

Australian Sustainable Finance Institute 2023 Annual Report

Australian Sustainable
Finance Institute



March 2024



Acknowledgement of Country

The Australian Sustainable Finance Institute acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, the oldest continuing culture in human history.

We pay respect to Elders past and present, and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

There is no meaningful conversation about sustainability, including sustainable finance, without proper recognition and understanding of the people who lived so carefully, consciously and abundantly, in relationship to these places. There is no 'just transition' without Indigenous peoples at its heart.

We reflect on the continuing impact of ASFI and our community, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families, and communities, towards improved economic, social and cultural outcomes.

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Foreword

By **Kristian Fok**, ASFI Chair and CEO, Cbus Super

Achieving ASFI's bold vision of a sustainable, resilient and inclusive financial system needs a new approach and a new kind of leadership.

A network of people within and across organisations, across sectors and across countries who will coordinate and collaborate to achieve faster action and greater impact than any organisation can achieve on its own. This is what ASFI is founded on; collaboration, partnership and building a new way of working to shift the financial system.

Over the past year, ASFI has continued to establish and strengthen partnerships across the financial system to drive the ambition and change needed to achieve our collective sustainability goals. Not only through our partnerships with Government to develop an Australian sustainable finance taxonomy, and to bolster Australia's engagement on climate and sustainable finance in our region. But also our collaborative efforts with members, industry partners, and the broader finance sector to elevate First Nations voices and perspectives; support finance sector leadership and capability; and to deliver the Roadmap recommendations for nature.

While there is much more to be done to achieve ASFI's mission, the past twelve months have brought promising developments and I look forward to continuing to support ASFI's work to create a sustainable, resilient, and inclusive Australian financial system for the benefit of all Australians.



Kristian Fok
ASFI Chair

By **Kristy Graham**, ASFI CEO

Twelve months have passed since ASFI's last Annual Report, and there has been a significant step change in sustainable finance at all levels in that time. At the system level and the organisational level for ASFI.

In October 2022, Assistant Treasurer Stephen Jones addressed ASFI's inaugural Summit and stated that Australia has lagged behind our international peers on sustainable finance. Soon after, the Australian Treasurer Jim Chalmers announced a Sustainable Finance Strategy and key elements of this are now well underway: introduction of a mandatory climate disclosure framework, AASB's release of the exposure draft for Australia's first sustainability reporting standard, development of an Australian sustainable finance taxonomy, the release of Australia's first sovereign green bond framework and work towards first issuance in 2024.

It has also been a big twelve months for ASFI. Our membership continues to grow, and we now work closely with 44 members across banking, insurance, asset managers, asset owners and financial services. This is just one indicator of the growing interest and support for sustainable finance across the finance sector.

We have strong partnerships across the Australian Government, working closely with Treasury, the Department of Climate Change, Energy, the Environment and Water (DCCCEW) and the Department of Foreign Affairs and Trade (DFAT) on different parts of the sustainable finance agenda.

This includes our work as a partner with Treasury, and with oversight from the Council of Financial Regulators Climate Working Group, to develop the Australian Sustainable Finance Taxonomy. We have provided input and insights to inform climate and environmental policy, focusing on what private capital – investors, banks and insurers – needs from government policy, and how government and financial institutions can partner to get more capital flowing to climate, environment and social impact. We are also increasingly bringing the Australian finance sector into Australia's engagement on climate and sustainable finance in our region through our work with DFAT.

With increased members, as well as growing support from government and other partners, ASFI has expanded our work program to additional high impact areas in 2023. Our work on First Nations and Finance to elevate First Nations voices and perspectives in all our work, and support better disclosures of First Nations related risks, impacts and outcomes to drive reconciliation and economic self-determination. We have also launched our work on sustainable finance solutions to support the mobilisation of capital flows towards activities that support net zero and our work on sustainable finance capability, all while continuing our work on the taxonomy, nature, and leadership.

Sustainable finance is moving rapidly into the mainstream, and the system is gearing up to deliver it. This is happening both on a policy front, and as financial institutions get into the hard work of setting more granular interim targets, of mainstreaming sustainability across their organisations and of investing, lending and insuring the growing numbers of companies, products and assets that are truly integrating sustainability risks and opportunities into their business models.

This progress hasn't just come as a result of advocacy and partnership, it is also because sustainability and ESG issues are now being recognised for the business and financial risk they are. According to the IPCC, with our current path of emissions we are on a trajectory to up to 4.4°C of warming by the end of the century. We all know that this means Australia's recent unprecedented flooding and unseasonal heat are a mere hint of what's to come. We have now transgressed 6 of the 9 planetary boundaries. It's not just all about climate and we can't afford to not think about these issues in an integrated way given the feedback loops and interconnections that exist between them.

