Australian
Finance
Industry
Association

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AFIA calls for policy reform to regulate for growth not risk

The Australian Finance Industry Association (AFIA) is calling on the Australian Government to focus on smarter regulation, digital innovation and targeted policy reform to unlock Australia's productivity potential.

In its submission to Treasury's Economic Reform Roundtable, AFIA provides a wide-ranging set of reform recommendations across financial services, capital markets, artificial intelligence (AI), housing and taxation, that if adopted would help build a more prosperous Australia.

"Regulation is where Australia's productivity manifests – it determines how capital, labour and technology are allocated," AFIA CEO Diane Tate said.

"Australia needs a policy framework that supports innovation, competition and investment while safeguarding consumers. One that empowers markets, rather than simply fearing disruption."

"Nowhere is this more urgent than in financial services and as AI moves from concept to reality, we need a regulatory and policy architecture that encourages innovation to unlock productivity gains across the economy and deliver better outcomes for consumers and businesses."

Key recommendations from AFIA's submission include:

- A productivity-focussed Statement of Regulatory Expectations for financial regulators to specify expectations and outcomes for regulation to deliver productivity, growth and wellbeing outcomes
- Expanding the Council of Financial Regulators to include the ACCC so competition and innovation can be prioritised alongside financial stability, market efficiency and consumer protection
- Reforms aimed at creating more efficient capital markets to ensure resources are allocated to their greatest benefit while increasing the stability and resilience of the financial system and economy
- A balanced approach to the regulation of AI to unlock up to $60 billion in economic growth by 2035 from AI adoption across the finance industry[1]
- Continuing to invest in education for consumers and businesses to improve financial and digital literacy and cybersecurity upskilling
- Evidence-based and proven electric and hybrid vehicle policies to maintain Australia's progress transitioning to lower-emissions transport, and ultimately, achieving our net zero ambitions
- A holistic review of taxation considering all components of the revenue base to shape a comprehensive reform program with productivity growth and intergenerational fairness front of mind
- A comprehensive review of housing and planning policy to ensure a holistic and long-term approach to improving housing accessibility

[1] AFIA Report on the Impact of AI on the Australian Finance Industry, May 2025, https://www.afia.asn.au/newshub/ai-report

ENDS

A copy of the submission can be downloaded here.

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ABOUT AFIA

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

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

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