

12 May 2021

MEDIA RELEASE

AFIA WELCOMES THE BUDGET MEASURES THAT ENABLE LENDERS TO SUPPORT BUSINESS AND SECURE THE ECONOMIC RECOVERY

Australia is at an inflection point in its economic recovery. We now have an opportunity to take the current economic momentum and embed a path that will accelerate productivity and economic growth, and deliver higher living standards for all Australians.

The Federal Government's FY21/22 Budget is designed to enable business to step up and do the heavy lifting to 'secure Australia's economic recovery'. AFIA's members are part of that – they exist to finance Australia's future.

AFIA welcomes the announcement of programs and initiatives designed to create jobs, drive productivity and build resilient and diverse supply chains. AFIA members will be critical in this next phase of recovery, supporting their customers, especially small businesses, to live their aspirations and the Australian model of entrepreneurship the Treasurer talked about in his Budget speech.

CEO of AFIA, Diane Tate said, 'This Budget ensures that together we build the momentum of our economic recovery. But the key message for business to hear is that now is the time to invest – invest in your business, invest in better products, services and technologies for your customers, and invest in our economy. The impacts of COVID-19 will mean that uncertainty will continue, but within this environment, these Budget measures and initiatives provide certainty'.

In the Budget, the government showed its continued support of households through targeted tax measures, small businesses through initiatives, such as the extension to the instant asset write off, and regions through a number of programs to support industries and build infrastructure.

Through the year, the government has also recognised the role that lenders play in facilitating economic growth by ensuring that the unique economic and financial market circumstances didn't damage competition or reduce innovation. This included the three phases of support and guarantees for loans to small and medium sized enterprises and the continuing Structured Finance Support Fund through the Australian Office of Financial Management.

AFIA's members are at the forefront of innovative financing for consumers and businesses. The new Digital Economy Strategy announced by the government is essential to a modern, secure and competitive Australia. Australians embraced technology during the pandemic, accelerating the uptake of digitally enabled products and services.

Ms Tate expanded on the Treasurer's description that COVID-19 changed the way we 'live, shop and work', saying, 'There is no turning back now, so Australian consumers and businesses must be equipped to continue to participate in and drive competitive opportunities within our economy. If we get this right, there are great economic, social and environmental advantages for Australia. If we get this wrong, we risk a new digital divide, both in this country, impacting our financial wellbeing, and relative to other countries, ultimately impacting our economic contestability and prosperity'.

The Digital Economy Strategy will support AFIA members to continue to be world leaders in fintech and other critical aspects of financial innovation. And it will ensure Australia develops as a hub for financial services. It will also broaden digital access to government services – supporting economic and social participation across our community.

Ms Tate said, 'The Federal Government has heard what AFIA has said on behalf of our members, and delivered many of the things they need to do their bit to support their customers and communities. It is fundamental to the economic recovery that businesses and consumers get access to and choice in finance, that innovation and competition is supported in the financial services industry, and that initiatives support economic participation across our community'.

Media enquiries:

Vanessa Puli

Executive Director, Communications

0429 238 613

vanessa.puli@afia.asn.au

Notes to editors:

AFIA is a leading advocate for the Australian financial services industry. We support our members to finance Australia's future. We believe that our industry can best support Australia's economy by maximising choice in and access to consumer and business finance, fostering competition and innovation in financial services, and facilitating greater financial, and therefore social, participation across our community.

AFIA represents over 100 providers of consumer, commercial and wholesale finance across Australia. These banks, finance companies, and fleet and car rental providers, and fintechs provide traditional and more specialised finance to help businesses mobilise working capital, cashflow and investment. They are also at the forefront of financial innovation in consumer finance.

AFIA's role, as an industry association, is to provide leadership and represent members' views. We do this through engagement with governments, financial regulators, and other key stakeholders on issues

important to our members and their customers. This includes advocating for balanced legislation, policy and regulation. We facilitate self-regulation through industry codes of practice and gather industry data to help support more evidenced-based decision-making.