We hear from many of our members, partners and collaborators that the pace of change in this space is incredibly difficult to keep up with. But the pressure to adequately address these risks, from Boards, CEOs, shareholders, regulators and now government policy and regulation, not to mention competitors and investors globally, means the inescapable truth that we must move faster.

All parts of the financial system can play a critical part in setting and achieving our ambitions for a sustainable, resilient, and inclusive Australia. I look forward to working in collaboration to continue to drive this in 2024.



Kristy Graham
ASFI CEO



About ASFI

The Australian Sustainable Finance Institute (ASFI) is committed to realigning the finance sector to create a sustainable and resilient financial system by directing capital to support greater social, environmental and economic outcomes consistent with the Roadmap.

ASFI's creation followed an unprecedented collaborative effort by 140 representatives from across the Australian finance sector, civil society, academia, financial regulators and government to create the Australian Sustainable Finance Roadmap.

Released in November 2020, the Roadmap sets out 37 recommendations to realign the Australian financial system by 2030, to support a more resilient, sustainable and prosperous future for all Australians.

ASFI was established in July 2021 to coordinate and drive Roadmap implementation, working collaboratively across the financial sector, government, regulators, civil society and academia. Our members are Australian banks, asset owners, asset managers, insurers and financial services companies who are committed to ASFI's vision and willing to contribute to sustainable and impactful solutions.

At ASFI we:


- **Collaborate to achieve more.** We work across organisational, industry and sectoral boundaries to enable greater progress. We care about others and their success, supporting and amplifying it.
- **Know sustainable finance.** We have and continue to grow our expertise and networks in sustainable finance in Australia and globally. We take an analytical, evidence-based approach to our work, we are non-partisan and we are not a lobby group.
- **Are open and inclusive.** We value diversity in experience, perspective and background and recognise the benefits this brings for individuals, organisations and our work. We value the perspectives, expertise and knowledge of First Nations Peoples.
- **Are committed and adaptable.** Systems change is challenging, and we know there will be set backs and course corrections along the way. We are willing to roll up our sleeves and make things happen.
- **Continually improve.** We set stretch goals for ourselves, admit honestly when we make mistakes and are committed to continual improvement. We have the courage to try new things and innovate.



ASFI's Performance in 2023

Policy

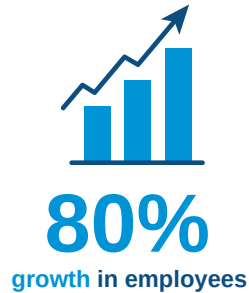
 **8** ASFI-facilitated direct engagements between members and Government

 Made **13** submissions, including joint submissions, to policy consultations

 Delivered **19** dedicated policy updates and alerts exclusive to members

Organisation

 Grew from 32 to **44** members representing A\$23 trillion in AUM. Members reported that our events and engagement provided a high level of value

