Annual Review FY25

The voice of a diverse Australian finance industry

Australian Finance Industry Association

afia.asn.au

Welcome

Welcome to our Annual Review for FY25. We believe in prosperity of 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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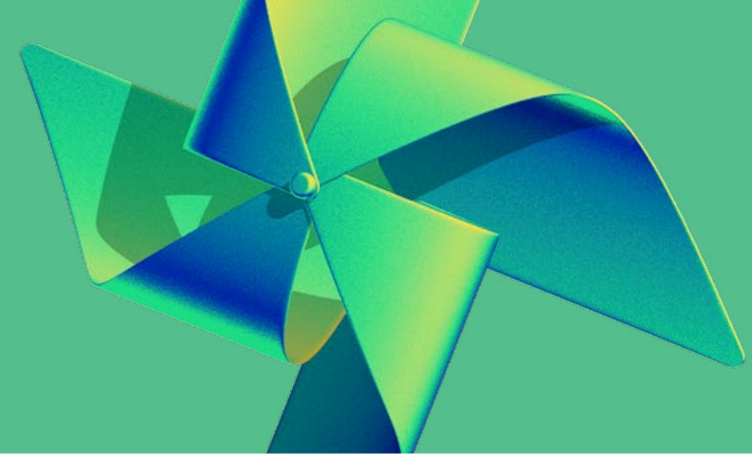
Acknowledgement of country

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.

$3.1T+
Total annual receivable

Consumer commercial member split

Consumer	Both	Commercial
36%	14%	50%

Sub-sector number of members*

Members	Sub-sector
53	Motor finance
34	Equipment/Asset Finance
32	Consumer Finance
24	Fleet leasing/car rental/novated leasing
19	Commercial lending
12	Agricultural finance
12	Buy Now Pay Later (BNPL)
11	Insurance Premium Funding (IPF)
11	Small Business lending
3	Residential mortgage (only)

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

Chair's Foreword

Mario Rehayem | AFIA Chair

Our industry is poised with extraordinary opportunity. As we all know, the past year has tested us, but we have emerged from this period stronger, with robust balance sheets and fundamentally, an unwavering commitment to innovation to drive growth further.

In a year marked by upheaval, our industry has demonstrated the leadership, adaptability, and resilience essential to shaping the future of finance.

Despite economic shifts, market turbulence, and evolving regulations, we have remained committed; ensuring that finance continues to drive productivity, growth, wellbeing, and long-term national goals.

We have built a solid foundation

Our industry's fundamental strength is our capacity to identify and serve our customers and the Australian economy. As an industry we demonstrate daily our strengths and capacities, from supplying finance to national objectives in housing, small and micro business, to filling voids in the market or enabling the energy transition, ours is an industry that is fundamental to aspiration and growth.

And there is more to come because the runway before us is immense. As instigators of change, we have consistently pushed the boundaries of innovation, adapting our business models to serve customers better while driving efficiency and competition across the financial system. This adaptability is now more crucial than ever as we stand on the threshold of the artificial intelligence revolution which, as AFIA's recent report has indicated, has the scope to contribute up to $60 billion in additional growth over the next decade.

And let's acknowledge we have successfully navigated the challenges

Alongside strengthening our foundations, we have also worked through the difficult challenges of the past year. Interest rate margin compression and a rising cost of funds have stressed our businesses. These challenges have demanded operational excellence and strategic application from AFIA members, qualities that will pay dividends in the future.

Over the last year, the cost-of-living crisis has hit Australians, but the signs of recovery are evident. Consumer buffers are rebuilding, confidence is returning, and we are seeing renewed demand for our products and services. Australians are ready to invest in their futures again, whether that's upgrading their vehicles, expanding their businesses, or pursuing new opportunities that require financial partnership.

Our new strategic priorities

AFIA's new three strategic priorities – balanced regulation, digital economy, and affordable and sustainable finance – reflect a forward-looking vision for Australia's finance industry, grounded in the realities of today and the possibilities of tomorrow.

Our new strategic priorities ensure we focus on what matters most for AFIA members, through our advocacy, leadership and engagement. Advocacy ensures that the regulatory environment remains balanced and fit for purpose, enabling efficiency, innovation and competition, while safeguarding consumer trust.

By championing fair and transparent rules, AFIA helps our members navigate complexity and focus on delivering better outcomes for customers and our industry. In a time of rapid technological change and shifting customer expectations, this kind of proactive policy work is essential to maintaining confidence in the system.

Leadership and engagement are equally vital. AFIA's commitment to leadership means fostering a culture of responsibility, innovation, and continuous improvement across the industry. It's about setting the tone, not just responding to change, but shaping it. Meanwhile, engagement ensures that all voices are heard, from fintech's and traditional lenders to regulators and consumer advocates. This inclusive approach builds resilience and relevance, helping the industry stay connected to the communities it serves. Together, our new strategic priorities, along with our approach to advocacy, leadership and engagement, form a blueprint for a finance industry that's not only innovative, competitive and efficient today, but also sustainable, inclusive, and trusted well into the future.

We have consolidated our voice

AFIA's growing and consolidating advocacy voice in FY25 reflects a maturing presence in Australia's financial policy landscape; one that is increasingly proactive, strategic, and influential. Across its submissions, AFIA has demonstrated not only breadth of engagement but depth of insight, positioning itself as a trusted partner to government, regulators, and industry stakeholders.

AFIA's submissions across a wide range of policy consultations in FY25 reveal a consistent commitment to shaping a financial services ecosystem that is innovative, inclusive, and responsive to consumer needs. A recurring theme is the balance between regulation and innovation. For example, in its submission to ASIC's discussion paper on public and private markets (April 2025), AFIA supported an efficient financial system that allocates Australia's scarce financial and other resources to their greatest benefit, supporting productivity and prosperity.

On data and consumer rights, AFIA has been deeply engaged with the Consumer Data Right (CDR) reforms. In its response to the CDR Draft Rules 2024, AFIA supported a recalibrated framework that prioritises high-value use cases and reduces regulatory burdens, especially for non-bank lenders. Similarly, its September 2024 submission on CDR consent and operational enhancements stressed the importance of consumer empowerment through streamlined data access.

Support for smaller players and diverse business models is evident in AFIA's submission to the CFR Review into Small and Medium-sized Banks. AFIA advocated for a financial system that avoids entrenching advantages for larger financial institutions and instead fosters efficiency, competition and innovation across all business models.

AFIA has also assisted in shaping the narrative around policy debates on emerging technologies and risk management, such as AI regulation, with our report, The Impact of Artificial Intelligence on the Australian Finance Industry, finding a potential $60 billion productivity dividend to Australia's GDP by 2035. In its November 2024 submission to Treasury's review of AI and the Australian Consumer Law, AFIA argued that existing provisions on transparency and fairness are sufficient to manage AI-related risks, recommending ongoing monitoring rather than new regulation.

Transparency, dispute resolution, and consumer protection are central to AFIA's submission to ASIC's Consultation Paper No.383 on reportable situations and internal dispute resolution data. AFIA supports clear standards that protect consumers while allowing firms to innovate responsibly. Its submission to AFCA's consultation on approaches to family violence and financial elder abuse further highlights its commitment to vulnerable consumers.

In the payments space, AFIA's response to the RBA Review of Merchant Card Payment Costs and Surcharging builds on earlier submissions advocating for a modern, efficient, and inclusive payments system. AFIA supports reforms that reduce costs, improve transparency, and ensure fair access for all players.

Finally, on sustainability and green finance, AFIA's Pre-Budget Submission for 2025–26 called for targeted investment in clean and green finance, recognising the sector's role in supporting Australia's transition to a low-carbon economy. This includes digital infrastructure and innovation that aligns with broader climate goals.

We are embracing an AI-Powered Future

Artificial intelligence represents the most significant technological shifts of our lifetimes, and our industry is extremely well positioned to harness its transformative power. From enhancing customer experiences through personalised services to improving risk assessment and operational efficiency, AI will enable us to serve our customers better while building more resilient business models. Moreover, this technological evolution aligns perfectly with our industry's DNA as pioneers of innovation. We have always been early adopters of technology that improves customer outcomes, and AI represents our next frontier for creating value and competitive advantage.

We are advocating for the right Regulation in the right way

The AFIA Finance Industry Code of Practice marks a pivotal moment for our industry, proof that when we lead with collaboration and foresight, we can shape a regulatory framework that works for everyone: consumers, businesses, and regulators and stakeholders alike. This isn't about waiting for government mandates or regulator actions. It's about taking ownership of our future by setting standards that reflect the realities of our market and the expectations of our customers.

Industry-led standards like the AFIA Finance Industry Code of Practice are more than just guidelines – they are a foundation for trust. They signal to Australians that our industry is committed to doing the right thing, not just because we're told to, but because its core to who we are. That trust is our license to operate and our greatest asset.

As we look ahead, onboarding into the AFIA Finance Industry Code of Practice over the next year isn't just a compliance exercise, it's a strategic investment in the long-term health of our industry.

A well-balanced regulatory system, including self-regulation, is essential to Australia's economic future. Too much regulation risks choking the competition and innovation that drives growth. Too little, invites instability and consumer harm that can erode confidence across the ecosystem. The right regulation makes sure we deliver efficiencies for our customers and businesses.

The development of the AFIA Finance Industry Code of Practice, spanning five years and shaped by many voices from across our members and the ecosystem, shows what's possible when we work together, with clarity of purpose and a focus on doing the right thing. It delivers meaningful protections without compromising agility. That's why embracing it now is so important. It's not just about meeting a standard, it's about setting one.

Moving Forward Together

Our focus must remain on what has made us successful: understanding our customers' evolving needs, embracing technological innovation, maintaining the highest standards of service and integrity and backing in balanced regulation. The fundamentals of our industry are sound, our economics are strong, and our capacity for innovation remains unmatched.

As our industry continues to respond to both immediate challenges and long-term shifts, our industry's clear focus on strategic transformation will define our industry's ability to remain efficient, competitive, innovative and resilient in the years to come.

The upside that awaits us is substantial, but it requires us to continue doing what we do best: identifying opportunities, serving customers, and driving positive change across the Australian economy. By embracing these principles, we will continue to play a vital role in shaping Australia's economic future.

The year ahead promises to be one of growth, innovation, and renewed opportunity. I am confident that our industry will not only meet these opportunities but will continue to set new standards for excellence in financial services. AFIA's role remains to champion our members, amplify their contribution to economic growth, and ensure policy keeps pace with change. We look forward with confidence, knowing that the industry is well placed to seize the opportunities of a more stable cycle while continuing to support Australians through their financial journeys.

Acknowledging our people and members

I would also like to take this opportunity to recognise the outstanding leadership of Diane Tate and the broader AFIA team for their exceptional work ethic and achievements throughout FY25. Their dedication and drive have been instrumental in delivering meaningful outcomes for our members and the broader industry.

We also extend a warm welcome to all new members who joined AFIA this year – we are excited to have you on board. And, to our existing members, thank you for your continued support and contributions – your insights, engagement and commitment are what make our collective voice stronger and our industry more resilient.

Kind regards,

Mario Rehayem
AFIA Chair

CEO's Letter

Diane Tate | Chief Executive Officer

The past twelve months have been defined by one word: transformation. Not just incremental change, but fundamental shifts that tested every assumption about how our industry operates, competes, and serves customers.

What strikes me most is not the scale of disruption we've navigated, but the exceptional leadership our industry has shown in turning uncertainty into opportunity. This wasn't just another challenging year – it was a period of political, economic, and regulatory recalibration that demanded adaptability from businesses, households, and policymakers alike.

Rising to the Challenge

Australia's finance industry has demonstrated remarkable resilience. While absorbing the long-tail impacts of the global pandemic and responding to structural shifts in both local and global markets, our industry has shown a clear appetite for transformation that puts customers first.

The macroeconomic environment has been unforgiving: persistent inflationary pressure, moderated household consumption, and an increasingly cautious credit landscape. The Reserve Bank's measured but sustained monetary tightening has influenced borrowing costs, asset valuations, and capital allocation decisions across the entire system.

The scrutiny of regulators has intensified: significant regulatory investigations, interventions promised, and an increasingly alert public. With their own reg-tech developments, ASIC, APRA, ACCC and OAIC, particularly, have been prosecuting their mandates.

Yet our industry's response has been strategic and forward-thinking. We've accelerated digitisation, integrated ESG frameworks into core decision-making, strengthened cybersecurity and data governance, and advanced regulatory reforms that build trust and accountability.

