

Overall, FY24 was a strong year for motor finance, marked by widespread increases in revenue, receivables, and transaction volumes. The significant rise in hybrid and non-ICE vehicle uptake is particularly noteworthy, reflecting a shift in consumer preferences.

### Growth in New Business:

**New Business Volume:**
Up 15.74%. **15.74%**

**New Business Value:**
Up 20.71% **20.71%**

### Hybrid and Non-ICE Vehicle Uptake:

**Non-ICE Vehicles:**
Transaction volume up 138% **138%**

**Hybrid Vehicles:**
Transaction volume up 83%, and value up 92% **83%**

### Commercial vs Consumer Finance:

**Commercial Customers:**
New business value up 23% **23%**

**Consumers:**
New business value up 15% **15%**

> *AFIA keep their finger on the pulse on behalf of the industry, helping shape regulation and keeping members abreast of industry trends both locally and internationally.*
>
> – Motor financier



## Car Rental

The car rental sector experienced a robust year, with a notable increase in customer participation, reflected in higher transaction volumes and Counter product (CP) revenue. Despite these gains, rental revenue remained stagnant, underscoring the rising costs associated with operating a car rental business. Queensland emerged as the largest contributor to car rental activities in FY24, averaging over 100,000 transactions per month. This growth was mirrored across all states, indicating strong demand nationwide. Cars continued to be the main revenue driver, contributing approximately $1.3 billion; however, this marked a 5 per cent decrease compared to the previous financial year. In contrast, truck rental revenue saw a 10 per cent increase during the same period, highlighting a shift in the market. Passenger vehicles dominated in both transaction volume and fleet size, maintaining their position as the most popular choice among customers.

### Transaction Volume by State:

**Queensland (QLD):**
Average of over 100,000 transactions per month. **100K+**

**All States:** Increase in transactions compared to the previous financial year.

### Revenue Comparison by Vehicle Type:

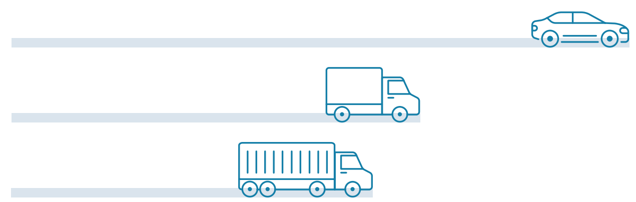
**Car Rental Revenue:**
Down 5% on the previous financial year (~$1.3 billion).

**Truck Rental Revenue:**
Up 10% in the same period.

> *The team are all very friendly, approachable, responsive, and transparent in terms of helping industry understand whether it's a 'no, don't fight this' or 'yes, you've got a reasonable position' on a topic.*
>
> – Car rental / Fleet services

### Fleet Composition:

**Passenger Vehicles:**
Most transactions and largest fleet size.



# Industry data

## Equipment Finance

The equipment finance industry witnessed a modest uptick in new business, with a 2.61 per cent increase compared to FY23, translating to an average of $3.32 billion in new business each month. While nearly all states reported growth in this area, NSW/ACT saw a slight decline of 0.77 per cent. Cars and light commercials were the most significant contributors to new business, with an 11.35 per cent increase compared to last year. The average monthly business in this segment was $1.09 billion. Notably, chattel mortgages emerged as the leading product in new business, with an average of $2.85 billion in monthly new business, reflecting a 1.01 per cent increase from the previous year.

> *The AFIA team do an excellent job in collaborating with government and regulators to advance the interests of the finance industry.*
>
> – Commercial financier

### New Business Growth:

**Overall New Business:** Up 2.61% compared to FY23, with an average monthly new business of $3.32 billion.

2.61%

**State Comparison:** Nearly all states saw growth, with NSW/ACT being the exception, down 0.77%.

### Chattel Mortgage Dominance:

**Chattel Mortgage:** Up nearly 10% year-over-year, with an average monthly new business of $2.85 billion.

10%

$2.85b

# Industry data

## Buy Now Pay Later (BNPL)

The BNPL sector continued its growth trajectory, generating approximately $3.4 billion in new revenue for merchants and $1.9 billion in net benefits. The average BNPL transaction value stood at $132. The sector contributed a substantial $22.9 billion to the Australian GDP, with 5.2 million active accounts and 96 per cent of Australians aware of at least one provider. Around 150,000 merchants in Australia are now utilising BNPL services. The sector facilitated $19 billion worth of transactions in FY23, representing 0.8 per cent of all transaction volume and 0.1 per cent of total transaction value. Notably, only 0.36 per cent of active BNPL accounts were subject to hardship, indicating the sector's stability.

> *AFIA has helped build awareness and educate the broader community of the benefits of BNPL to the Australian economy.*
>
> – A fintech provider (BNPL)

### Market Penetration:

**Active Accounts:**
5.2 million.

5.2m

**Merchant Utilisation:**
~150,000 merchants using BNPL in Australia.

150K

**Consumer Awareness:**
96% of Australians aware of at least one BNPL provider.

96%

### Economic Contribution:

**GDP Contribution:**
$22.9 billion

$22.9b

**Transaction Value:**
$19 billion in FY23

FY 23 $19b

# Industry data

## Insurance Premium Funding (IPF)

The total value of Insurance Premium Funding (IPF) loans at the end of FY24 has improved by 23 per cent compared to the previous financial year. This marks solid growth for the IPF sector. New loan volume is up by 1.07 per cent, with a 14.8 per cent increase in the monetary value of new loans. The average loan amount decreased by 59 per cent, while total customers increased by 13.6 per cent, and the total number of loans decreased by 4.5 per cent. December 2023 was a standout month, recording the highest number of total loans originated at 375,818.

Decline in New Loan Amount and Total Loans:

**Average New Loan Amount:**
Down by 59% — **59%**

**New Loan Volume:**
Up by 1.07% — **1.07%**

**New Loans ($):**
Up by 14.8% — **14.8%**

**Total Loans (#):**
Up by 13.6% — **13.6%**

**Total Loans (#):**
down 4.5% — **4.5%**

**Total Loan Value:**
up 23% — **23%**

## Novated Leasing

Novated Leasing experienced strong growth in FY24 across both Motor Finance and Equipment Finance. In the motor finance sector, new business surged by nearly 35 per cent to over $8.9 billion, with an average of $744 million in new business monthly. Net receivables also saw a significant rise, up 56 per cent to around $127 billion. In the Equipment Finance industry, novated leasing saw even greater expansion, with net receivables climbing by over 85 per cent to $23.69 billion, marking the highest value in five years. New business in Equipment Finance also doubled, rising 98 per cent to $1.78 billion, which is the highest value recorded in the last 5 financial years.

