



## AFIA WELCOMES REMOVAL OF FBT FROM ELECTRIC & HYBRID VEHICLES

25 November 2022: The Australian Finance Industry Association (“AFIA”) welcomes the Senate passing the Treasury Laws Amendment (Electric Car Discount) Bill to remove fringe benefits tax (“FBT”) and encourage uptake of zero and low emissions vehicles.

AFIA CEO Diane Tate said: “The government’s initiative promotes carbon neutral mobility to help tackle climate change and cut emissions. Removing FBT on electric and hybrid vehicles under \$84,916 for the next few years<sup>1</sup> is a significant step in encouraging Australians to adopt cleaner, greener transport options. Faster uptake means fewer emissions and that benefits us all.

“We also welcome forthcoming ATO guidance on when [home chargers](#) can be included in FBT-exempt vehicle packages. Our research shows charging infrastructure can require an additional upfront investment of up to \$3,500.

“The State of the Climate [report](#) published this week by the CSIRO shows the significant impact climate change is having on Australia. It’s clear action is needed to mitigate the impacts of climate change. We need to support Australian citizens and businesses to put in place the right practices to deal with changes to our climate and manage weather-related events. We don’t have a moment to waste.

“The finance sector has a key role in building capacity and capability in key sectors, supporting advanced manufacturing, and facilitating carbon neutral mobility. Transport is responsible for 16 per cent of our total emissions, yet only two per cent of new cars purchased last financial year were electric vehicles.

“Removing FBT on electric and hybrid vehicles is an important part of achieving the National Electric Vehicle Strategy. It’s clear an economy-wide push is required for us to achieve our emissions reduction targets and ambitions for net-zero, with the purchase, leasing and rental of electric and hybrid vehicles an important part of tacking climate change and cutting emissions,” Ms Tate said.

For reference:

AFIA’s submission to the inquiry into the Bill is [here](#).

AFIA’s oral evidence before the inquiry into the Bill is [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, neobanks, 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

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<sup>1</sup> Petrol-based plug-in hybrids will be included in the scheme until 1 April 2025 (in 2 years and 4 months’ time) and the scheme will be reviewed after 3 years.

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.