The Federal election reminded us that Australians want certainty through uncertainty. Voters focused on cost of living, productivity, and resilience – issues that are central to our members' daily reality. The election underlined that finance is fundamental to how governments deliver on their promises. Access to affordable, sustainable finance enables households to thrive, businesses to grow, and communities to adapt.

Globally, heightened uncertainty – from geopolitical tensions to diverging monetary policies, energy security challenges, and slower-than-expected recoveries – has reinforced the interconnectedness of risks and the critical importance of cross-border agility.

AFIA's Strategic Response: Delivering for Members

Throughout FY25, our comprehensive work program covered balanced regulation, technology innovation, payments integrity, fraud prevention, economic reform, sustainability, and competition through a diversity of business models. We've pursued positive outcomes through advocacy, campaigns, member services, and industry standards.

Advocacy Activities: Securing Real Wins

AFIA has been engaged in several initiatives critical to our industry's future, ensuring Australia's regulatory framework is proportionate, fit for purpose, and capable of supporting efficiency, competition, and innovation while safeguarding customers.

Consumer Data Right: Our sustained advocacy secured a longer lead-in time for non-bank lenders (NBLs) to join the Consumer Data Right (CDR), providing members crucial time to understand and implement compliance obligations. We successfully influenced the CDR scope, ensuring evidence-based rules for NBLs focused on consumer outcomes and better balance for existing participants in data collection and sharing.

Competition and Growth: We engaged with proposals to enhance competition for small and medium-sized banks, successfully expanding opportunities for the NBL sector. Our submissions to the Senate Economics Committee's inquiry into Australia's financial regulatory framework and home ownership advocated for accessible housing markets underpinned by efficient capital allocation.

AI and Innovation: We provided critical input on the proposed mandatory guardrails for AI in high-risk settings, ensuring regulation aligns with existing legal obligations for financial firms. Our advocacy highlighted that existing frameworks already cover AI deployment and emphasised minimising inconsistencies that would stifle productivity benefits. At AFIA's Risk Summit this year, ASIC announced that they had sufficient regulatory tools to deal with the deployment of AI, mirroring a similar announcement from APRA at our Risk Summit the previous year.

Regulatory Collaboration: AFIA engaged directly with financial regulators on compliance and consumer protection, partnering with AUSTRAC to modernise the AML/CTF framework and advocating for stronger alignment with international standards for the NBL sector. We worked with ASIC and OAIC on reporting systems, privacy and data security, advocating for streamlined obligations, while recognising different business models across the industry. We supported ASIC and AFCA on endeavours to upgrade policies and practices on supporting customers experiencing financial difficulties or vulnerabilities, setting the scene for public statements and reports acknowledging the efforts and improvements across lenders.

Campaigns: Influencing with Evidence

Our campaigns evolved significantly, building on our successful work promoting sensible BNPL regulation and targeted EV initiatives that influenced public policy, while supporting economic transition and competitive finance markets.

Non-Bank Lending: Co-designed with members through CEO NBL Roundtables, this campaign enhanced understanding of efficient, competitive, and innovative markets. Our submissions to government promoted the NBL sector's vital role in Australia's financial ecosystem, including positions on public and private markets with ASIC and macro-prudential policy settings with APRA.

Green Vehicle and Finance: This campaign is being underpinned by our groundbreaking research report with Deloitte Access Economics, The Role of the Finance Industry in the Transition to Sustainable Transport, published at our inaugural Future of Mobility Summit in March. This report gained significant national media attention and direct government engagement, demonstrating how finance unlocks cleaner transport and how national policies are critical to achieving emissions targets.

Our EV & Hybrid Vehicle reports proved instrumental in policy conversations. With the FBT exemption for hybrids ceasing, our data demonstrated the need for consistent national policies, charging infrastructure focus, and public-private partnerships through initiatives, like the Clean Energy Finance Corporation. By combining evidence with member experience, we created a platform for direct policymaker engagement and shaped broader public debate.

Technology and Innovation: Our research report The Impact of Artificial Intelligence on the Australian Finance Industry, commissioned with King & Wood Mallesons and Sapere and published in May, positioned AFIA as the trusted voice in AI discussions. Rather than contributing to hype, we focused on practical impacts for industry and customers, analysing deployment risks and opportunities, while providing actionable guidance that will be needed to underpin a sensible policy and regulatory platform. This report also got significant national media attention, with senior Government officials citing our data in their own public commentary and using it to shape economic and industry policy.

Financial Wellbeing: With increased regulatory scrutiny on financial hardship and customer vulnerability, we worked with ASIC, AFCA and the ATO to ensure their positions reflected practical issues and customer experiences, particularly for the NBL sector, integrating with emerging frameworks to continuously improve systems and policies.

Member Services: Supporting and Enhancing Excellence

Our member services program expanded significantly. We upgraded resources and tools with regular privacy compliance updates and we launched our ESG portal and cybersecurity toolkit. These services support members in meeting emerging compliance obligations and best practices, freely available through our member portal.

Executive Exchanges in Brisbane, Melbourne, and Sydney provided CEOs regular opportunities to discuss latest industry developments, including regulatory risks, automation adoption, AI deployment, and cybersecurity and fraud management.

Recognising changing customer and community expectations, we partnered with Uniting to expand our financial hardship training to cover customer vulnerability, financial abuse, and domestic violence. Sessions in Sydney and Melbourne now form part of our professional development program, aligning member and stakeholder perspectives, while identifying areas for further collaboration on these serious community issues.

We continued building data capabilities with additional interactive functionality in our data portal. Access to high-quality, reliable data is essential for evidence-based policy and informed decision-making. Groundwork for new data reports is complete, with roll-out expected in coming months.

Industry Standards: Leading by Example

This year was transformational for industry standards. We worked with members to raise standards across all sectors, completing comprehensive reviews and updates of our codes of practice, culminating in our new AFIA Finance Industry Code of Practice.

The AFIA Code establishes clear expectations for consumer lending, novated leasing, and small business finance. With the Code launch planned for our 2025 Annual Conference, the final draft was approved by the Board and is available through our member portal with supporting documentation, including governance documents and industry guidelines on financial hardship, customer vulnerability, and financial abuse.

We completed reviews of other codes, publishing second versions of the Insurance Premium Funding (IPF) Code and Car Rental Code. We supported the BNPL sector’s entry into the new BNPL regulatory regime, pausing the independent BNPL Code review until regime commencement, then recommencing work to update the code as a new schedule in the AFIA Code. Similar work has commenced on embedding the IPF Code and Online Small Business Lenders Code into the AFIA Code.

This comprehensive regulatory work demonstrates that AFIA doesn’t just shape regulation – we lead by example, lifting standards across the finance industry and reinforcing our collective reputation as trusted providers of affordable, sustainable finance.

I mirror Mario's sentiment about the AFIA Code, this isn't just about meeting a standard, it is about setting one. There is much more to do as we work through the next stages of onboarding members through the transition period and ahead of the commencement date for the AFIA Code on 1 October 2026, but I want to thank those members who have dedicated their time, knowledge and passion for our industry. The AFIA Code would not happen without these champions – thank you!

Leading Organisational Strength and Integrity

We delivered our fifth consecutive year of outperforming budget expectations, achieving a net surplus of $234,308 against a budgeted deficit of $777,500. This strong performance result reflects strategic approaches to member acquisition and retention, enhanced member and stakeholder engagement, and additional member resource development within our approved operating budget. Prudent financial management enabled us to successfully cover code development expenses for the year within our approved operating budget, without raising separate code fees or using reserves – a significant achievement given the scope of our industry standards work. We are well-placed to make additional strategic investments for our members next year.

Building for the Future

Our industry has made meaningful progress amid continued challenges. From evolving customer expectations and intensifying competition to shifting regulatory demands, the pace of change requires sustained agility and an innovation focus. These qualities remain critical as we look ahead.

AFIA’s role is supporting members in navigating this dynamic environment – advocating for balanced and smarter regulation, enabling digital transformation, and promoting sustainability, inclusion, and transparency across our industry. We’re committed to helping our industry remain responsive and future-focused, ensuring finance continues delivering commercial success and long-term societal value.

Our focus moving forward centres on building stronger connections: between members and government, regulators and customer representatives; policy and practice; competition and innovation, with affordability and trust. We must connect our industry’s collective voice with the national conversation – these connections are essential to ensuring our financial system continues supporting a strong, inclusive, and dynamic economy.

Guided by lessons of the past that reinforce the importance of putting customers at the centre of everything we do, we’ve got a responsibility to adapt to immediate challenges, while shaping the future of finance for tomorrow and generations to come.

The challenges ahead are significant, but so are the opportunities. By working together, I’m confident we will continue leading positive, lasting change.

> *“Together, we’re shaping a more resilient, responsible, and inclusive finance industry that meets the needs of today, while building for tomorrow.”*

Thank you to our members and stakeholders for your trust, engagement, and collaboration. Your partnership makes our collective success possible.

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 courageous and creative leaders
- Be respectful and collaborative partners
- Be honest and trustworthy

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 3 STRATEGIC PRIORITIES

1. Advocating for a balanced regulatory framework that instils trust and confidence in Australia's finance industry.

2. Promoting a leading and safe digital economy to support innovation in finance, economic participation and financial inclusion.

3. Improving access to affordable and sustainable finance to drive economic growth and financial wellbeing for Australians.

Campaigns

Objective

AFIA's work is anchored in four core campaigns. Each campaign serves as the foundation for all advocacy and communications efforts as well as member activities. These campaigns showcase AFIA's leadership and align with AFIA's strategic priorities and values by addressing pressing industry issues, managing reputational risks and responding to the evolving needs of members.

Headline messages

Enabling innovation and competitiveness	We drive innovation, digital adoption, and smarter solutions that serve consumers, households, and businesses. By providing competitive, flexible products and services, we enhance productivity and strengthen wellbeing.
Mobilising private capital for national goals	We power economic growth and support national goals-supporting the clean energy ambition, delivering on housing, and fostering business investment. Unlocking private capital also relieves pressure on public budgets taking the burden off future generations and expediting the delivery of critical national priorities.
Strong governance and responsible practice	We are regulated, with strong governance, robust risk management and transparency. These safeguards protect customers and strengthen trust and resilience in the financial system.
The right regulation for the right reasons	We back regulation that strikes the right balance-that gives clear, confident signals that encourages innovation and capital flows, while simultaneously protecting against customer harm. Excessive regulation risks slowing Australia's progress in a globally competitive, technology-driven world.
Strengthening financial markets with a culture of trust and integrity	Our values and commitment to high standards, underscored by rigorous governance and self-regulation through the AFIA Finance Industry Code of Practice, will ensure customers are treated fairly and with respect.

	Non-bank Lending	Green Vehicle & Finance	Technology & Innovation	Financial Wellbeing
Objective	**Promote non-bank lenders (NBLs) contribution to the economy.**	**Promote the role of finance in economic transition.**	**Promote the role of financial digitisation in productivity, growth and wellbeing.**	**Promote the role of financial firms in supporting customers through difficult times.**
Thought Leadership	• Competition consultation • Private markets consultation • Macroprudential policy settings • NBL Report • Debtor Finance Report • Large Commercial Lenders & Car Rental Infographics	• Future of Mobility Report • Taxonomy and climate related disclosures • EV and Hybrid Vehicle Report • Incentivising Clean Vehicles Report, with NALSPA and EVC • Productivity consultation • ESG Portal	• AI Report • AUSTRAC Fintel Alliance & ACSC network • CDR implementation • AI mandatory guardrails • Privacy Compliance Resource • Cybersecurity Toolkit	• AFIA Finance Industry Code of Practice + industry guidelines (financial hardship, customer vulnerability, financial abuse) • Virtual Financial Wellbeing Summit • Unsolicited selling consultation • Updated BNPL Code of Practice • Financial inclusion initiative (aligned with Safety By Design framework)
Channels & Tactics	**Members** 1. Leverage key events 2. Develop future-focused advocacy positions across campaigns 3. Briefings with members (incl through policy committees) 4. Detailed member communications, providing a concise summary of reports and other initiatives 5. CEO Roundtables & Executive Exchanges 6. Member roadshows and updates on policy initiatives	**Stakeholders: Political / regulators / customer representatives** 1. Leverage key events 2. Develop future-focused advocacy positions across campaigns 3. Develop collateral to share with targeted stakeholders (e.g. reports, infographics) 4. Distribute reports & infographics with select stakeholders 5. Coordinate Parliamentary briefings (twice yearly) and 1:1 meetings with ministerial / opposition stakeholders 6. Coordinate roundtables & workshops with regulators and customer representatives	**Media** 1. Leverage key events 2. Quarterly media dinners to seed stories across campaigns 3. Proactive and reactive media engagement, providing background briefings, quotes, Op Eds, etc 4. 1:1 interviews or meetings with leading journalists on campaigns	**Industry** 1. Leverage key events 2. Build AFIA profile through targeted speaking engagements 3. Promote reports and their findings through speaking opportunities 4. Create strategic partnerships with other industry & business groups