Receivables and Active Accounts:

**Motor Finance New Business:**
Up nearly 35% to over $8.9 billion (188,811 vehicles) — **35%**

**Average Monthly New Business (Motor Finance):**
Over $744 million (15,734 cars) — **$744m**

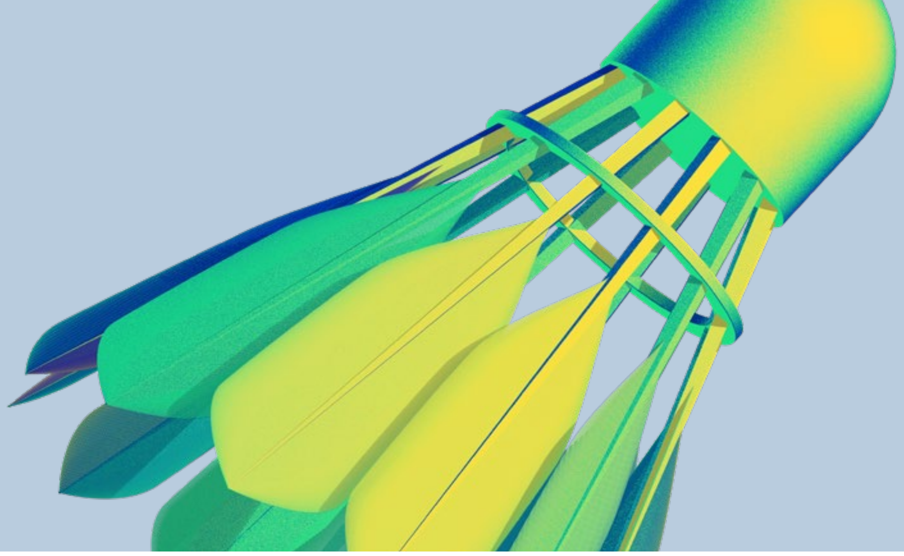
**Motor Finance Net Receivables:**
Up 56% to approximately $127 billion — **56%**

**Equipment Finance Net Receivables:**
Up over 85% to $23.69 billion (highest in 5 financial years) — **85%**

**Equipment Finance New Business:**
Grew by 98% to $1.78 billion (highest in 5 financial years) — **85%**

# Industry data

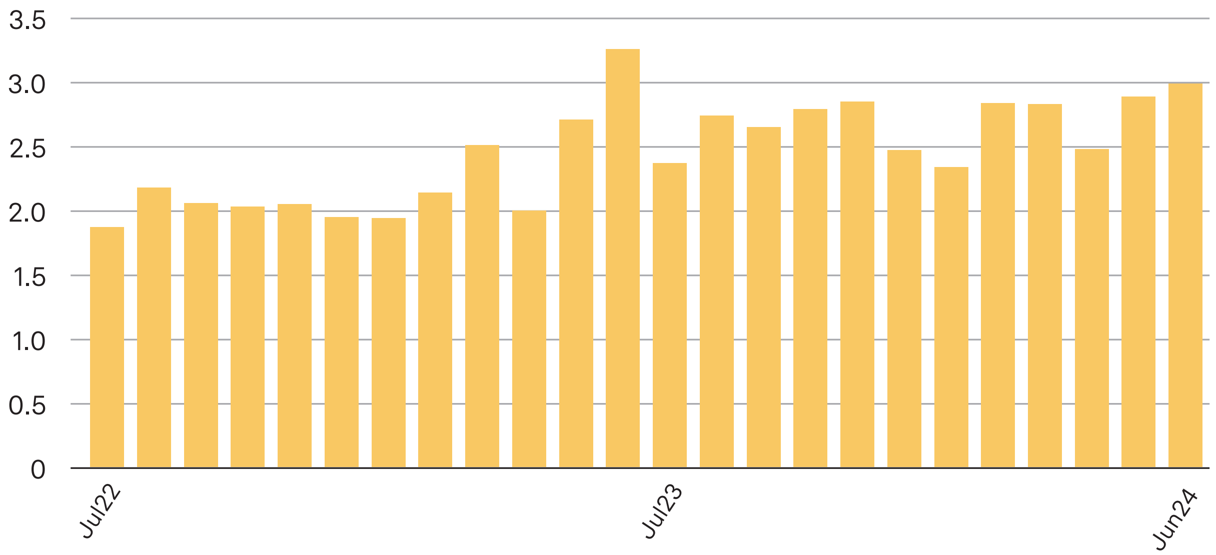
Our data reports provide our members with trend analysis and benchmarking capability. They are critical to our ability to advocate for evidence-based policy.



## Motor Finance

**New Business**

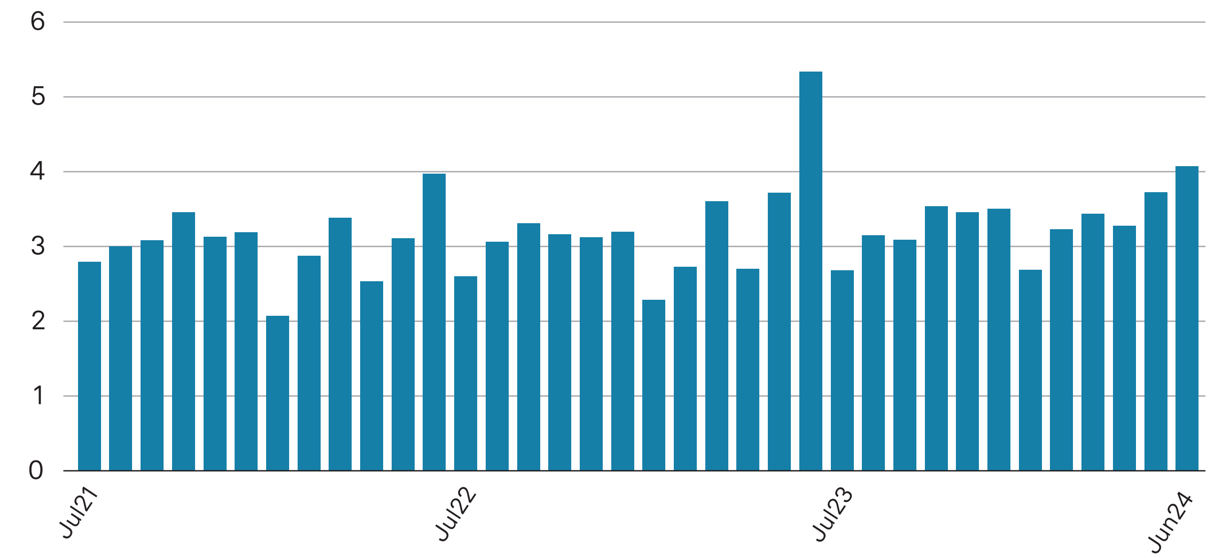
Value ($ billions)




