Australian
Finance
Industry
Association

5 May 2026

AFIA welcomes measured EV tax changes while calling for broader policy push to keep momentum going

The Australian Finance Industry Association (AFIA) welcomes the release of the Government's Statutory Review of the Electric Car Discount and the decision to provide a clear, phased pathway for changes to the Fringe Benefits Tax (FBT) exemption for electric vehicles (EVs).

AFIA CEO Diane Tate said the Government's approach recognises the importance of policy stability at this critical stage in Australia's transition to cleaner transport, while supporting energy resilience and cost-of-living relief.

"This review confirms what our members are seeing in the market: the FBT exemption for EVs remains the single-most critical incentive that Australia has for cleaner vehicles, and it is working. It has helped tens of thousands of Australians move into cleaner, cheaper-to-run vehicles, supported confidence in the EV market and strengthened the link between action on net zero transition, transport policy, energy security and household costs," Ms Tate said.

"The Government has chosen a measured and staged approach to these changes, which is critical to keeping the momentum going and making sure Australians understand the policies intended to achieve national goals. A clear pathway gives consumers and businesses confidence to plan, invest and act."

Ms Tate said the FBT exemption should not be viewed in isolation, stressing the need for coordinated national policies to help Australia's EV market continue moving from early adoption to mainstream uptake.

"If Australia wants to reduce transport emissions, strengthen energy resilience and give consumers genuine choice, we need a suite of national policies that are proven to deliver: upfront discounts, fast-tracked charging infrastructure, and expanded CEFC-backed finance to make cleaner vehicles accessible to more Australians," Ms Tate said.

"The trajectory is positive, but the transition is not yet self-sustaining. The task now is to build on what is working, including learning lessons from overseas and translating them into Australia-based action, avoid stop-start policy and make sure Australians have access to the vehicles, finance and infrastructure they need.

"This is about more than emissions. It is about lowering running costs and reducing exposure to future global fuel shocks for Australian households and businesses, while strengthening our national economic and energy resilience," Ms Tate said.

ENDS

EDITOR'S NOTES

A copy of AFIA's submission to the Statutory Review of the Electric Car Discount is available here.

MEDIA CONTACT

For media enquiries, please contact Nicola Blackburn on 0450 074 434 or at nicola.blackburn@secnewgate.com.au

ABOUT AFIA

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

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

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