FY25 in Review – Key Highlights

JULY 24

- AFIA releases report 'The Economic Impact of Buy Now Pay Later in Australia'
- AFIA launches ESG portal for members
- AFCA/AFIA Roundtable: Addressing financial hardship complaints
- AFIA appears at public hearing for Senate Economics Legislation Committee inquiry into BNPL legislation

AUGUST 24

- Treasury consultation on Extending the Small Business Responsible Lending Obligations Exemption
- Inaugural finance industry Vulnerability & Hardship Training
- ASIC consultation on proposed Updates to Regulatory Guide 274 – Product design and distribution obligations
- 'Preparing your business for privacy reforms' (webinar)
- Creditor Warch business risk index (webinar)

SEPTEMBER 24

- ARCA's Independent Review of the Principles of Reciprocity & Data Exchange (PRDE)
- Treasury consultation on CDR Rules: Consent and Operational Enhancements
- ASIC – Conversation with the Regulator (webinar)
- AFIA launches public consultation on Australia's first non-bank lending and specialist banking Code of Practice
- Navigating Australia's AML/CTF Reforms (webinar)
- 'AFIA & Pyxis consumer research insights' (webinar)
- 'Affordability in insurance' (webinar)

OCTOBER 24

- Senate Inquiry into Australia's financial regulatory framework and home ownership
- Department of Industry, Science and Resources consultation on Introducing mandatory guardrails for AI in high-risk settings: proposal paper
- Treasury consultation on the Scams Prevention Framework
- Treasury commences review of AI and the Australian Consumer Law
- AFIA Annual General Meeting
- 'Privacy Act changes' (webinar)
- 'Unfair contract terms: 1 year on' (webinar)
- 'Creditor Watch business risk index' (webinar)

NOVEMBER 24

- Treasury consultation on Review of AI and the Australian Consumer Law
- Passage of legislation through Parliament regulating BNPL products (Low-Cost Credit Contracts) under the Credit Act
- ASIC announced its 2025 enforcement priorities
- ASIC announced creation of the 'Simplification Consultative Group'

DECEMBER 24

- 2024 AFIA Conference in Sydney
- AFIA launches Cybersecurity toolkit for members
- RBA issues paper on Review of Merchant Card Payment Costs and Surcharging
- AFIA published updated Car Rental Code of Practice
- Financial Reporting on Climate-related commitments (Webinar)
- Inaugural ATO & AFIA Industry Roundtable
- CFR commences review of Small and medium-sized banks
- Government launches the first version of the Regulatory Initiatives Grid (RIG)
- Treasury consultation on CDR Rules: Non-bank lending
- AFCA completes 3-year program responding to Independent Review
- AFIA Car Rental Group meeting

JANUARY 25

- AFIA makes FY26 pre-budget submission to Treasury
- ASIC releases Info Sheet 285 BNPL credit contracts: credit licensing
- ASIC releases 'Key issues outlook 2025'
- Treasury announces a post-implementation review of the Compensation Scheme of Last Resort (CSLR)

FEBRUARY 25

- RBA initiates monetary policy easing, reduces the cash rate to 4.10% from 19 February.
- Treasury consultation on BNPL Low Cost Credit Regulations
- ASIC consultation paper 382 – draft Regulatory Guide Low Cost Credit Contracts
- Treasury consultation on mandating cash acceptance
- Scams Prevention Framework legislation passes parliament
- 'Ashurst – Understanding the Conduct Regulator' (webinar)
- 'SEC Newgate – Mood of the Nation' (webinar)
- 'Mandatory Climate Reporting: Are you ready' (webinar)
- 'ASIC reportable situations regime' (webinar)

MARCH 25

- ASIC – Conversation with the regulator (Webinar)
- ASIC reissues RG209 Responsible Lending Obligations Guidance clarifying treatment of HELP loans
- AFIA Chief Risk Officer (CRO Forum) – (Sydney)
- AFCA – Working with Industry and Consumers (Webinar)
- ASIC consultation on BNPL reform CP382 (Low-cost credit contracts)
- Inaugural NBL CEO Roundtable
- AFIA published updated Insurance Premium Funding Code of Practice
- AFIA launches 'The role of the Finance Industry in the transition to Sustainable Transport' report at inaugural Future of Mobility Summit
- AFIA Beyond Roads: The Future of Mobility Summit
- ASIC issues Report Falling short: Compliance with the small amount credit contract obligations
- ASIC issues RG280 Sustainability Reporting

APRIL 25

- AFCA consultation on approaches to family violence and financial elder abuse
- AFIA Executive Exchange Forum (Melbourne)
- AUSTRAC – Talking Financial Crime (Webinar)
- ASIC consultation on discussion paper on the dynamics between public and private markets
- AFIA Car Rental Group meeting
- ASIC releases Info Paper 250 giving AFS and credit licensees information about their representatives
- Treasury releases the Pre-Election Economic and Fiscal Outlook (PEFO)
- 'Creditor Watch business risk index' (webinar)

MAY 25

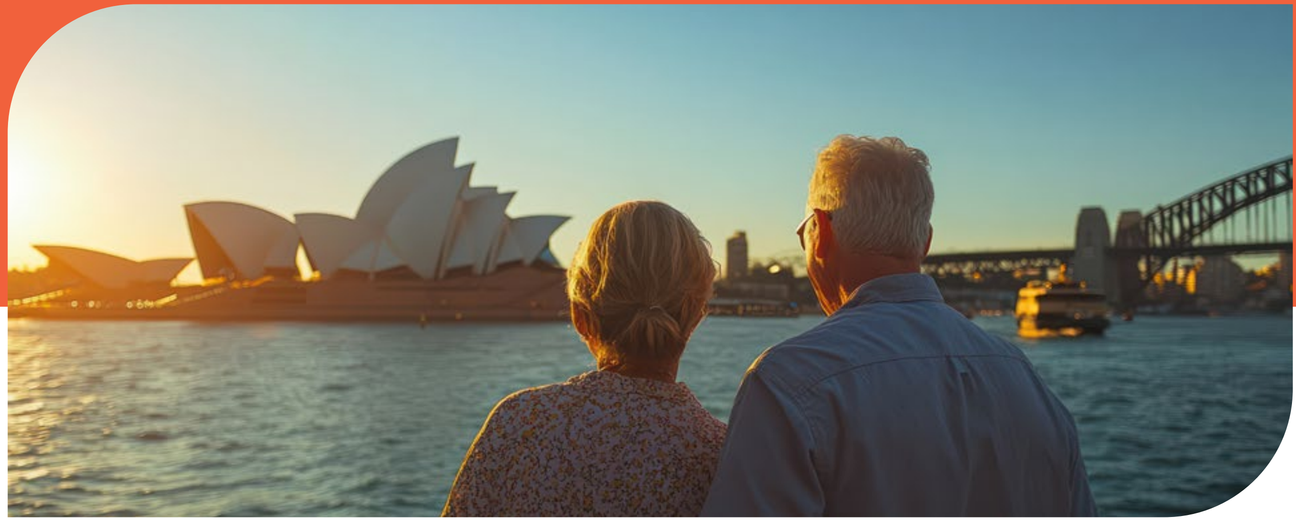
- ASIC publishes RG 281 Low Cost Credit Contracts
- RBA reduced case rate to 3.85%
- NSW Parliament inquiry into infrastructure for elective and alternative energy source vehicles in NSW
- AFIA Chief Risk Officer (CRO) Forum – (Sydney)
- The Impact of AI on the Finance Industry (Webinar)
- AFIA Executive Exchange Forum (Sydney)
- AFIA Executive Exchange Forum (Brisbane)
- AFIA Chief Risk Officer (CRO) Forum – (Melbourne)
- ASIC CP383 consultation on reportable situations and internal dispute resolution data publication
- CDR data standards authentication uplift (CD 369 and CD367)
- AFIA launches 'The impact of Artificial Intelligence on the Australian Finance Industry' report
- 'Ashurst – Understanding the conduct regulator – part 2' (webinar)
- 'Economic insights with Warren Hogan' (webinar)
- 'GenAI in action: Where are the opportunities' event

JUNE 25

- Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024 commences 10 June and AFIA announces review of the BNPL Code to align with the new laws
- Strengthening Australia's Cyber Resilience – Insights from the ASD (Webinar)
- Treasury and ASFI launches Australia's Sustainable Finance Taxonomy
- Attorney General's Department consultation on document verification standards
- The impact of AI on the Australian Finance Industry (Webinar)
- AFIA releases 2024 EV and Hybrid Vehicle Finance report
- 2025 AFIA Risk Summit
- AUSTRAC second consultation on new AML/CTF Rules
- ACCC Scamwatch Update (webinar)

Leadership & FY25 Priorities

1 Advocating for a balanced regulatory framework that instils trust and confidence in Australia's finance industry



In FY25, AFIA engaged extensively with governments, regulators, and industry stakeholders to advance a balanced regulatory environment that strengthens trust in the finance industry.

Over the year, we managed more than 60 active policy issues, coordinating dozens of submissions, confidential letters and engagements with Ministers, relevant Treasury portfolio representatives and government departments. These covered the breadth of the regulatory agenda, from big public policy debates, to market conduct and prudential regulatory oversight and consumer protection, through to technical issues covering payments system reforms, anti-money laundering rules, and reporting obligations.

Policy engagement and submissions

Our advocacy ensured members' voices were represented in major reviews and consultations, including:

- ASIC Regulatory Guide 274 – Design and Distribution Obligations (28 August 2024): AFIA supported the proposed clarifications that a Target Market Determination (TMD) must be assessed against an objective test. This ensures greater certainty for industry participants in complying with the obligations under the Corporations Act.
- Pre-Budget Submission (31 January 2025): We called for stronger support to enable responsible lending and innovation in financial services. Proposals included targeted investment in digital infrastructure, clean and green finance, and enhancements to the Consumer Data Right (CDR). AFIA also urged the Government to reduce regulatory burden, improve competition, and ensure access to finance for consumers and small businesses.
- Council of Financial Regulators (CFR) Small and Medium-Sized Banks Review (14 February 2025): We advocated for a regulatory framework that supports diverse business models and innovation while avoiding unnecessary barriers to entry. The submission highlighted the need for improved access to funding, a stronger AOFM role, updated ASIC guidance on RLOs, proportionate lending rules, an improved Restricted ADI pathway, and better regulator-industry engagement.
- ASIC Discussion Paper on the dynamics between public and private markets (28 April 2025): We noted that there are a range of different non-bank financial intermediaries (NBFIs), with private credit and non-bank lenders performing different activities and serving different forms of credit demand in the market, areas usually unserved by banks. We also noted that Australia's financial system relies on efficient markets, to allocate Australia's scarce financial and other resources to their greatest benefit, supporting productivity and prosperity.
- ASIC's Consultation Paper 383 relating to "Reportable situations and internal dispute resolution data publication" (20 May 2025): AFIA expressed substantial concerns about the proposal to publish financial firm-level data on RS and IDR reporting, noting that without sophisticated data analytics and deeper assessment of different business models, publication of data could be misleading even with contextual statements. ASIC subsequently decided not to proceed with the publication of firm-level data on RS reporting.
- Treasury Laws Amendment (Responsible BNPL and Other Measures) Bill 2024 (28 June 2024): AFIA welcomed the Government's adoption of a proportionate and scalable approach to regulating BNPL products within the National Consumer Credit Protection Act. Minor refinements were suggested.

Research and thought leadership

Regulation plays a critical role in ensuring consistency, transparency, and accountability across financial markets, providing industry participants with clear obligations assessed against objective standards under frameworks, like the Corporations Act. This fosters trust and stability, which are essential for protecting consumers and maintaining confidence in the financial system. At the same time, regulation must be proportionate and adaptable to avoid creating unnecessary barriers that stifle innovation or limit access to finance.

Balancing these objectives is vital for enabling businesses to "get on with the job" while supporting economic growth. AFIA is fostering thought leadership to shape strategic dialogue and by developing practical tools for industry to navigate regulatory change effectively. By embedding flexibility and collaboration into regulatory design, the industry can maintain strong accountability standards while fostering dynamism and resilience. Some highlights:

- AFIA convened the inaugural Non-Bank Lending (NBL) CEO Roundtable in March 2025 bringing together NBL CEOs to coordinate our leadership, agree to work together to better promote the role of NBLs in our economy, and enhancing membership in this key sector, particularly residential-mortgage lenders.
- Launched AFIA's Privacy Compliance Resource to assist member compliance with the Australian Privacy Principles, the Privacy Act 1988 and related privacy issues.