## Equipment Finance

**New Business**

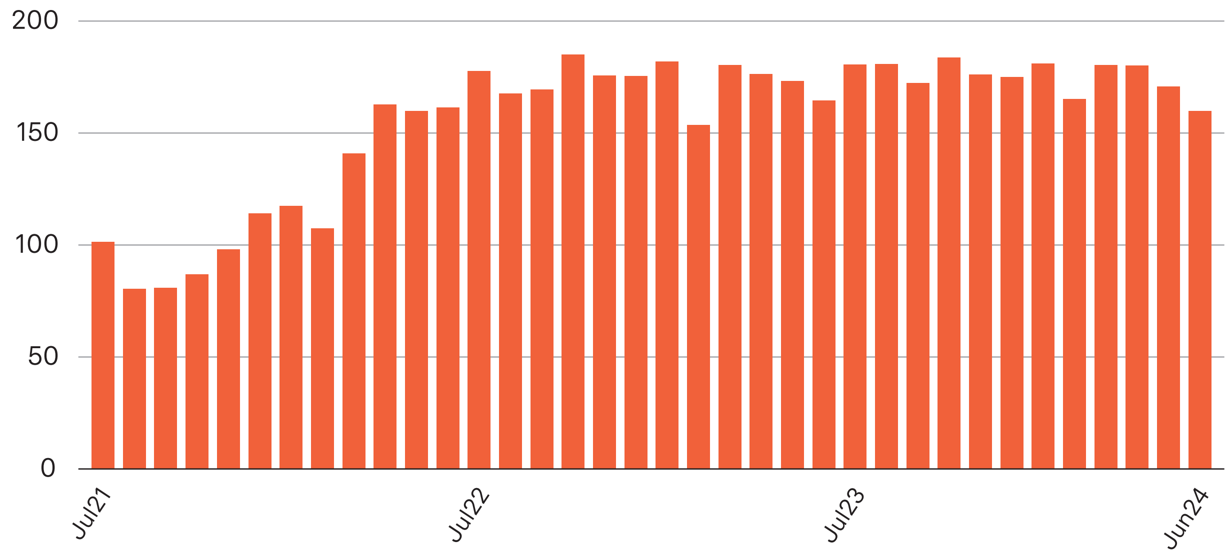
Value ($ billions)




## Car Rental

**Total Revenue**

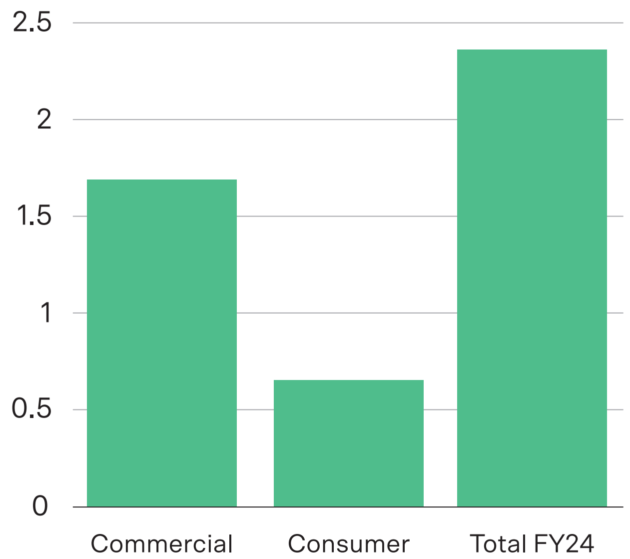
Value ($ millions)




## Insurance Premium Funding

Note: IPF industry data collection re-commenced in FY24. Trends data will be available ongoing.

**Total New Loans**




> *The AFIA Data Reports are a valuable resource that inform and assist our organisation, strategically and operationally.*
> *I encourage all members to contribute and participate, in a timely manner.*
>
> – A motor financier

# Board of directors

## Mario Rehayem - Chair

**Pepper Financial Services**

Mario joined Pepper Money in 2011 and has held various roles including Managing Director, Australian Mortgages and Personal Loans, Director of Sales and Distribution, Australian Mortgages and Personal Loans. He was appointed Chief Executive Officer of Pepper Money Limited in 2017 and is responsible for the strategy and oversight of Pepper Money businesses across Australia and New Zealand. With more than 18 years of extensive experience across banking and finance, Mario has held senior positions in an ADI environment as well as in the non-bank sector. Mario is a known champion of mortgage broker education and growing the specialist lending category.

## Katherine McConnell - Deputy Chair

**Brighte Capital**

Katherine is the CEO and Chairperson of Brighte Capital. Brighte is one of Australia's fastest growing Fintech companies. Katherine has 20 years' experience in finance, previously holding senior positions at Macquarie Bank in equipment and asset finance and, early in her career, as an economist for the Australian Government at the Treasury and Department of Finance. Katherine has been recognised by the industry for her leadership, receiving multiple awards, including Outstanding Fintech Leader of the Year.

## Diane Tate - Chief Executive Officer

**Australian Finance Industry Association**

Diane joined AFIA as CEO in November 2019. She has over 25 years' experience in financial services and public policy, including representing the Australian financial services industry in international forums, and she is the current Chair of the Finance Industry Council for Australia.

Prior to joining AFIA, Diane held various senior executive roles at the Australian Banking Association where she led the industry through the Financial Services Royal Commission and was the architect of the Banking Reform Program announced in 2016. She has also worked in the Federal Government, AUSTRAC, ASIC, and FINSIA. Diane is a graduate of the Australian Institute of Company Directors, Harvard Kennedy School, and Macquarie University.

## Cameron Poolman

**OnDeck Capital Australia**

Cameron is the CEO of OnDeck Australia. OnDeck Australia, established in 2015, provides unsecured small business loans using their unique credit score - the "Koala Score". Prior to launching OnDeck in Australia, he was the founding CEO of GraysOnline, one of Australia's largest eCommerce groups, growing the company to over $500 million in online sales. Before this, Cameron worked as an engineer and production manager at Eveready Australia.

## Clare Morgan

**ANZ**

Clare Morgan is Group Executive, Commercial Banking at ANZ. Clare has worked almost 25 years in financial services and management consulting across Australia and the US. She has expertise in running large scale profit and loss businesses, setting strategic direction, M&A, developing and retaining high performance teams, executing complex change, governing decision making forums and leading technology programs. She is passionate about business model innovation, product and process design, the power of diversity and creating high performance teams.

## Reggie Cabal

**ORIX**

Reggie Cabal is Chief Executive Officer and Managing Director of ORIX Australia Corporation Limited (ORIX). ORIX is a major commercial finance and leasing provider in Australia and New Zealand and is an Employer of Choice for Gender Equality from 2020 to 2022 by the Australian Federal Government's Workplace Gender Equality Agency and recognised as one of The Australian Financial Review's Most Innovative Companies for 2017, 2018, 2019 and 2020. Reggie started his career in Silicon Valley working in financial services and technology firms in both start-ups and established organisations. At ORIX, he has transformed the business by introducing new technology centric solutions and reimagining "old proven" concepts with a current perspective to assist customers in today's complex and continually changing environment. Just as we've seen other industries embrace and grow from new technologies, Reggie is future-focused and excited to lead the ORIX team in the changing landscape of the automotive and finance industry.

