



MEDIA RELEASE

7 May 2024

NOVATED LEASING SPARKS SURGE IN EV ADOPTION

The Australian Finance Industry Association (AFIA) has today released its inaugural *EV Finance: Driving Down Australia's Emission* report, revealing its members have financed close to \$2.5 billion in electric vehicles (EVs) over the past year.

New data has shown the surge in EV financing has largely been driven by novated leasing, with an average of 2,416 EVs financed per month, accounting for 92 per cent of the total monthly EV financing volume.

AFIA CEO Diane Tate said the surge in financing can be attributed to the growing number of Australians looking to embrace more sustainable transport options and those taking advantage of the Government's recent EV tax cut.

"With an increasing number of Australians looking for ways to reduce their carbon footprint, the role of novated leasing in accelerating the transition to electric vehicles is more critical than ever," Ms Tate said.

"Novated leasing, coupled with recent EV tax cuts is empowering Australians to make environmentally conscious choices by making electric vehicles more attainable and affordable."

On average, EV financing exceeded \$200 million monthly, demonstrating the sector's vitality and potential for further growth.

Data also shows the cost of EVs is coming down despite remaining higher than internal combustion engine (ICE) vehicles, with the average amount financed for EVs and hybrids being approximately \$64,300 compared to \$48,000 for ICE vehicles. This is down from an average EV cost of \$69,800 for the period January to June 2023.

"Despite the introduction of more affordable electric vehicle models into the Australian market, the initial upfront cost continues to still pose a significant barrier for many," Ms Tate said.

"That's why we are working closely with government and industry to explore ways to enhance accessibility, encouraging more Australians to increase the uptake of electric vehicles."

AFIA's recent submission to the [Federal Inquiry into the Transition to Electric Vehicles](#) outlined several key recommendations including the need for demand-side support, infrastructure investments, harmonisation

across state and federal programs, and education initiatives to promote public awareness and acceptance of EVs.

“AFIA is committed to fostering continued growth in the EV sector and supporting initiatives that promote sustainable transportation solutions,” Ms Tate said.

For more information or to schedule an interview with Diane Tate, please email: nick.story@secnewgate.com.au

Download the full report [here](#).

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, fintech’s, 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.