Events and member engagement

We also facilitated critical member engagement through forums and events with regulators and external stakeholders, providing direct opportunities for dialogue on regulatory expectations and industry practice. These included:

- AFCA Update: Trends, Rules, and Tools for the Future (Nov 2024): Members discussed complaint trends, rule changes, and tools to improve dispute resolution.
- AFCA: Working with Industry and Consumers (Mar 2025): Focused on collaboration between AFCA and financial firms to resolve complaints and strengthen outcomes.
- ASIC: Conversation with the Regulator (Sep 2024 and Mar 2025): Gave members direct access to ASIC leadership to hear priorities and provide feedback on emerging issues.
- AUSTRAC: Talking Financial Crime (April 2025) webinar to assist members in strengthening their Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) programs to meet their compliance obligations and weather the market challenges ahead.
- AFIA CRO Forums (Sydney, Melbourne, national): Brought together Chief Risk Officers across our members to share insights and engage with regulators on key risk and compliance topics.
- Hosted Economic Insights with Warren Hogan in May 2025, providing members with expert analysis of macroeconomic conditions and outlook.
- Partnered with SEC Newgate for the Mood of the Nation briefing in February 2025, delivering insights on consumer confidence and political sentiment.
- With Associate member Ashurst, delivered a series called 'Understanding the Conduct Regulator' in February and May to help members better understand emerging issues in the regulatory landscape, how regulators like ASIC respond and what members can expect as a result.

2 Promoting a leading and safe digital economy to support innovation in finance, economic participation, and financial inclusion

A key strategic priority for AFIA in FY25 has been promoting a leading and safe digital economy, ensuring regulation supports innovation while protecting consumers and strengthening participation across the financial system.

Our work focused on producing research to influence public policy debates, shaping legal and regulatory frameworks, and delivering practical insights to members through targeted events.

Policy engagement and submissions

Some examples:

- Contributed to the Department of Industry, Science and Resources proposals paper on introducing mandatory guardrails for AI in high-risk settings.
- Contributed to Treasury's review of AI and the Australian consumer law recommending the existing provisions continue to be appropriately monitored without introducing AI-specific amendments.
- Contributed to the review of tax regulator secrecy exceptions and engaged on digital ID and customer consent frameworks being developed by the ATO.
- Submitted on Consumer Data Right (CDR) consultations, advocating for standards that reflect the distinct nature of non-bank lending and BNPL products, and are now focused on refining standards and preparing members for implementation.
- Contributed to the Treasury on the Scams Prevention Framework building on the earlier consultation regarding a mandatory industry code for scams.
- Contributed to the Senate Economics References Committee inquiry into Australia's Financial Regulatory Framework for Home Ownership.
- Engaged with Treasury and the OAIC on access seeker provisions in the Privacy Act and credit reporting information, following the Government Review of the Privacy Act and the Independent Review of Australia's Credit Reporting Framework.
- Submitted to the RBA Review of Merchant Card Payment Costs and Surcharging supporting a mechanism that can support continued innovation for the benefit of consumers, businesses and the broader economy.

Research and thought leadership

AFIA is driving thought leadership in the digital economy by actively engaging in policy development and shaping discussions on critical issues such as AI regulation, privacy, data standards, and scam prevention. Through these contributions, we help ensure that regulatory frameworks support innovation, competition, and consumer protection. At the same time, we equip our members with insights and resources to anticipate and respond to emerging trends, enabling them to adapt confidently to a rapidly evolving digital landscape. This approach positions AFIA as a leading voice in fostering a secure, innovative, and future-ready financial services sector. Some highlights:

- Published the landmark AI in Financial Services Report with King & Wood Mallesons and Sapere in May 2025.
- Used the report to engage directly with Treasury and the Department of Industry, Science and Resources on proportionate regulation of AI.
- Launched AFIA's Cybersecurity Toolkit which provides practical, evidence-based tools designed for small to medium finance firms to strengthen cyber resilience and achieve foundational security maturity efficiently.

Events and member engagement

Some examples:

- Hosted Strengthening Australia's Cyber Resilience, GenAI in Action, and a webinar on the Impact of AI on the Australian Economy in May 2025.
- ACCC Scamwatch (June 2025) a critical industry update with experts from the Australian Competition and Consumer Commission (ACCC) and Scamwatch, Australia's national platform for scam reporting and awareness.
- Hosted insights from the ASD, Strengthening Australia's Cyber Resilience (June 2005) as the industry explored the latest cybersecurity trends and statistics impacting Australian organisations threat predictions for 2025 and 2026.

3 Improving access to affordable and sustainable finance to drive economic growth and financial wellbeing for Australians

In FY25, we made significant progress in advancing policies that strengthen access to finance while ensuring it remains affordable, sustainable and inclusive.

Our work spanned complex regulatory and tax reforms, new frameworks for supporting vulnerable customers, and initiatives to embed sustainability into financial services. Through submissions, consultations and member engagement, we ensured the industry's voice was heard and positioned AFIA as a key contributor to reforms that shape both consumer outcomes and the broader economy.

A feature of the year was the growing intersection between financial policy and broader social and environmental goals, as debates on sustainability, resilience and fairness increasingly shaped regulatory agendas. AFIA's role has been to ensure that these ambitions are met in ways that also preserve competition, innovation and access, positioning the industry to support both immediate consumer needs and Australia's long-term economic transition.

Policy engagement and submissions

Some examples:

Financial Wellbeing

- Engaged with AFCA on issues relating to credit and debt repair agencies, highlighting risks to consumers and the need for consistent standards and oversight.
- Submitted to the ATO's Vulnerability Framework consultation, supporting its guiding principles of fairness, equity, empathy and accessibility, and recommending alignment with existing industry initiatives to avoid duplication and ensure a coordinated whole-of-system approach.
- Engaged with AFCA's consultation on approaches to financial violence and financial elder abuse.

Economic growth

- Advocated for globally aligned sustainability reporting standards and has supported and contributed to the development of the reporting standards from their inception.
- Contributed to Treasury and ASIC work on sustainable finance frameworks, including draft climate disclosure guidance, advocating for proportionate reporting obligations that provide certainty while supporting investment in sustainable activities. This year, it was pleasing to see the finalisation of the reporting requirements with ASIC's issuance of the Regulatory Guide 280 Sustainability Reporting.

Research and thought leadership

Sustainability remains a core priority for AFIA. AFIA members are at the forefront of Australia's transition to a low carbon economy, creating and distributing innovative finance products and project financing that power Australian consumers and businesses to adopt low carbon and zero carbon technologies. We are committed to supporting the development of priority areas of the Government's Sustainable Finance Roadmap as we continue our advocacy for consistent standards for managing climate related financial risks.

Transport is in the top three sources of emissions in Australia, and it is also a growing source of emissions. To achieve the necessary emissions reductions in transport the nation requires a suite of policies, including upfront discounts, faster charging infrastructure, and stronger public-private partnerships, to maintain momentum.

This year AFIA harnessed the strength and breadth of its vehicle financing membership to delve deeper into the opportunities and roadblocks for electronic vehicle uptake. We advocated for reforms at our appearance at the House of Representatives Standing Committee on Climate Change, Energy, Environment and Water, Inquiry into the transition to electric vehicles in July 2024.

AFIA co-developed thought leadership and state-of-play reports on the potential and actual contribution of the finance industry to decarbonisation transport, particularly light vehicles:

- AFIA and Deloitte Access Economics, 'The role of the Finance Industry in the transition to Sustainable Transport' report (March 2025)
- AFIA EV and Hybrid Vehicle Finance report: Driving Down Australia's Emissions report (June 2025)

Events and member engagement

Some examples:

- Hosted inaugural Future of Mobility Summit in Sydney to explore how the finance industry is contributing to, and can further assist in, the transition to sustainable transport.
- Launched AFIA's ESG portal offers industry commentary, resources, and interactive tools on current Environmental, Social and Governance (ESG) thinking, designed to assist members to monitor and report their ESG performance. The portal assists members to first understand their role in decarbonisation, explore how to performance manage greenhouse gas emissions, learn about the climate risk drivers and how members can use scenario analysis to identify and prepare for climate-related risks.
- Quarterly webinar series with AFCA to provide members with information on vulnerable customers and hardship.
- AFCA/AFIA roundtable was held in Melbourne in July 2024 to hear insights on the latest data and trends relevant to AFIA members, as well as systemic issues causing complaints to be raised
- With Uniting, delivered financial hardship and customer vulnerability training in August 2024.

Media

Key High-Impact Stories

10/2024 STOCKHEAD

CEO quoted in an article on the regulation of BNPL and AFIA's Buy Now Pay Later (BNPL) Code of Practice, which was syndicated across News Corp mastheads

12/2024 startupdaily.

Mention of AFIA's BNPL Code in a Startup Daily article discussing BNPL regulation in Australia

12/2024 FINANCIAL REVIEW

AFIA's submission to the RBA quoted in AFR article regarding merchant card payment costs and surcharging

3/2025 The Sydney Morning Herald

CEO quoted in SMH exclusive story on AFIA's EV & Hybrid Vehicle report

Is this stopping you from buying an electric vehicle?

Sumeyya Ilanbey
March 28, 2025 – 3.30pm

3/2025 Streem

CEO interviewed on AuzBiz following the launch of AFIA's EV & Hybrid Vehicle report

3/2025 insurance News.com.au Insurance BUSINESS

Feature of AFIA's Insurance Premium Funding (IPF) Code of Practice update in Insurance News and Insurance Business

4/2025 THE AUSTRALIAN

CEO quoted in The Australian in an article on ASIC's review of the private credit market

5/2025 CAPITAL BRIEF

CEO Opinion Editorial published in Capital Brief: *Markets, not meddling, are key to economic growth*

5/2025 FINANCIAL REVIEW

CEO quoted in AFR story on AI in the finance industry, along with reference to AFIA's AI report

ANZ tech boss touts AI agents to lift bankers' productivity

James Eyers Senior Reporter

6/2025 Streem

CEO interviewed on AusBiz following the launch of AFIA's AI Report

6/2025 FINANCIAL REVIEW

CEO quoted in AFR on BNPL reforms

6/2025 THE AUSTRALIAN

CEO quoted in The Australian on BNPL reforms

6/2025 The Sydney Morning Herald

CEO quoted in SMH exclusive story on AFIA's EV report and the importance of maintaining FBT exemption

End of tax breaks for hybrid vehicles drives row over future of EVs

Mike Foley
June 15, 2025 – 12.01am

6/2025 aap

CEO quoted in AAP article on AFIA's EV & Hybrid Vehicle report and the importance of maintaining FBT exemption, which was syndicated across 73 outlets

Key Metrics

Direct mentions

203

AFIA was uniquely cited or quoted in 203 direct mentions across online, print and broadcast media, importantly reflecting our key advocacy activities, industry positions and campaigns.

Channels

89%

Online and print were the strongest channels, accounting for over 89% of coverage, aligning with where decision-makers and influencers are most active.

Industry reach

72%

More than 72% of all coverage appeared in mainstream outlets or key industry publications, ensuring AFIA's voice reached policymakers, regulators and business leaders directly.

Leading sources

High-value coverage featured in the Australian Financial Review, The Australian, The Age and Sydney Morning Herald, Capital Brief and specialist trade outlets, such as Broker Daily.

Coverage Themes

AFIA was consistently featured in connection with priority issues, reinforcing its thought leadership role:

- Balanced Regulation – over 35 mentions on BNPL regulation, maintaining AFIA's prominence in this evolving regulatory space.
- Digital economy & Innovation (AI adoption and digital transformation) – over 15 mentions, positioning AFIA as an authoritative voice on technology and digitisation in our economy, and forward-looking on emerging challenges.
- Affordable & Sustainable Finance (EV and hybrid vehicles) – more than 70 mentions, with AFIA reports and commentary driving the conversation.
- Broader coverage on non-bank and private credit lending as well as ASIC/APRA regulation extended AFIA's reach across key policy areas.

Media Engagement

- AFIA published 17 media statements, which were distributed widely in FY25.
- AFIA's presence in the media was marked by more high-impact opportunities than previous years, including background briefings, op-eds, exclusives and feature quotes in mainstream outlets.
- AFIA hosted its inaugural media dinner, a very well-attended event that provided an opportunity to bolster relationships with tier one journalists. This initiative laid the foundation for deeper engagement and is expected to support a further lift in coverage quality going forward.

Scale of Regulatory Changes

AFIA advocacy on regulatory changes during the FY25 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.