## Cindy Hansen

**Qudos Bank**

Cindy is the General Counsel and Company Secretary for Qudos Bank and has over 27 years' experience in the finance industry specialising in legal, compliance, and governance. Cindy has worked with Qudos Bank for over 20 years and previously held senior legal and compliance positions with Australian Guarantee Corporation and Permanent Trustee. Prior to commencing in the finance industry, she was a solicitor in private practice.

## Jon Moodie

**Allied Credit**

Jon is a finance company executive with over 30 years' experience in Australia and New Zealand in asset and vehicle finance markets. In 1998 he established and grew Mercedes Benz Finance NZ for six years, before transferring to Daimler Finance Australia where he led the Sales and Marketing team. Jon joined Macquarie Leasing in 2006, where he led various sales channels, before becoming the Managing Director in 2014. In 2019, Jon joined Allied Credit as the Chief Executive Officer, leading the company into a growth phase. Jon has sat as a Director on the AFIA board for several years, including two years as Chairman.

## Ofir Kranz

**Angle Auto Finance**

Ofir is Head of Compliance and Enterprise Risk at Angle Auto Finance. He has held previous roles at Latitude Financial Services and GE Capital. Ofir has experience in designing and implementing compliance, enterprise, and operational risk frameworks and people leadership. Ofir has developed and implemented risk management strategies to support the achievement of business objectives through various business cycles and strategic change programs.

## Peter Jones & Joseph Healy

Peter Jones and Joseph Healy resigned as Board members during the financial year following stepping down from their roles at Nissan Financial Services Australia and Judo Bank respectively.



# Board committees

## Financial Management, Risk & Audit Committee

| | |
|---|---|
| Ofir Kranz (Chair) | Angle Auto Finance |
| Cindy Hansen | Qudos Bank |
| Cameron Poolman | OnDeck |

## Nomination & Remuneration Committee

| | |
|---|---|
| Katherine McConnell (Chair) | Brighte Capital |
| Jon Moodie | Allied Credit |
| Mario Rehayem | Pepper Money |

## Code Development Sub-committee

| | |
|---|---|
| Cameron Poolman (Chair) | OnDeck Australia |
| Cindy Hansen | Qudos Bank |
| Mario Rehayem | Pepper Money |

## Strategy Committee

| | |
|---|---|
| Mark Brudenell (Chair) | Latitude Financial |
| Craig Edwards | Angle Finance |
| Michael Saadat | Afterpay |
| Suzanne Koeppenkastrop | DLL Group |
| Melissa Joyce | Fleet Partners |
| Wayne Tower | IQumulate Premium Funding |
| Kaajal Fox | Now Finance |
| Michael Patino | RAC Finance |
| Darren Gore | Summit Fleet |
| Diane Tate | AFIA |

# Executive leadership team

## Diane Tate

**Chief Executive Officer**

Diane joined AFIA as CEO in November 2019. She has over 25 years' experience in financial services and public policy, including representing the Australian financial services industry in international forums, and she is the current Chair of the Finance Industry Council for Australia.

Prior to joining AFIA, Diane held various senior executive roles at the Australian Banking Association where she led the industry through the Financial Services Royal Commission and was the architect of the Banking Reform Program announced in 2016. She has also worked in the Federal Government, AUSTRAC, ASIC, and FINSIA. Diane is a graduate of the Australian Institute of Company Directors, Harvard Kennedy School, and Macquarie University.

## Melynda Carpenter

**Executive Director, Member Engagement & Company Secretary**

Melynda has extensive experience in marketing, relationship and stakeholder management, and community roles. Previously at CBA, she led the Bank's engagement with female-led businesses, managed one of the Bank's key partnerships and was involved in successfully launching CBA's first online community platform. She also has experience in offshore business operations. Melynda is a graduate of the Australian Institute of Company Directors and Monash University.

## Roza Lozusic

**Executive Director, Policy & Public Affairs**

Roza is a respected public and regulatory affairs leader with extensive experience working with stakeholders at the highest levels of government, public and private sectors as well as in peak industry bodies in banking and insurance.

As a lawyer by training, Roza has provided advice and counsel on financial services policy and regulation and has led regulatory and self-regulatory reform. Prior to joining AFIA, Roza held a range of senior leader roles including most recently at Westpac, where she worked within large scale transformation programs. She is a graduate of Macquarie University and the University of Technology, Sydney.



# Members

As of 30 June 2024

## AFIA is the only peak body representing the entire finance industry in Australia.

Our members include 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.

