Australian
Finance
Industry
Association

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AFIA CALLS FOR STRONGER POLICY SUPPORT TO ACCELERATE AUSTRALIA'S TRANSITION TO NET ZERO TRANSPORT

The Australian Finance Industry Association (AFIA) has today called for major policy intervention to prevent Australia's economic transition from stalling.

A new report commissioned by AFIA and conducted by Deloitte Access Economics identifies major barriers to low-emission vehicle (LEV) adoption, including infrastructure investment shortfalls, fragmented policies, and insufficient government incentives. While the finance industry is poised to drive this economic transition, stronger government leadership is crucial to unlock investment and fast-track electric vehicle (EV) uptake.

AFIA CEO Diane Tate said, "The finance industry is driving Australia's shift to net-zero transport by providing the funding consumers and businesses need and want to access low-emission vehicles."

The finance industry is also responding to the shift in customer preferences, offering flexible options like leasing, subscriptions, and alternative ownership models to meet evolving customer demands.

However, without clear, consistent and future-focused policies, many remain hesitant to make the switch – and that has real world consequences.

"The shift to net-zero transport requires urgent and decisive action. While the finance industry is driving investment and developing financial products and new asset management models that make EVs more accessible, overcoming adoption barriers requires coordinated support from government," Ms Tate said.

"Without prioritising investment in charging infrastructure and maintaining essential financial incentives, such as the Fringe Benefits Tax (FBT) exemption, we will see EV uptake stall. And, let's not forget in a country and economy like Australia, hybrid vehicles will continue to be an important part of our net-zero transport and economic transition, especially while investment in charging and other infrastructure plays catch up.

"That's why we're calling on State and Federal governments to fast-track investment in charging infrastructure and maintain grants and incentives like the FBT exemption to keep EVs and hybrid vehicles accessible and affordable for Australian households and businesses, especially amid rising cost-of-living pressures.

"The report we release today shows the finance industry is a crucial facilitator of Australia's move to net zero transport, but government policy, initiatives and incentives are the catalyst."

Key findings from the report include:

- **Infrastructure shortfalls:** Inconsistent and unreliable charging infrastructure is a major barrier to EV uptake, leaving consumers hesitant to switch to EVs. Many regions still lack sufficient public charging stations, particularly in rural and regional areas, making long-distance travel impractical for EV owners. Additionally, the absence of real-time data on charger availability, interoperability and wait times further discourages adoption.
- **Financial incentives in limbo**: The planned end of key government incentives, such as the Fringe Benefits Tax (FBT) exemption for plug-in hybrid vehicles, is discouraging uptake of non-ICE vehicles at a critical time in our economic transition.
- **National standards needed:** The lack of a uniform EV charging standard and interoperability is making fleet adoption unnecessarily complex and costly.
- **Policy fragmentation**: Inconsistent EV incentives, fees, and road-user charges across states is creating uncertainty, administrative burdens, and additional costs for businesses and consumers. A coordinated national approach is needed to simplify investment decisions, encourage fleet adoption, and ensure equitable access to EV benefits.
- **Modernisation of payments platforms:** There is a need for a modern payments platform enabling fleet operators to seamlessly manage payments for employees as simply using a fuel card. There is currently no agreed system for fleet customers to directly charge their employers for electricity as providers of charging infrastructure are highly fragmented.

The report was launched at AFIA's *Beyond Roads: Future of Mobility Summit* in Sydney today.

A copy of the report can be downloaded here.

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ABOUT AFIA

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

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

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