Treasury

BNPL legislation and regulations

Pre-Budget submission

Mandating cash acceptance

CDR Data Standards uplift

CDR NBL regulations

CDR Rules: Consent and Operational Enhancement

AI Mandatory Guardrails (Industry)

Scams Prevention Framework

Digital platforms – a digital competition regime

Franchising Code of Conduct

Licensing regime for the franchising sector

Reforming mergers & acquisitions

Responsible Lending Obligation – Small Business Exemption Extension

Regulatory Initiatives Grid – Edition 1

Scams Prevention Framework

Small and medium-sized banks review

Unfair trading practices

AI and the Australian Consumer Law

Tax regulator secrecy exceptions

Federal Parliament

BNPL Legislation Inquiry – Senate Economics Legislation Committee

Financial Services Regulatory Framework in relation to Financial Abuse

ACCC

Airport Monitoring Program

AFCA

Approach to family violence and Approach to financial elder abuse

2025 Rules update

AGD

Personal Insolvency – Minimal Asset Procedure

AML/CTF Programs

Privacy and Other Legislation Amendment Bill 2024

Identity Verification Services

Australia's Credit Reporting Framework – Final Report

ASIC

Record keeping for Australian financial services licensees when giving personal advice (CO 14/923)

ASIC Corporations and Credit (Breach Reporting – Reportable Situations) (instrument 2021/16)

ASIC Credit (Breach Reporting – Prescribed Commonwealth Legislation) (Instrument 2021/801)

ASIC Regulatory Guidance on DDO (RG274)

ASIC BNPL regulatory guidance RG 281: Low cost credit contracts

ASIC Regulatory Guide "Sustainability Reporting"

Australia's evolving capital markets: A discussion paper on the dynamics between public and private markets

ASIC CP 383 – Reportable situations and internal dispute resolution data publication

RBA

Retail Payments Regulation: Merchant Card Payment Costs and Surcharging Issues Paper

AUSTRAC

New AML/CTF Rules

Second round AML/CTF Rules

Other

Farm debt mediation in Victoria

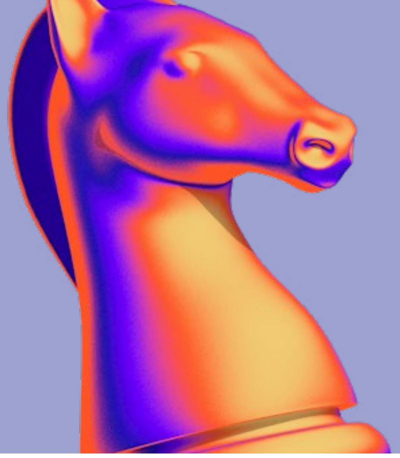
Principles of Reciprocity and Data Exchange (PRDE)

Compensation Scheme of Last Resort (CSLR)

Credit reporting code ARCA guidance

NSW Legislative Assembly Committee on Transport and Infrastructure inquiry into Infrastructure for electric and alternative energy source vehicles in NSW

Depth of Member Engagement



Our member engagement programs have continued to grow in depth and impact, offering vibrant opportunities for connection, sharing, and leadership.

Through our boardroom conversations with industry CEOs, high-energy senior executive exchanges and leadership forums, professional development webinars, and policy and sub-sector committees, each experience is designed to spark ideas, foster collaboration, and build capability.

These engagements provided members with access to timely insights and practical tools that support organisational compliance, industry improvements and professional growth.

Every initiative is crafted to not only develop individual expertise, but also strengthen the collective influence of our community across the industry.

This year, AFIA has welcomed financial firms into our membership. However, we have also seen some members depart, with this year's member retention rate being influenced by broader economic and operational shifts across the finance industry. Structural changes such as mergers, acquisitions, private equity activity, and corporate restructures—including closures and receiverships—have directly impacted our membership base. While these changes reflect the evolving nature of the industry, they have also led to a reduction in member organisations. Despite this, AFIA remains committed to supporting members through transition periods and continues to engage actively with members to ensure the value of membership remains strong and relevant.

81%

Reputation score

+38%

Net Advocacy Score

89%

Member retention rate

"They have insightful events and webinars that are an effective medium for connecting industry."

– Fintech provider

"The member portal is excellent, a great tool … it allows people to pick up and put down when you're in slightly different time zones. Attending live events doesn't often happen, so the portal actually is a great tool."

– Non-bank lender

"AFIA has established a strong reputation with industry, regulators and other stakeholders. Its submissions are consistently framed constructively, offering balanced and practical options to address key issues."

– Non-bank lender

Depth of Member Engagement

61
Number of events

2,271 Number of Registrations

> *“AFIA has established a strong reputation with industry, regulators and other stakeholders. Its submissions are consistently framed constructively, offering balanced and practical options to address key issues.”*
>
> – Non-bank lender

31
Virtual events

1,683 Number of Registrations

ACCC Scamwatch Webinar
Best Performing Virtual Event

30
In person events

588 Number of Registrations

2024 AFIA Conference
Best Performing In Person Event

Industry Data

Our data reports deliver comprehensive trend analysis and benchmarking insights to our members. These reports are instrumental in providing members with valuable data insights but also strengthening our advocacy efforts by providing a robust evidence base for policy development.

Motor Finance

Motor finance continued to expand in FY25, with new business value reaching $33.96 billion, a 5.27 per cent increase on the previous financial year.

Transaction numbers grew more modestly, up 3.2 per cent, reflecting higher average loan values. The shift towards low-emission vehicles accelerated. Non-ICE and hybrid finance reached $14.8 billion, with non-ICE volumes up 8.98 per cent by value and 22 per cent by number in FY25. Hybrid finance saw even stronger growth, rising 65.2 per cent in value and 62.8 per cent in volume, underscoring consumer appetite and policy incentives driving uptake.

Growth was broad-based across customer segments. Consumer motor finance rose 6.03 per cent, while commercial lending increased 4.98 per cent, pointing to resilience in both household and business demand.

Channel performance was mixed. Direct sales grew 13.1 per cent in volume, well ahead of the market, while brokers and dealers remained steady, leaving average growth across all channels at 4.3 per cent. By product, novated leases increased nearly 10 per cent in volume, reinforcing their role in the net zero transition, while other leases grew almost 20 per cent, marking the strongest segmental rise, and shift in ownership versus leasing preferences.

Growth in New Business:

New Business Volume: +3.2% year-on-year	3.2%
New Business Value: +5.27% year-on-year	5.27%

Keep on promoting opportunities for members to interact with AFIA, external stakeholders, and each other."

– Motor financier

They really represent genuine and fair direction for the industry that they operate in and invest a lot of time and effort and resources in driving change."

– Non-bank lender

Industry Data

Car Rental

The car rental sector saw a small improvement in customer usage, reflected in higher transactions across all States and Territories. Despite the increase in transactions, rental revenue remained fairly stagnant.

Customers have indicated a preference for conducting business through online mediums with airport and non-airport bookings remaining relatively unchanged over the previous financial year.

Mirroring FY24, QLD again emerged as the largest contributor to car rental activity in FY25, averaging over 100,000 transactions a month. Notably, WA and Tasmania experienced the biggest improvements in transaction volumes.

Cars continue to be the main revenue driver contributing nearly 70 per cent (~$1.2billion) of all revenue. However, revenue overall is seeing a continued year on year downward trend (down 2.2 per cent compared to previous financial year).

Truck revenue also experienced a decrease of 1.5 per cent over in FY25, after a significant gain in FY24.

While passenger vehicles continue to lead in both transaction volume and fleet size, heavy commercial vehicle transactions recorded a substantial year-on-year increase of over 16 per cent, indicating a notable shift in market needs.

Counter Products (CP) revenue
12.6% year-on-year.

$323.9m

Rental revenue
down 2% FY23–24
(fairly stagnant).

$1.79b

Transactions
up 3.3% FY23–24.

$4.6m

All States: Increase in transactions compared to the previous financial year. Average growth across all jurisdictions of 3.7%.

3.7%

Queensland (QLD):
Largest contributor to CR activities. Average of over 105,000 transactions per month.

105K+

Tasmania (TAS) and Western Australia (WA):
Equal greatest improvers, +6% respectively.

6%

"I think they punch above their weight because they do their job effectively and maintain a strong reputation — one built on providing reliable, practical information that helps people make decisions. They're a trusted and dependable source on the industry and its key issues."

– Car rental / Fleet services provider

Car Rental Revenue:
Made up nearly 70% of all revenue this FY (~$1.2 billion). Down 2.2% on the previous financial year.

2.2%

Truck Rental Revenue:
Down 1.5% on the previous FY.

1.5%

Passenger Vehicles:
Accounted for approx. half of all transactions this FY, and increased 10.5% on the previous FY.

Heavy commercials:
Transactions up over 16%.

Light commercials and SUV:
Transactions down 13% and 2.5% respectively.

Industry Data

Novated Leasing

Novated leasing has cemented its position as one of the fastest-growing segments of finance.

In motor finance, novated leasing accounted for almost half of all new lending flows, with double-digit growth in both loan value and volumes. Receivables grew to more than $171 billion, reflecting both strong consumer demand and the product's role in supporting salary packaging and vehicle affordability.

In equipment finance, novated leasing growth was striking. Net receivables surged by 75 per cent to $41.4 billion, and new business expanded nearly 40 per cent. Both measures reached their highest levels in AFIA's five-year reporting history in this sector.

> *"AFIA's data and insights have been instrumental in helping us navigate and understand growth trends in the novated leasing sector. It's a great example of how industry intelligence can drive better outcomes and elevate member value."*
>
> – Novated Leasing provider

Motor Finance

New business (NB): increased 10.36% year-on-year, with the number of contracts up over 9% — **10.36%**

Average monthly NB: $822 million, up from $744 million in the previous year — **$822m**

Net receivables (NR): rose ~35% to over $171 billion — **35%**

NL contribution: 40% of all new business value in motor finance, up from 38% in FY24 — **38%**

Value of NL NB: Highest value of NL NB recorded since reporting commenced in FY22–23

Equipment Finance

Net receivables: increased nearly 75% to over $41.4 billion, the highest value ever recorded by AFIA — **75%**

Novated leases: new business grew ~40% year-on-year — **40%**

EF NL net receivables: rose from $23.7 billion to $41.4 billion, marking the largest increase in five years — FY 24 **$41.4b**

Equipment Finance

Equipment finance held steady in FY25, with new business value reaching $39.5 billion, averaging just over $3.3 billion per month. This was a 0.9 per cent decline compared to FY24, reflecting flat overall conditions.

Arrears improved notably. 30-day arrears fell 14 per cent and 90-day arrears declined 5 per cent, pointing to stronger repayment behaviour and resilience in customer portfolios.

By equipment type, cars and light commercials remained the largest contributors at $13.9 billion, up 6.1 per cent year-on-year. The standout improvers were aircraft and office machinery, which grew over 30 and 37 per cent respectively. On average, growth across all equipment types was 0.65 per cent.

In terms of product mix, chattel mortgages continued to dominate, averaging $2.8 billion in new business each month. Novated leases rose nearly 40 per cent year-on-year, while leases were flat and hire purchases declined by 21 per cent.

New Business Growth:

Overall New Business: –0.9% year-on-year (average monthly value $3.32 billion). — **0.9%**

State Comparison: Queensland +6.4%, Western Australia +2.9%, all other states down.

> *"The fact that their finger's on the pulse with regulatory changes is really positive. Lots of opportunity for consultation with members."*
>
> – Commercial financier

Industry Data

Buy Now Pay Later (BNPL)

BNPL (Low Cost Credit Contracts) continued its strong trajectory in FY25, expanding across all key measures.

Merchant adoption grew by 20 per cent, with more than 182,000 businesses now offering BNPL services. The number of active accounts rose above 5.4 million, a 4 per cent increase, showing BNPL's sustained reach into household budgets.

Usage also intensified. The total number of transactions climbed 26 per cent to 177 million, while transaction values grew 16 per cent to $21.1 billion. This reflects both higher frequency of use and ongoing integration of BNPL into mainstream retail and service sectors.

Merchant:
Over 182,000, up ~20% year-on-year.

182K

Active Accounts:
Over 5.4 million, up 200,000 or ~4% (including solar).

5.4m

Transaction:
$177 million, up 26% on the previous year.

FY 24 $177m

Transaction value:
$21.1 billion, up 16% year-on-year.

$21.1b

"AFIA's work with us on the BNPL Code and in the lead up and through the introduction of the new BNPL regulations has really benefitted our business, but also helped make sure as others in the industry move more towards embedding technology across their products and services, that they are ready for the future."