- 365 Mechanix Pty Ltd
- @Pay Pty Ltd
- Accenture Australia Pty Ltd
- AdTorque Edge Pty Ltd
- Afterpay
- Alfa (Limited)
- Allens
- Allied Credit Pty Ltd
- Alta APAC
- American Express Australia Ltd
- Angle Asset Finance
- APAK Group
- Ashurst Aus
- Attvest Finance Pty Ltd
- Australia and New Zealand Banking Group Limited
- Australian Structured Finance Pty Ltd
- Automotive Financial Services Pty Ltd
- Avenue Bank Limited
- Arteva Funding
- Azora Finance
- Bank of China Ltd
- Bank of Queensland Ltd
- Bayswater Car Rental Pty Ltd
- Bendigo and Adelaide Bank Limited
- Biza Pty Ltd
- BMW Australia Finance Limited
- Branded Financial Services Pty Ltd
- Brighte Capital Pty Limited
- Capify Australia Pty
- Caterpillar Financial Australia Limited
- Challenger Limited
- Cisco Systems Capital Pty Ltd
- Clayton Utz
- Clearmatch Originate Pty Ltd
- CNH Industrial Capital Australia Pty Ltd
- Coex Capital Pty Ltd
- Commonwealth Bank of Australia
- Credit Collection Services Group
- Credit Corp Group Ltd
- CreditorWatch
- Cuscal Limited
- Custom Fleet Pty Ltd
- Daimler Truck Financial Services Australia
- De Lage Landen Pty Ltd
- Dynamoney Limited
- East Coast Car Rentals
- Elantis Premium Funding Limited
- Equifax Pty Ltd
- Europcar Australia & NZ Pty Ltd
- Eurus Capital Limited
- Experian Asia Pacific
- Finance One Pty Ltd
- Finity Consulting
- FinMo Pty Ltd (Modus Financial Services Pty Ltd)
- First AML
- FIS Global Pty Ltd
- Fleetcare Pty Ltd
- Fleetpartners Pty Ltd
- Flexfleet Pty Ltd
- Garrison Lending Operations Pty Ltd (Angle Auto)
- Go Blank Ltd
- Governance Risk & Compliance Solutions Pty Ltd
- Group And General Finance Pty Ltd
- Grow Finance Limited
- Hertz Australia Pty Ltd
- Hewlett Packard Enterprise (HPE) Financial Services Pty Ltd
- humm group limited
- Hunter Premium Funding Ltd
- Hyundai Capital
- IQumulate Premium Funding
- JMac (NT) Pty Ltd
- John Deere Financial Limited
- Judo Bank Pty Ltd
- Kingmill Pty Ltd (Thrifty)
- Klarna Australia Pty Ltd
- KordaMentha Pty Ltd
- Kubota Australia Pty Ltd
- Latitude Group Holdings Limited
- Lease Express Pty Ltd
- LeasePLUS Pty Ltd
- Leasewise Australia Pty Ltd
- Liberty Financial Pty Ltd
- Lumi Financial Managemet Pty Ltd
- Macpherson + Kelley Lawyers Pty Ltd
- Macquarie Bank
- Max Recovery Australia Pty Ltd
- McMillan Shakespeare Group Ltd / Interleasing
- Medpro Finance Corporation Pty Ltd
- Mercedes-Benz Financial Services Australia Pty Ltd
- ME Bank
- Metro Finance Pty Ltd
- Moneytech Pty Ltd
- Moody's Analytics Australia Pty Ltd
- Morris Finance Ltd
- Moula Money Pty Ltd
- National Australia Bank Ltd
- Netsol Technologies Pty Ltd
- Nissan Financial Services Australia Pty Ltd
- Now Finance Group Pty Ltd
- Odessa
- On Deck Capital Pty Ltd
- ORIX Australia Corporation Limited
- OSK Capital (A) Pty Ltd
- PACCAR Australia Pty Ltd
- Payright Limited
- Paywise
- Pepper Money Ltd
- Pickles Pty Ltd
- Piper Alderman Pty Ltd
- Planful, Inc
- Plenti Group Limited
- Prospa Group Limited (PGL)
- QPR Ltd
- Qudos Mutual Ltd
- Quest Finance Australia Pty Ltd
- RAC Finance Limited
- RACV Finance
- Redspot Head Office Pty Ltd
- RedZed Lending Solutions Pty Ltd
- Risk and Security Management
- S. Apikian and Others (Gadens Lawyers)
- Salary Packaging Australia
- Selfco Leasing Pty Ltd
- SG Fleet Australia Pty Ltd
- Shift Financial Pty Ltd
- Smart Group Pty Ltd
- Sofico Services Aus. Pty Ltd
- Softera Baltic
- Solifi (previously IDS Group)
- Solvar Limited
- Stratton Finance
- Summit Fleet Leasing & Management Pty Ltd
- Taurus Finance Holdings Pty Ltd
- Toyota Finance Australia Limited
- Traction Group Pty Ltd
- Vestone Capital Pty Ltd
- Volkswagen Financial Services Aus Pty Ltd
- Volvo Finance Pty Ltd
- W.T.H Pty Ltd (AvisBuget Group)
- Walker Stores Pty Ltd / Aspire42
- Westlawn Finance Limited
- Westpac Banking Corporation
- Yamaha Motor Finance Australia Limited
- Zip Co Limited

# Industry codes

## We work with members to develop codes of practice that drive better transparency, fairness and customer confidence.

Self-regulatory practices are an important part of our regulatory framework, enabling members to meet community standards and legal obligations, strengthen trust in the finance industry and improve customer outcomes.

Our Code Compliance Committees are independent and responsible for the annual accreditation of Code Compliant Members and ongoing compliance monitoring.

## Annual reporting on activities of the AFIA Insurance Premium Funding Code Compliance Committee in relation to the AFIA Insurance Premium Funding Code of Practice

As outlined in section 12.1 of the Terms of Reference for the AFIA Insurance Premium Funding Code of Practice (IPF Code), the Insurance Premium Funding Code Compliance Committee (CCC) is pleased to table our report for the 12 months ending 30 June 2024 for inclusion in the AFIA Annual Review.

IPF Code Compliance Committee members are: Vicki Mullen (Chair), Dallas Booth and Edward Martin.

| Terms of Reference – clause 12.1 | Commentary |
|---|---|
| (a) Information collected under clause 9.2, 9.3 and 9.4 of any reported or investigated Alleged Breaches and any corrective measures agreed with the relevant Code Compliant Members (CCMs) | The CCC received one report under ToR 10.1(a) that a Code member had, or may have, breached the Code in the period 1 July 2023 to 30 June 2024.<br><br>The matter was self-reported by a Code member and related to the conflicted remuneration provisions in the Code. The Code member advised that it has taken action to remediate a small number of legacy agreements. As at 30 June 2024, the Code member's internal assurance review process was ongoing. Pending receipt of the outcomes of the internal review, the CCC will determine if any further action is required. |
| (b) Consolidated analysis of Code compliance by CCMs for the period of the report as collected under clauses 9.2, 9.3 and 9.4 | As outlined in its Terms of Reference, the CCC monitors code compliance and collects data to gain insights into potential areas of non-compliance. For the period to 30 June 2024, there was no evidence available to suggest systemic non-compliance.<br><br>During the period the CCC conducted an own-motion inquiry in relation to compliance with Clause 20.5 of the IPF Code - in particular, the requirement that Code members will use best endeavours to require that intermediaries comply with a relevant industry code, [including] those aspects that relate to the management of conflicts of interest and the disclosure of remuneration or other benefits that the intermediary is to receive in distributing IPF products.<br><br>The CCC conducted this inquiry as a matter of clarification in the context of the remuneration requirements for brokers under the NIBA Code of Practice, and not due to any specific concern about non-compliance by IPF Code members. On the basis of the information provided by Code members, the CCC determined that no further action was required. |
| (c) Information as to any Sanctions imposed by the CCC | No sanctions were imposed during the period. |
| (d) Information about any serious and systemic issues of breaches of the Code that have come to the CCC's attention | No evidence has come to the CCC's attention about serious and systemic issues of breaches of the Code. |
| (e) Information as to the number of CCC meetings held and the attendance of CCC Members at them | The CCC met five times during the financial year as follows:<br>25 August 2023<br>24 October 2023<br>8 December 2023<br>16 May 2024<br>20 June 2024<br><br>All CCC members attended every meeting. |
| (f) Any recommendations on Code improvements and industry issues relevant to the operation of any Code arising out of its experiences of Code compliance in the relevant period, including where non-compliance with a Code indicates an industry-wide issue or weakness of a Code | During the period, the CCC made a recommendation to the Board about amendment of the IPF Code of Practice By Laws, to remove the role of the CCC in setting a tolerance level for calculation of an APR. Following a consultation process with Code members in accordance with Clause 13 of the By Laws, the Board approved the change recommended by the CCC in November 2023. |
| (g) A statement that the CCC has complied with its Terms of Reference and any binding obligations on it under a Code or other relevant Protocol document and, if there has been any non-compliance, the report must identify that non-compliance and the reasons for it, including any action that may have been instituted by the CCC to ensure that such non-compliance does not occur in the future | The CCC has complied with its Terms of Reference and any binding obligations on it under the Code and other relevant Protocol documents. |
| (h) Any other matters that the CCC considers should be included that are consistent with the functions of the CCC | During the period, the CCC accredited three AFIA members as code compliant (being Arteva Funding Group, BOQF Cashflow Finance and QPR). There are six Code signatories, and a seventh member was seeking accreditation as at 30 June 2024. |

**Vicki Mullen**

Chair, IPF Code Compliance Committee

# Annual reporting on activities of the AFIA Online Small Business Lenders Code Compliance Committee in relation to the AFIA Online Small Business Lenders Code of Practice

As outlined in section 12.1 of the Terms of Reference for the AFIA Online Small Business Lenders Code of Practice (AOSBL Code), the AFIA Online Small Business Lenders Code Compliance Committee (CCC) is pleased to table our report for the 12 months ending 30 June 2024 for inclusion in the AFIA Annual Review.

Online Small Business Lenders CCC members are: Symon Brewis-Weston (Chair), Andrea Beatty and Judy O'Connell.

| Terms of Reference – clause 12.1 | Commentary |
|---|---|
| (a) Information collected under clause 9.2 of any reported or investigated Alleged Breaches and any corrective measures agreed with the relevant Code Compliant Members (CCMs) | The CCC received two reports under ToR 10.1(a) that a Code member had, or may have, breached the Code in the period 1 July 2023 to 30 June 2024.<br><br>The first report related to a customer who had been working with a debt repair firm to consolidate their debts under a payment plan. The Code member reached agreement with the customer's representative to resolve the matter. As the customer received a satisfactory outcome and this appeared to be an isolated event and not indicative of a systemic issue in the way the Code member meets its obligations under the Code, no further action by the CCC was required.<br><br>The second matter was a report from AFCA in accordance with its Rule A.11.5.b about a potential systemic issue identified with a Code member. In considering a complaint by a small business customer, AFCA had formed a view that the AOSBL Code, and in particular the requirements related to the standard pricing comparison disclosure in the Code, apply to lines of credit.<br><br>The CCC is participating in consultation with AFIA and Code members about this issue with a view to potentially amending the Code to create clarity about the scope of the Code. As at 30 June 2024 this review is ongoing. |
| (b) Consolidated analysis of Code compliance by CCMs for the period of the report as collected under clause 9.2 | As outlined in its Terms of Reference, the CCC monitors code compliance and collects data to gain insights into potential areas of non-compliance. For the year to 30 June 2024, there was no evidence available to suggest systemic non-compliance.<br><br>The CCC completed one own-motion compliance review during FY2023/24. This review, which commenced at the end of December 2022 and was conducted in two stages, related to financial hardship and prompt and fair resolution of complaints requirements in the Code. Code members were asked to provide preliminary responses by the end of February 2023.<br><br>The CCC provided a tailored summary of the compliance review to each Code member in May 2023. It indicated that there are a range of practices across members in terms of the standard of internal governance arrangements and documentation for responding to financial hardship requests and IDR/EDR. This may in part be due to the size of some members and/or whether they are subject to group-wide controls, for example.<br><br>The CCC also noted that governance and risk management best practice suggest that at a minimum, policies and procedures that relate to interactions with customers should be documented, periodically reviewed and updated as required. Documented procedures also enable member's employees to deal with customers in a fair and consistent way.<br><br>The CCC also reminded Code members that the Code requires members to have complaint resolution procedures that comply with the same ASIC standards and requirements that Australian Financial Service Licence holders must comply with. In practice this means members have committed to comply with the relevant standards set out in ASIC Regulatory Guide 271: Internal dispute resolution.<br><br>The CCC recommended that members take the following actions:<br><br>(a) address the issues raised to the extent appropriate for their business and in light of the number of complaints and hardship applications received;<br><br>(b) review compliance with the relevant requirements of ASIC RG 271; and<br><br>(c) consider any relevant risks to and impacts on processes if there is an increase in customer issues, complaints or hardship requests. For example, if hardship applications increase, having clear policies and procedures in place will enable applications to be considered efficiently and consistently, and will help to minimise potential customer complaints.<br><br>Code members were asked to report back to the CCC by 30 September 2023 in response to these recommendations.<br><br>In the second stage of the review each Code member was provided with a revised comparative analysis of compliance, incorporating information and updates provided by members in September 2023. The analysis also set out indicative best practices that have been adopted by some Code members, intended to provide further guidance to all members to ensure their arrangements continue to support compliance with the Code. The CCC also urged all Code members to ensure that compliance arrangements continue to be responsive to changes in customer circumstances given the potential for continued deterioration in the business environment. |
| (c) Information as to any Sanctions imposed by the CCC | No sanctions were imposed during the period. |
| (d) Information as to the number of CCC meetings held and the attendance of CCC Members at them | The CCC formally met four times during the financial year as follows:<br><br>26 October 2023<br>14 December 2023<br>15 March 2024<br>18 June 2024<br><br>All CCC members attended every meeting. |
| (e) Any recommendations on Code improvements and industry issues relevant to the operation of any Code arising out of its experiences of Code compliance in the relevant period, including where non-compliance with a Code indicates an industrywide issue or weakness of a Code | Nil to report. |
| (f) A statement that the CCC has complied with its Terms of Reference and any binding obligations on it under a Code or other relevant Protocol document and, if there has been any non-compliance, the report must identify that non-compliance and the reasons for it, including any action that may have been instituted by the CCC to ensure that such non-compliance does not occur in the future | The CCC has complied with its Terms of Reference and any binding obligations on it under the Code and other relevant Protocol documents. |
| (g) Any other matters that the CCC considers should be included that are consistent with the functions of the CCC | The CCC commenced a compliance review in June 2024 in relation to Clause 14 of the Code and the disclosure obligations to customers. The CCC will report on the outcomes of this review in the annual report for FY2024/25. |

**Symon Brewis Weston**

Chair, AOSBL Code Compliance Committee

# Annual reporting on activities of the AFIA Buy Now Pay Later Code Compliance Committee in relation to the AFIA Buy Now Pay Later Code of Practice

As outlined in section 12.1 of the Terms of Reference for the AFIA Buy Now Pay Later Code of Practice (BNPL Code), the Buy Now Pay Later  Code Compliance Committee (CCC) is pleased to table our report for the 12 months ending 30 June 2024 for inclusion in the AFIA Annual Review.