– BNPL provider

Insurance Premium Funding (IPF)

The IPF sector recorded strong year-on-year growth in FY25. The loan book increased 24.3 per cent to $15.4 billion, well above the growth in new lending.

New loan originations rose 4.47 per cent to $8.66 billion, showing steady but more modest expansion. The customer base grew 13.63 per cent to 1.44 million, outpacing the rise in new lending and pointing to smaller average loan sizes across a wider pool of customers. Peaks were recorded in September 2024 for new lending ($2.64 billion) and December 2024 for total loan value ($4.28 billion).

Total new loan value:
$8.66 billion
(+4.47% year-on-year)

4.47%

Total number of loans:
1.44 million
(+13.63% year-on-year)

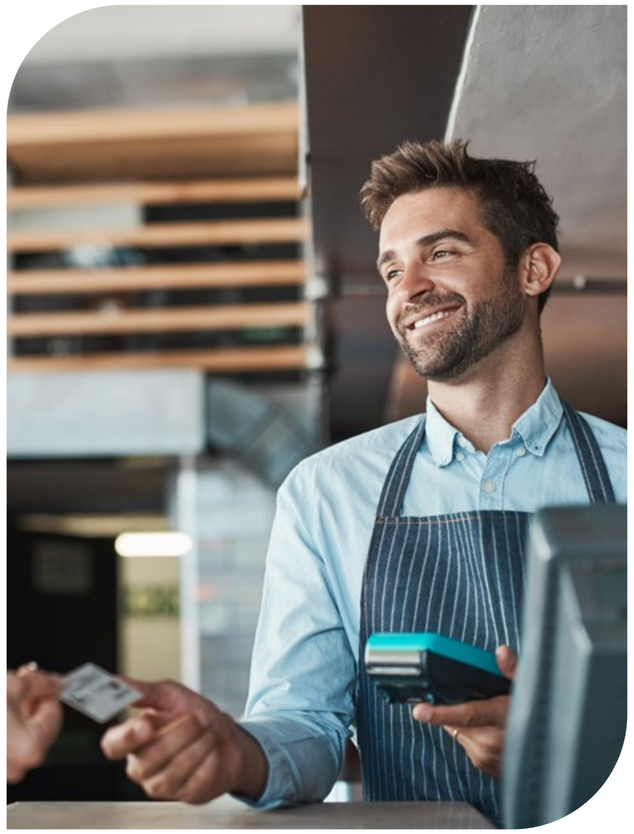
13.63%

Total loan value:
$15.4 billion
(+24.3% year-on-year)

24.3%

"Their information and focus areas reflect the issues that matter to members. They maintain a strong understanding of the industry and regulatory change. They have been proactive and maintain an effective engagement model, particularly helping us update the IPF Code."

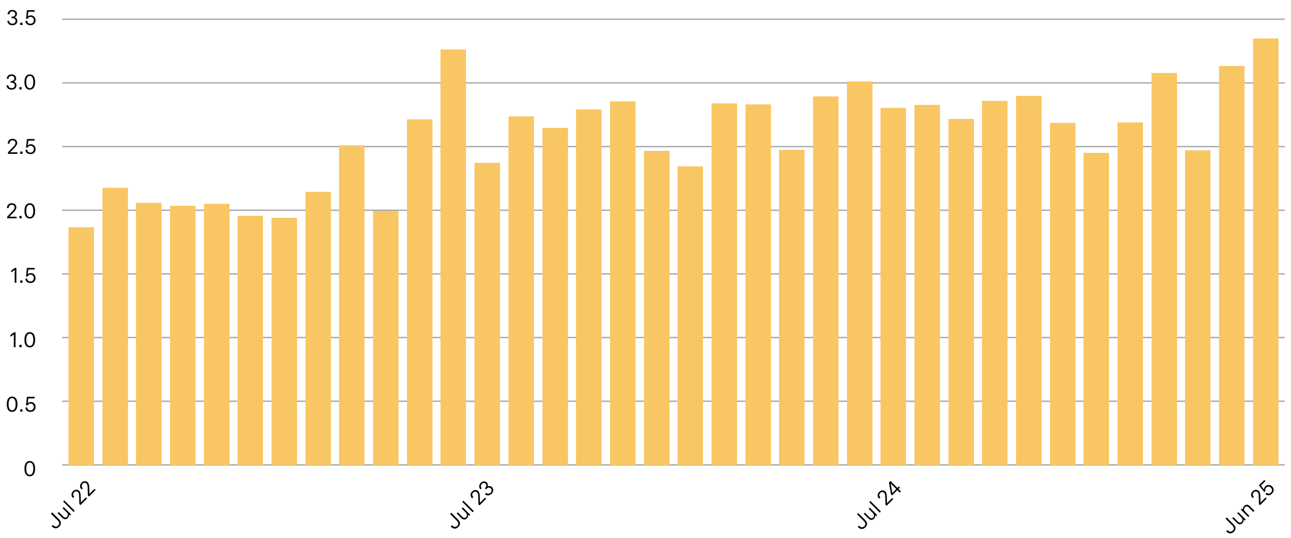
– Insurance Premium funder



Industry Data

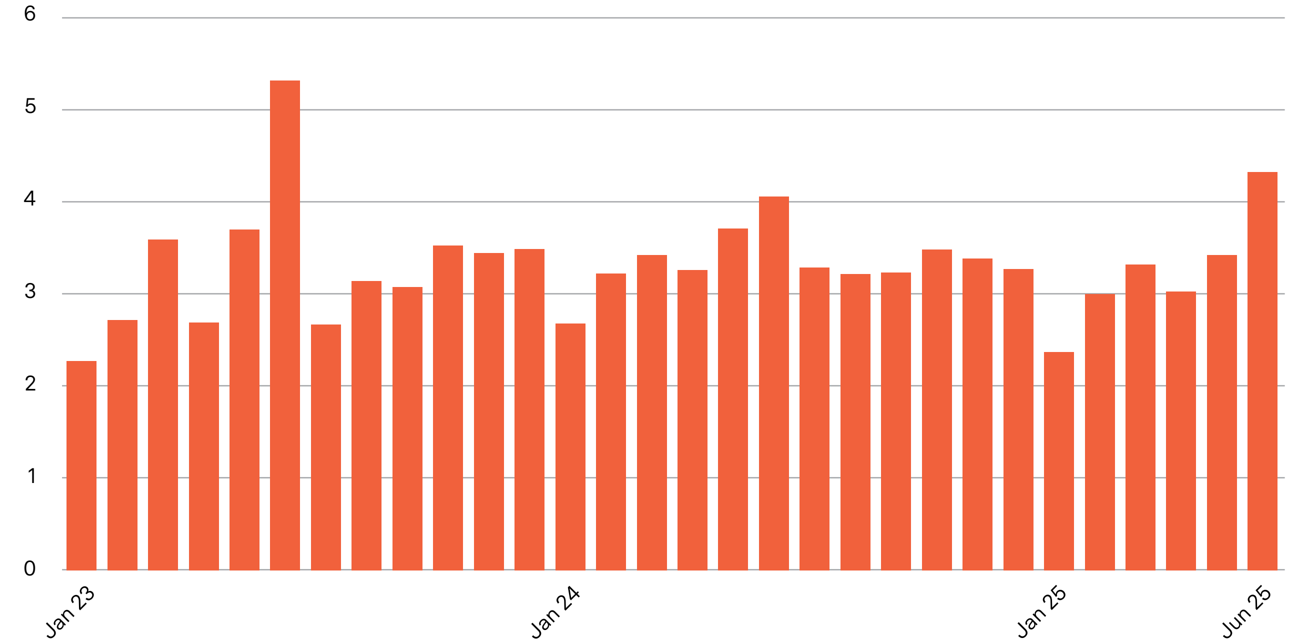
Motor Finance

New Business ($billions)



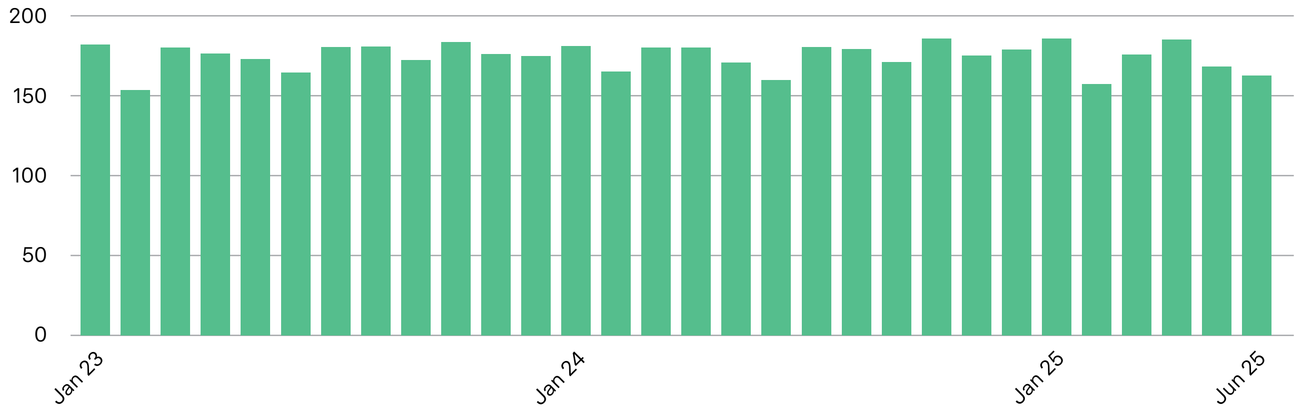
Equipment Finance

New Business ($billions)



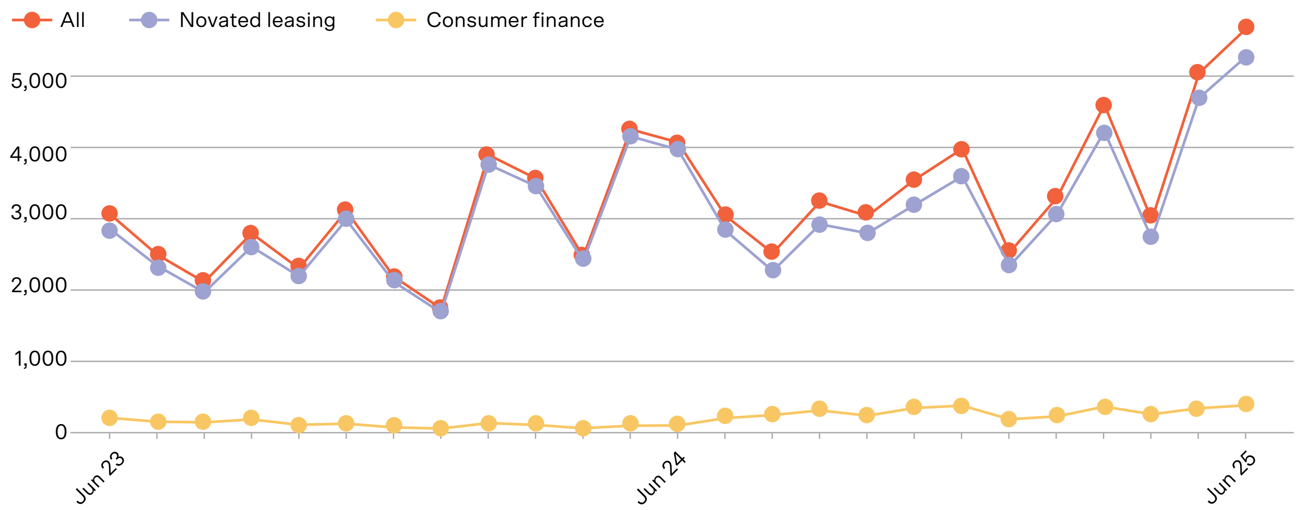
Car Rental

Total Revenue ($millions)



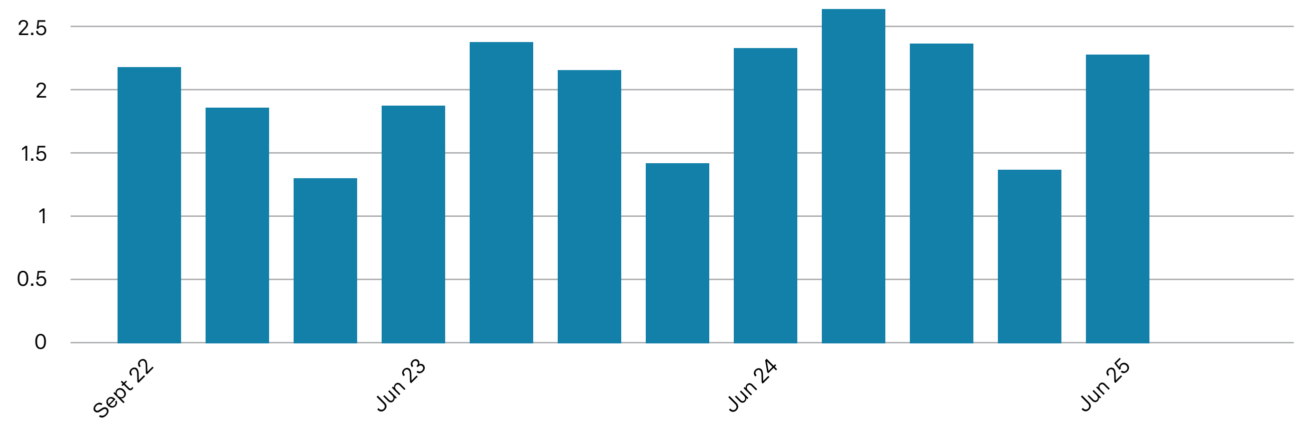
EV Finance

EVs Financed Monthly by Customer Type



Insurance Premium Funding

Total New Loans ($billions)



Board of Directors

Mario Rehayem – AFIA Chair

Pepper Money

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 20 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 well known champion of mortgage broker education, financial illiteracy, and growing the non-bank sector.