BNPL members are: Jillian Brewer (Chair), Craig Pudig and Philip Cullum. In August 2023 Wendy Guy was appointed as a member of the CCC but resigned in March 2024 after accepting another full time role.

| Terms of Reference – clause 12.1 | Commentary |
|---|---|
| (a) Information collected under clause 9.2, 9.3 and 9.4 of any reported or investigated Alleged Breaches and any corrective measures agreed with the relevant Code Compliant Members (CCMs) | The CCC received twenty four reports under ToR 10.1(a) that a Code member had, or may have, breached the Code in the period 1 July 2023 to 30 June 2024. This compares to twenty five reports received for the previous 12 month period.<br>Of these twenty four reports:<br>• Nine related to customer service or account administration issues - all were resolved in the BNPL provider's IDR process. Two of the nine reports were about BNPL providers declining to open an account which is a matter for the provider to determine in accordance with their credit policies.<br>• Six related to hardship requests - all were referred to and actioned by the BNPL provider. Debt waivers were given in relation to four matters.  One matter was investigated by the BNPL provider after a customer claimed they were able to move funds from their BNPL account through another payments provider to their bank account and the money was then gambled away. The BNPL provider tested these claims including by attempting the same kind of transaction and confirmed it was not possible. In another matter, the customer initially claimed to be vulnerable due to an ID takeover.  However, fraud was ruled out after investigation and the customer acknowledged it was a change of mind.<br>• Two were about dis-satisfaction with a product/service that was paid for using BNPL - both were referred to the BNPL providers. The first related to a hotel booking where the customer made a complaint to AFCA but was resolved as the issue was with the merchant. The second related to a cancelled accommodation booking where the booking agent refunded half the money and the BNPL provider wrote off the rest as a goodwill gesture.<br>• One related to alleged fraudulent activity on a customer's account where the customer claimed there were hundreds of fraudulent transactions on their account. The BNPL provider investigated and found no evidence of fraudulent activity. Another related to a product allegedly taken out in a customer's name without the customer's authorisation. The account was closed.<br>• One related to the use of a collection agent who was not a member of AFCA at the time debts were on-sold. The CCC has made recommendations to BNPL Code members about this in its FY2023/24 Compliance Reviews Report (a copy of which accompanies this report).<br>• Another arose where a customer claimed not to know that a debt had been on-sold to a collection agent and they were not comfortable the collection agent was legitimately acting on the provider's behalf. The BNPL provider gave the customer additional information and the customer was satisfied with the outcome.<br>• Two were out of scope – one related to a dispute about charges for work done by a tradesperson and not the use of BNPL as the payment mechanism. The other related to a credit card product.<br>• One related to alleged misconduct by solar merchants. This will be the subject of a CCC compliance review in the 2024/2025 financial year. |
| (b) Consolidated analysis of Code compliance by CCMs for the period of the report as collected under clauses 9.2, 9.3, 9.4 | Under its Terms of Reference, the CCC monitors code compliance and collects data to gain insights into potential areas of non-compliance. For the year to 30 June 2024, there was no evidence of systemic non-compliance based on the information collected by the CCC under clauses 9.2, 9.3 and 9.4 of its Terms of Reference.<br>The CCC conducted two own-motion compliance reviews during FY2023/24. One related to Target Market Determinations (TMDs) under the design and distribution obligations in the Corporations Act 2001, and the other to financial hardship assistance under Clause 14 of the BNPL Code.<br>The review into TMDs asked Code members to advise whether they had been contacted by ASIC in relation to its review of compliance with the law conducted across a number of financial services and credit providers. If the provider was contacted, the CCC asked whether ASIC had any issues or concerns about the BNPL provider's TMD and if so, whether were those issues resolved.<br>Based on the information provided by Code members, the CCC concluded that no further action was required.<br>In the second compliance review about financial hardship assistance, Code members were asked to provide information about their processes and procedures for receiving and responding to hardship assistance requests from customers.<br>All Code members responded to the compliance review. An aggregated analysis of the information provided is set out in the FY2023/24 Compliance Reviews Report accompanying this report. The CCC made five recommendations which are that:<br>1. Code members should monitor customer communication needs;<br>2. Code members should have regard to ASIC Report 782: Hardship, hard to get help<br>3. Code members should review their arrangements in relation to recovery of debts<br>4. Code members should regularly review their hardship assistance processes; and<br>5. Clause 14 of the BNPL Code should be reviewed as part of the proposed Code update pending finalisation of the legislation to regulate BNPL as credit. |
| (c) Information as to any Sanctions imposed by the CCC | No sanctions were imposed by the CCC. |
| (d) Information about any serious and systemic issues of breaches of the Code which have come to the CCC's attention | As noted in (a) above, one matter reported to the CCC during FY 2023/24 relates to alleged misconduct by solar merchants and potential systemic issues in terms of BNPL providers' obligations under Part C of the Code and the minimum standards for merchants and retail partners. These matters will be the subject of a CCC compliance review in FY2024/25 and the outcomes will be reported in the CCC's next annual report. |
| (e) Information as to the number of CCC meetings held and the attendance of CCC Members at them | The CCC formally met 4 times during the financial year as follows:<br>11 August 2023<br>12 December 2023<br>16 February 2024<br>7 June 2024<br>All CCC members attended the first three meetings.  Ms Wendy Guy was appointed as a Member of the CCC effective from 28 July 2023 for a 3 year term. However, Ms Guy resigned from the CCC on 11 March 2024 due to her appointment to a full time position elsewhere and did not attend the fourth meeting. |
| (f) Any recommendations on Code improvements and industry issues relevant to the operation of any Code arising out of its experiences of Code compliance in the relevant period, including where non-compliance with a Code indicates an industrywide issue or weakness of a Code | Nil to report. |

| | |
|---|---|
| (g) A statement that the CCC has complied with its Terms of Reference and any binding obligations on it under a Code or other relevant Protocol document and, if there has been any non-compliance, the report must identify that non-compliance and the reasons for it, including any action that may have been instituted by the CCC to ensure that such non-compliance does not occur in the future | The CCC has complied with its Terms of Reference and any binding obligations on it under the Code and other relevant Protocol documents. |
| (h) Any other matters that the CCC considers should be included that are consistent with the functions of the CCC | The CCC confirmed the continuing accreditation of seven Code members for the period 1 March 2024 to 28 February 2025. Annual certification occurs on or before the anniversary of the Code on 1 March each year. |

**Jillian Brewer**

Chair, BNPL Code Compliance Committee

# Affie Awards

The AFIA Conference 2023 was a significant event for our industry, bringing together professionals from across the financial services sector to share insights, discuss emerging trends, and recognise excellence through our flagship gala dinner, The Affies Awards.

This year's awards were particularly important as they honoured the outstanding achievements of individuals and organisations who have made significant contributions to the industry, setting new standards in their respective fields.

### Recognising Excellence Across the Industry

The Affies Awards celebrated five key areas of excellence, each of which is critical to the ongoing success and development of our finance industry.

***Empowering Innovation:*** Brighte was recognised for their pioneering work in creating innovative solutions that challenge the status quo and push the boundaries of what is possible in the finance industry. Innovation is the lifeblood of our industry, driving growth and enabling us to meet the evolving needs of consumers and businesses alike.

***Championing Customer & Community:*** Commonwealth Bank was honoured for their exceptional commitment to serving customers and the broader community. Their efforts in improving financial literacy and providing education have had a profound impact, demonstrating the crucial role that financial firms play in supporting the economic wellbeing of individuals and communities.

> *This award celebrates positive outcomes through disruptive innovation.*
>
> – A green finance provider

***Impactful Leadership:*** Charlene Batson of OnDeck Australia was awarded for her exemplary leadership, which has inspired her team and peers to achieve new heights. Strong leadership is essential for navigating the complexities of our industry, and Charlene's contributions have been instrumental in driving positive change.

***Promoting Sustainability:*** SIXT Australia was recognised for their dedication to sustainable practices and responsible growth. In an era where environmental considerations are increasingly important, their commitment to sustainability sets a benchmark for others in the industry to follow.

***AFIA Hall of Fame:*** Adam Hopkins of Toyota Finance Australia was inducted into the AFIA Hall of Fame, a special accolade reserved for those who have made an indelible mark on the industry. Adam's contributions over the years have left a lasting legacy, and his work continues to inspire future generations of finance professionals.

The recognition of these individuals and organisations at The Affies Awards is more than just a celebration of their achievements. It underscores the importance of excellence in our industry, highlighting the impact that innovation, leadership, community engagement, and sustainability can have on the broader financial ecosystem. These awards serve as a reminder of the high standards we strive for and the importance of continuing to push the boundaries of what is possible in our industry.




*Top to bottom, left to right:*

*Sandra Sully, Matthew Beattie, Sixt, Charlie McIntyre, Kingmill Pty Ltd, Ben Blackburn, Kingmill Pty Ltd*
*Adam Hopkins, Toyota Finance Australia Limited, Diane Tate, AFIA, Keith Rodwell, formerly Maia Financial*
*Sandra Sully, Chris Moldirch, Commonwealth Bank of Australia*
*Charlene Batson, On Deck Capital Pty Ltd*
*Louis Edwards, Plenti Group Limited*

# Shaping tomorrow

While the future is filled with opportunities, it will also bring new challenges. The growing complexity of the global economy, shifting geopolitical dynamics, and the rise of digital finance present both risks and rewards for the industry. AFIA's role will be to help our members anticipate and respond to these challenges, providing the tools and insights needed to stay ahead of the curve. Whether through our policy and engagement work, initiatives in cybersecurity, transport and mobility, automation and AI, or our efforts to foster a culture of continuous improvement, AFIA and our members will be at the forefront of shaping the future of finance in Australia.

### Strengthening Technological Integration

One of the key drivers of change in the finance industry will be the increasing role of technology. In the coming years, the adoption of automation, machine learning, and AI will become integral to operational efficiencies and customer experiences. AFIA will focus on supporting our members through this transition by providing resources, insights, and collaboration opportunities to harness these technologies.

Our upcoming strategic projects will explore how members can leverage AI to improve decision-making, reduce operational risks, and personalise services for customers, how transport and mobility needs will change, and the impacts of technology across the all sub-sectors involved in supporting consumers and business customers' transportation needs and preferences, and how cybersecurity will impact our industry and customers, now and into the future.

Our work on data security, privacy and technology innovation will be central to building competitive opportunities, managing legal and compliance requirements, and maintaining consumer trust and industry reputation.

### Promoting Sustainability

The global shift towards sustainability is creating new opportunities and expectations for the finance industry. In the years ahead, financial firms will play a critical role in supporting the economic transition towards a low-carbon future. AFIA is committed to leading the conversation on sustainability, working with our members to align business practices with environmental, social, and governance (ESG) principles. Our sustainability toolkit, which will be expanded in the coming year, will help members integrate sustainable practices into their operations, ensuring compliance with emerging regulations while supporting broader societal goals. We will also continue working with governments, regulators and international standards setters, as the finance industry is being called upon to help with global transition in an increasingly difficult and complicated economic, social and environmental landscape. This focus will not only enhance business resilience, but also contribute to long-term economic growth.

### Evolving Regulatory Framework

Looking ahead, regulatory reform will continue to impact and shape the finance industry. AFIA's advocacy efforts will remain focused on ensuring that regulation is proportionate, fit for purpose, and forward-looking. We anticipate further changes in areas such as data security, privacy, data-driven decision-making models, and financial inclusion.

Our work on the Consumer Data Right (CDR), scaled Responsible Lending Obligations and other key reforms will ensure that members can navigate these complex regulatory environments effectively. Additionally, we will continue to push for policies that foster efficiency, competition and innovation, ensuring that  Australia remains a competitive player in global capital and financial markets and our industry is able to serve our economic and community needs and expectations, whether that is housing affordability, green finance, or financial safety in an increasingly digitised world.

### Enhancing Financial Inclusion

Financial inclusion will continue to be a priority, with the financial landscape changing rapidly and economic conditions still causing challenges for many Australians. AFIA is dedicated to ensuring all Australians have access to the products, services and technologies they need, whether that is from our industry or targeted support programs or government initiatives. As cost-of-living pressures persist and economic uncertainties remain, AFIA will continue to advocate for solutions that address financial hardship and business distress. Our industry-wide financial hardship response package, for example, will be expanded to better support individuals and businesses facing financial difficulties. This will include ongoing collaboration with stakeholders to ensure that these programs remain responsive to the evolving needs of Australians.

### Driving Industry Standards

AFIA's commitment to upholding and enhancing industry standards will remain a cornerstone of our forward strategy. The development of the AFIA Finance Industry Code of Practice is a significant milestone, and we will continue to refine and implement the AFIA Code in collaboration with our members and stakeholders. The AFIA Code will set a new benchmark through clear commitments and explanations of industry practices across our industry, covering smaller banks, non-bank lenders and fintechs. The AFIA Code will help to foster greater trust between financial firms and customers. As we move towards the code's official launch in 2026, AFIA will work closely with our members to finalise the code content and ensure a smooth transition, providing the necessary support and guidance.

### Continuing Member-Centric Support

At the heart of all we do at AFIA is our unwavering commitment to our members. We will continue to listen, engage, and adapt to the needs of our diverse membership base, ensuring that our advocacy, resources, and projects deliver tangible member value. We will also prioritise enhancing member engagement through targeted programs and services that address the unique challenges faced by different sub-sectors within our industry, while also tackling the immediate and long-term challenges faced across the finance industry. By fostering a strong, collaborative finance community, we aim to drive collective success, efficiency and innovation for all. As we continue to navigate through a period of significant market uncertainty, economic disruption and post-COVID adjustment, we should all be immensely proud of the resilience, adaptability, and proactive approach demonstrated by our industry.

Australian
Finance
Industry
Association

ABN 13 000 493 907
The Commons on George
Level 3, 388 George Street,
Sydney NSW 2000
info@afia.asn.au
+61 2 9231 5877

**afia.asn.au**