Katherine McConnell – AFIA Deputy Chair

Brighte Capital

Katherine McConnell is the founder and CEO of Brighte, a leading Australian fintech company specialising in sustainable home improvements and clean energy finance. Prior to launching Brighte in 2015, she spent over 14 years in investment banking and energy sectors, including roles at Macquarie Bank. McConnell identified a gap in affordable finance for solar and home upgrades, inspiring her to create a platform empowering homeowners to access renewable energy solutions. Under her leadership, Brighte has financed thousands of solar installations, significantly contributing to Australia's green transition. She is widely recognised for her innovation and leadership, winning numerous entrepreneurship awards.

Diane Tate – Chief Executive Officer

Australian Finance Industry Association

Diane joined AFIA as CEO in November 2019. She has over 30 years' experience in financial services and public policy, including representing the Australian financial services industry in international forums.

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 worked in the Federal Government, AUSTRAC, ASIC, and FINSIA.

Cameron Poolman

OnDeck Capital Australia

Cameron is the CEO of OnDeck Australia. OnDeck Australia, established in 2015, is a leading unsecured small business lender bringing together world-class technology, data and people to provide the fastest lending experience in Australia known as "Lightning Loans". 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.

Jon Moodie

Allied Credit

Jon is a finance company executive with over 35 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.

Reggie Cabal

ORIX Australia

Reggie Cabal is the CEO and Managing Director of ORIX Australia Corporation Limited, a leading provider of fleet management and integrated finance solutions across vehicles, equipment and property in Australia and New Zealand. Under his leadership, ORIX has been recognised as an Employer of Choice for Gender Equality (2020–present) by the Australian Government's Workplace Gender Equality Agency (WGEA).

With a background in financial services and technology in Silicon Valley and extensive leadership experience in Australia, Reggie has transformed ORIX through technology-driven solutions and modernised approaches that help customers navigate today's complex environment. Future-focused and passionate about innovation, he continues to lead ORIX in shaping the automotive and finance landscape.

Cindy Hansen

Bank Australia

Cindy is the Chief Legal Officer and Company Secretary for Bank Australia and has over 30 years' experience in the finance industry specialising in legal, compliance, and governance. Cindy worked with Qudos Bank* for 25 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.

* Qudos Bank and Bank Australia completed a merger, with commencement on 1 July 2025

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.

James Boyle

Liberty Financial

James is the Group Chief Executive Officer of Liberty Financial Group, a listed Australian non-bank lender. Liberty offers a wide range of home, car, personal and business loans, as well as SMSF lending and insurance products across Australia and New Zealand. James has been part of the Liberty Group for over 20 years and is responsible for Liberty's vision, direction and strategic execution. James has a wealth of experience spanning global institutional and retail finance and brings invaluable insights into the changing landscape of financial services industry. James is passionate about agility, free thinking, diverse cultures and contributing to better communities.

Ian Delaney

Vestone Capital

Ian has nearly 35 years of experience in the financial services sector, with a wide-ranging expertise that includes Asset Finance, Premium Funding, Securitisation, Superannuation, Asset Management, and Financial Planning. His passion lies in building successful businesses and leading teams to success through clarity, empowerment, and support. Ian became the CEO of Vestone Capital in October 2023, after previously serving as the CFO of Vestone for 3 years.

Board Committees

Nomination & Remuneration Committee

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

Financial Management, Risk & Audit Committee

Ofir Kranz (Chair)	Angle Auto Finance
Cindy Hansen	Bank Australia
Cameron Poolman	OnDeck Australia

Code Development Sub-committee

Cameron Poolman (Chair)	OnDeck Australia
Cindy Hansen	Bank Australia
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
Kaajal Fox	Now Finance
Michael Patino	RAC Finance
Darren Gore	Summit Fleet

Executive Leadership Team

Diane Tate

Chief Executive Officer

Diane joined AFIA as CEO in November 2019. She has over 30 years' experience in financial services and public policy, including representing the Australian financial services industry in international forums.

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. In FY25, Diane handed over the role of Chair of the Finance Industry Council for Australia, after holding the position for over 5 years.

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.

Affie Awards

AFIA's 2024 Annual Conference was a milestone event for our industry, bringing together leaders from across the Australian finance community under the theme *Lead Now, Shape Tomorrow*.

The conference offered an opportunity to reflect on the changes since last year, explore emerging trends, technologies and regulatory developments, and strengthen connections across our membership. Through insightful presentations, dynamic discussions and valuable networking, the event showcased the collaboration, innovation and leadership driving the industry forward.

The conference concluded with our signature gala dinner and the Affies Awards, celebrating the outstanding achievements of individuals and organisations whose contributions are setting new benchmarks for the future of financial services.

Recognising Excellence Across the Industry

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

- **Empowering Innovation:** 365 Mechanix was recognised for their disruptive innovation, setting a new standard in the industry through their 365 Collect projects. Backed by a strong culture of innovation and clear strategic direction, the team has demonstrated how bold thinking, and execution can drive meaningful change and create new opportunities across the finance industry.
- **Impactful Leadership:** David McGuire, Managing Director of Volvo Financial Services, was recognised for his exceptional leadership in fostering a culture of trust, collaboration and empowerment. His focus on wellbeing, open communication, technology adoption and strategic innovation has built a resilient, high-performing team while driving sustained growth and enhancing customer experiences. David's approach has set a benchmark for inclusive, future-focused leadership across the industry.
- **Promoting Sustainability:** FleetPartners was recognised for their holistic and integrated approach to sustainability, embedding it into their core services and across their entire value chain. With a comprehensive ESG strategy, clear targets and robust governance, along with the integration of sustainability into corporate financing through a Green Bond Framework, FleetPartners is setting a strong benchmark for responsible growth and environmental leadership in the industry.
- **AFIA Hall of Fame:** Peter Jones formerly with Nissan Financial Services and former AFIA Chair, was inducted into the AFIA Hall of Fame. Peter was recognised for his strategic vision, transformative leadership and commitment to shaping the future of financial services. He has driven growth and innovation, championed policy reform, mentored emerging leaders, and contributed through service on multiple industry boards.

The recognition of the Affie Award winners goes beyond celebrating individual and organisational success. It highlights the vital role that leadership, innovation, sustainability and community impact play in shaping a strong, future-focused finance industry. These awards reaffirm our commitment to excellence and remind us of the collective responsibility we share in driving progress, raising standards and continuing to lead positive change across the financial ecosystem.

Members

As of 30 June 2025

Consumer

- afterpay
- eastcoast car rentals
- Plenti
- affirm
- RAC For the better
- Qudos Bank
- American Express
- AlliedCredit high performance finance
- Europcar
- Goldcar
- Redspot
- Hertz
- Angle Auto Finance
- humm group
- RACV
- AVIS
- Hyundai Capital
- Taurus Motor Finance
- BC Invest
- no birds
- Thrifty Car Rental
- Bluestone Home Loans
- Latitude
- Sixt
- inside edge novated leasing
- Mercedes-Benz Financial Services
- zip
- Toyota Finance
- Brighte
- Nissan Financial Services
- Yamaha Financial Services
- Credit Corp Group
- novated lease australia
- VW
- BMW
- DRIVA
- NOW Finance
- payright

Consumer and Commercial

- resimac
- Liberty
- BOQ Finance
- nab
- me
- 中国银行 Bank of China
- Westpac
- ANZ
- Commonwealth Bank
- Bendigo and Adelaide Bank
- st.george
- azora
- SOLVAR
- peppermoney
- Westlawn

Commercial

- judobank
- ASF
- Metro
- Capital Finance
- dL financial solutions partner
- ondeck
- Flex Fleet
- Angle Finance
- shift
- FLEXI Commercial
- CNH Industrial
- Stratton Finance
- PACCAR Financial
- interleasing
- Vestone Capital
- moneytech
- Metrics
- lumi
- Daimler Truck
- ORIX
- KNOTE
- Clearmatch
- RedZed
- MORRIS
- Prospa
- elantis
- Kubota For Earth, For Life
- fleetcare
- Rabobank
- Custom Fleet
- Caterpillar
- Hunter Premium Funding
- dynamoney
- AANT Salary Packaging
- QPR Premium Funding
- IQumulate Premium Funding
- Summit Fleet Leasing and Management
- Group & General Finance
- Moula
- smart group corporation
- Hewlett Packard Enterprise
- MedproFinance
- LeaseWise Australia Pty Ltd
- Avenue Bank
- Arteva Funding
- COEX Capital
- SELFCO A division of Auswide Bank
- John Deere
- Branded Financial Services
- sgfleet
- paywise
- Volvo Volvo Financial Services
- financeone
- FleetPartners
- leaseXpress

Our Associates

- 365 Mechanix
- Affinda
- Alfa
- Allens
- Alta Group
- Ashurst
- Biza
- BRYK Group
- Clayton Utz
- Credit Collection Services Group
- Creditor Watch
- Cuscal
- Deloitte
- Dentons
- Equifax
- Experian Asia Pacific
- Finity Consulting
- FIS Global
- Fiskil
- Gadens
- GRC Solutions
- KordaMentha
- King & Wood Mallesons
- Macpherson+ Kelley Lawyers
- Moody's
- Netsol Technologies
- Odessa
- Pennant Technologies
- Pickles
- Piper Alderman
- Risk & Security Management
- SAY Consulting
- Solifi
- Traction Group

Industry Codes

Annual Report 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 2025 for inclusion in the AFIA Annual Review.

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 considered one report under ToR 10.1(a) that a Code member has, or may have, breached the Code. The 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. The CCC considered this report in accordance with its Terms of Reference and made inquiries with the Code member. The CCC's view is that the Code applies to term lending products, defined as an "Online Small Business Loan" in the Code. The CCC does not take the view that the Standard Pricing Comparison requirements in clause 14.7 of the Code, and in particular paragraphs 14.7(c) [the total repayment amount], 14.7(d) [the average repayment amount], 14.7(e) [the term], and 14.7(f) [total cost of credit], can be interpreted as applying to a revolving facility such as a line of credit. This is because the measures in those paragraphs cannot be known or calculated before the customer starts using that facility, and because the extent to which the customer uses the facility is a matter for the customer to decide based on their needs, subject to the facility's terms and conditions. Accordingly, the CCC determined no further action was required. AFCA was advised of this decision. The CCC was also consulted about an update to the Code to include a note to clause 14.5 to clarify the application of the Standard Pricing Comparison requirements. The CCC was supportive of the amendment.
(b) Consolidated analysis of Code compliance by CCMs for the period of the report as collected under clause 9.2	**Quarterly data reporting to the CCC** 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 2025, there was no evidence of systemic non-compliance. As part of its ongoing analysis of IDR and EDR data reported by Code members to the CCC each quarter, the CCC noted a statistically significant variance in the number of new IDR matters reported by one Code member, compared to the other members. Further inquiries with the Code member during the period indicated there may be differences in Code members' practices in terms of how they record IDR matters. As a result, a project was commenced to update and clarify the reporting template the CCC sets for members. There are no specific concerns about the Code member. **Compliance review in relation to disclosure requirements in the Code** During the previous reporting period, the CCC commenced an own motion inquiry in relation to compliance with clause 14 of the Code which requires members to give clear information about their products and services and to provide the Standard Pricing Comparison mandated by the Code. Members were asked to provide examples of the disclosure they give to customers, a description of their compliance and supervision arrangements in relation to disclosure and a description of how fees and charges are reviewed and determined as being reasonable having regard to the member's costs (as per clause 14.8 in the Code). This review was completed during the reporting period. Based on the information provided by members in response to the compliance review, the CCC determined no further action was required. **Annual compliance attestations** In December 2024, five of the six Code members provided their annual attestations about compliance with the Code and the CCC confirmed those members' ongoing status as a Code Compliant Member. Capify Australia Pty Limited did not provide the annual attestation in accordance with the obligations under the Code By Laws and subsequently resigned from the Code and ceased AFIA membership. The CCC notes that AFIA membership is a pre-requisite to Code membership.
(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 three times during the financial year as follows: • 18 September 2024 • 12 December 2024 • 6 March 2025 All CCC members attended these meetings. A fourth scheduled meeting in June did not proceed due to personal circumstances. The CCC also considered matters by circular outside of the scheduled meetings.

Terms of Reference – clause 12.1	Commentary
(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 industry-wide 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	Nil to report.

Symon Brewis Weston

Chair, AOSBL Code Compliance Committee

Annual Report on activities of the AFIA Buy Now Pay Later Code Compliance Committee in relation to the AFIA Buy Now Pay Later Code Of Practice (The Code)

As required by clause 12.1 of the Terms of Reference for the AFIA BNPL Code Compliance Committee (CCC), the CCC is pleased to table our report for the 12 months ending 30 June 2025 for inclusion in the AFIA Annual Review.

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 two reports under ToR 10.1(a) that a Code member had, or may have, breached the Code in the period 1 July 2024 to 30 June 2025. This compares to twenty four reports received for the previous 12 month period. Of these twenty two reports: • Eight related to customer service or account administration issues – all were dealt with in the BNPL provider's IDR process except one matter which proceeded to AFCA. This matter related to the provider's decision to close the customer's account. Three of the eight reports related to delays by the provider in responding to the customer and/or delays in providing documents. One report was about a provider declining to open an account which is a matter for the provider to determine in accordance with their credit policies. Another related to a customer's difficulty adding a card to an apple wallet. One related to a customer's account being frozen. The last matter was about a person receiving emails from a provider but claiming they had never had an account with that provider. • One matter related to a claim that a provider did not properly consider the vulnerability of a customer, and the customer's account was passed to a debt management firm. The complaint was resolved at AFCA. • Two matters were about dis-satisfaction with a product/service that was paid for using BNPL – both were referred to and resolved by the BNPL providers. The first related to a customer attempting to recover a payment from a merchant. The second related to a customer who tried to return goods to an offshore merchant. • One related to a claim of fraudulent activity on a customer's account and an AFCA complaint was made. AFCA determined the complaint had no merit and the matter was closed. • Four matters related to alleged merchant conduct in relation to solar sales. Three of these matters were on behalf of one customer in relation to three different providers. There were discrepancies in the information provided on behalf of the customer about the contracts and amounts owed and the information provided by the BNPL providers. The providers waived the remaining debts and closed the customer's accounts. The fourth matter related to a discrepancy between a solar product contract price and the amount charged at the point-of-sale. The provider refunded the customer the difference. These matters are part of the CCC's continuing compliance review of the merchant conduct provisions in the Code. • One matter was out of scope as it did not relate to a BNPL product. • In the remaining five matters where a person made contact with the CCC, either very little information was provided or the BNPL provider was not identified. In each case the Code Administrators replied to the person to obtain further information but received no response.

Terms of Reference – clause 12.1	Commentary
(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 2025, 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. The CCC commenced an own-motion compliance review during FY2024/25 in relation to the merchant conduct provisions in clause 17 of the BNPL Code, and in particular the conduct of solar sales and installation merchants where BNPL is available as a payment mechanism. This review was based on ongoing monitoring by the CCC of data reported by Code members about instances where they have taken action in relation to the conduct of a merchant. The data shows that since the beginning of 2023 over half of all matters reported by Code members related to solar merchants. The CCC has also continued to receive reports from time to time of alleged breaches of the Code that relate to merchant conduct. The CCC's compliance review commenced before the so-called "super complaint" about door to door sales was made to the ACCC, and this was not a factor in the CCC's decision to commence the review. As at the end of the financial year, the compliance review is ongoing.
(c) Information as to any Sanctions imposed by the CCC	No sanctions were imposed by the CCC during the period.
(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, four matters reported to the CCC during FY 2024/25 relates to alleged misconduct by solar merchants and BNPL providers' obligations under Part C of the Code and the minimum standards for merchants and retail partners. These matters form part of the CCC's ongoing compliance review.
(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 period as follows: • 9 August 2024 • 15 November 2024 • 6 December 2024 – meeting with ASIC • 21 February 2025 • 2 May 2025 Philip Cullum was appointed to the CCC in July 2024 for a three year term. All CCC members attended all meetings during the period.

Terms of Reference – clause 12.1	Commentary
(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	The CCC notes that the new regulatory regime for Low Cost Credit Contracts commenced on 10 June 2025. AFIA consulted with the CCC in the lead up to the commencement of the new law about the consequences for the BNPL Code, particularly in relation to areas where there could be mis-alignment or conflicts between the provisions of the Code and the new law. While the CCC considered that it was not out of the question that the Code and the new law could operate alongside each other in any areas where the Code might impose a higher standard than the law, the CCC agreed that from a consumer protection point of view, it would not be desirable for there to be conflicts between the Code and the new law. The CCC's approach to monitoring of the Code since commencement of the new law is that where any potential conflict between the Code and the new law arises, the law will have primacy.
(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	In February 2025, the CCC confirmed the continuing accreditation of six Code members for the period 1 March 2025 to 28 February 2026. Annual certification occurs on or before the anniversary of the Code on 1 March each year. Klarna Australia Pty Limited ceased as a Code member on 1 October 2024.

Jillian Brewer

Chair, BNPL Code Compliance Committee

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 required by clause 12.1 of the Terms of Reference for the AFIA IPF Code Compliance Committee (CCC), the CCC is pleased to table our report for the 12 months ending 30 June 2025 for inclusion in the AFIA Annual Review.

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 earlier in calendar year 2024 that was resolved during this reporting period. The matter was self-reported by a Code member and related to the conflicted remuneration provisions in the Code. The Code member took proactive steps to remediate a small number of legacy agreements that contained remuneration arrangements that were not consistent with the Code. An internal audit review was also undertaken and the outcome of the review was provided to the CCC in August 2024. The CCC considered the alleged breach in accordance with section 10.2 of its Terms of Reference. The CCC determined that the Code member did breach the IPF Code, but in light of the corrective measures already undertaken by the Code member to rectify the breach, the CCC concluded that no further action was required by it. The CCC did not impose a sanction. The CCC provided a written determination to the Code member in October 2024.
(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 2025, there was no evidence available to suggest systemic non-compliance. In October 2024 the CCC made inquiries with a Code member following a media broadcast that made implied allegations about dealings between related parties that were potentially detrimental to customers. However, based on information provided by the Code member the CCC concluded that there were no issues of concern related to compliance with the Code and that no further action was required by it. In September 2024, all Code members provided their annual attestations about compliance with the Code and the CCC confirmed those members' ongoing status as a Code Compliant Member.
(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 four times during the financial year as follows: • 11 July 2024 • 11 October 2024 • 4 December 2024 • 20 March 2025 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, AFIA consulted with the CCC about changes to the IPF Code of Practice, including changes to clarify the conflicted remuneration requirements in the Code. The CCC notes the revised Code was published in March 2025 and became effective on 1 July 2025.
(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 Attvest Finance Pty Ltd as code compliant. However Attvest subsequently ceased to be an AFIA member and was therefore no longer accredited, given that AFIA membership is a pre-condition.

Vicki Mullen

Chair, IPF Code Compliance Committee

The Road Ahead

AFIA's work in FY25 was anchored to our three strategic priorities: which continue to shape the foundation of our advocacy, communications, and member engagement. These strategic priorities reflect AFIA's leadership in managing regulatory complexity, driving digital innovation and fostering sustainable economic growth – all grounded in our core values.

Throughout the year, AFIA delivered significant outcomes for members by addressing more than 60 active policy issues and leading extensive engagement with government, regulators, and industry stakeholders. Our efforts influenced major legislative and regulatory reforms. We led the conversation on frameworks that foster innovation in a safe digital economy, while reinforcing consumer protections, advocated for sensible reporting obligations for sustainability and climate-related financial disclosures, and supported balanced initiatives that foster access to green finance in support of net zero.

Our research and thought leadership, including landmark reports on artificial intelligence in financial services and the finance industry's role in decarbonising transport, supported evidence-based policy, raised the industry's profile, and enabled members to navigate emerging challenges. We hosted events that connected members with key policymakers, regulators, and experts across risk, cybersecurity, consumer protection, and economic analysis, strengthening our collective capacity to adapt and lead.

As we look ahead, FY26 will be a pivotal year for the finance industry, and for AFIA's leadership within it.

Building on the foundations laid in FY25, the year ahead will require:

1. **Smarter regulation and policy reform**

   AFIA will continue to push for a regulatory environment that is proportionate, forward-looking, and promotes efficiency, competition and innovation. This includes advocating for balanced implementation of AML/CTF reforms, refined CDR standards, updated responsible lending obligations, and a regulatory framework that supports the unique role of non-bank lenders, specialist and other finance providers.

2. **Acceleration of digital transformation and AI readiness**

   With the rapid evolution of digital technologies and AI, AFIA will lead the development of practical industry guidance on ethical AI use, promote robust cybersecurity standards, and support members in adopting digital identity solutions, data analytics, and automation to improve consumer outcomes and operational efficiency.

3. **Sustainability and green finance leadership**

   AFIA will continue to play a central role in Australia's transition to a net-zero economy by advocating for consistent climate disclosure standards, EV and hybrid vehicle policy frameworks, and scalable green finance products. We will also deepen our engagement with the Clean Energy Finance Corporation (CEFC) and collaborate across sectors, aligning more strongly with the Sustainable Finance Roadmap and to ensure the finance industry is well-positioned to support decarbonisation efforts and resilience to climate risk.

4. **Enhancing member value and industry capability**

   In FY26, AFIA will expand its professional development accreditation programs to help members meet evolving regulatory, technological, and customer expectations. We will enhance our data and insights offering, deliver targeted thought leadership, and provide platforms for collaboration that build industry resilience and trust.

5. **Strengthening financial wellbeing and customer outcomes**

   AFIA will continue to prioritise initiatives that improve access to finance for all Australians, including those facing financial hardship or vulnerability as well as small businesses with differing needs. Our focus will be on advancing policies that promote fairness, sustainability, and economic participation, while supporting members to embed best practices and enhance financial inclusion.

FY25 has demonstrated AFIA's ability to lead through complexity and deliver meaningful change. From shaping regulatory reform and advancing digital transformation, to driving sustainability and improving financial wellbeing, AFIA has reinforced its position as the trusted voice of Australia's finance industry.

AFIA will build on this momentum. Yet, as we look ahead, it is clear that success will not come from continuity alone—it will require collaboration, realignment, and a renewed sense of purpose across the finance industry.

FY26 must be a year where the industry comes together to reflect on the lessons of the past, respond to emerging challenges, and reimagine the role of finance in shaping Australia's future.

Economic uncertainty, rapid technological change, geopolitical complexity, and rising social and environmental expectations demand a unified response. Going forward, this will require confronting the inevitable trade-offs —a need to balance growth with risk, regulation with innovation, and short-term measures with long-term value for customers, communities, and the economy.

AFIA believes this is the time to:

1. **Collaborate across sectors and with government** to design policy and regulatory frameworks that are proportionate, fit-for-purpose, and future-focused—supporting efficiency, competition and innovation, while protecting consumers and ensuring market integrity.
2. **Realign around shared priorities** to galvanise our collective voice as well as maintain and build trust in our finance industry. We have a critical role to play in advancing national goals, including reducing emissions, closing participation gaps, and driving productivity.
3. **Redefine the value of finance** to not only serve economic outcomes, but to support general societal wellbeing. This means creating value through delivering products that are accessible, services that are ethical, and systems that are resilient, inclusive, and transparent.

In FY26, AFIA will continue to lead with purpose—driving smarter regulation, accelerating digital transformation, championing sustainability, enhancing member capability. We will deepen our engagement with members, policymakers and regulators, and the wider community to co-create solutions that are practical, measurable, and meaningful.

With a clear strategic direction and strong foundations built in FY25, AFIA is poised to lead the finance industry through the next chapter. By working together, we can ensure finance is not only a driver of economic prosperity, but a force for lasting positive change in the lives of Australians.

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