 **80%** growth in employees

Influence

 **339** media mentions

 **177** experts from 94 organisations supported our work in ASFI-convened working groups

 **55K** website page views

 Worked with **44** partners, including 7 international partners

Events

 **31** ASFI hosted events with 2305 total attendees

 ASFI staff spoke at **49** industry events

 **90%** of event survey responses rated ASFI events as valuable or highly valuable

 **355** attendees at our Australian Sustainable Finance Summit

Work Program

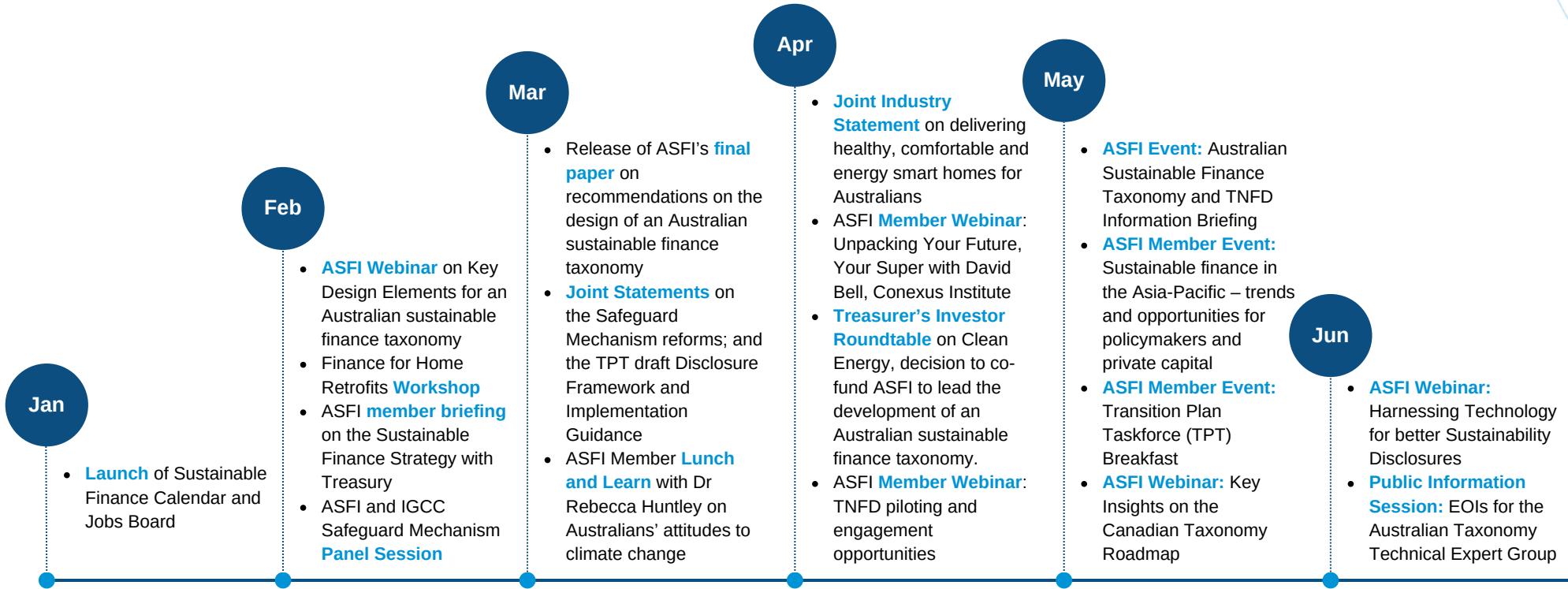
 **5** work streams

 **16** publications

 Trusted delivery partner for the Australian Government on the Australian Taxonomy and Australia's International Sustainable Finance Engagement

 Established a **First Nations** work program and First Nations Reference Group to elevate Indigenous economic justice and self-determination

2023 Year in Review



Jan

- **Launch** of Sustainable Finance Calendar and Jobs Board

Feb

- **ASFI Webinar** on Key Design Elements for an Australian sustainable finance taxonomy
- Finance for Home Retrofits **Workshop**
- ASFI **member briefing** on the Sustainable Finance Strategy with Treasury
- ASFI and IGCC Safeguard Mechanism **Panel Session**

Mar

- Release of ASFI's **final paper** on recommendations on the design of an Australian sustainable finance taxonomy
- **Joint Statements** on the Safeguard Mechanism reforms; and the TPT draft Disclosure Framework and Implementation Guidance
- ASFI Member **Lunch and Learn** with Dr Rebecca Huntley on Australians' attitudes to climate change

Apr

- **Joint Industry Statement** on delivering healthy, comfortable and energy smart homes for Australians
- ASFI **Member Webinar**: Unpacking Your Future, Your Super with David Bell, Conexus Institute
- **Treasurer's Investor Roundtable** on Clean Energy, decision to co-fund ASFI to lead the development of an Australian sustainable finance taxonomy.
- ASFI **Member Webinar**: TNFD piloting and engagement opportunities

May

- **ASFI Event**: Australian Sustainable Finance Taxonomy and TNFD Information Briefing
- **ASFI Member Event**: Sustainable finance in the Asia-Pacific – trends and opportunities for policymakers and private capital
- **ASFI Member Event**: Transition Plan Taskforce (TPT) Breakfast
- **ASFI Webinar**: Key Insights on the Canadian Taxonomy Roadmap

Jun

- **ASFI Webinar**: Harnessing Technology for better Sustainability Disclosures
- **Public Information Session**: EOIs for the Australian Taxonomy Technical Expert Group

Policy Submissions

- National Reconstruction Fund
- Climate-related Disclosures consultation
- Nature Repair Market Bill
- Safeguard Mechanism Reform

Policy Submissions

- Transition Plan Taskforce (TPT) Disclosure Framework and the TPT Implementation Guidance



Attendees at ASFI's Finance for Home Retrofits Workshop in February 2023

Policy Submissions

- Taskforce on Nature-related Financial Disclosures (TNFD)
- Nature Repair Market (Consequential Amendments) Bill 2023
- Climate Change Authority issues paper, "Setting, tracking and achieving Australia's emissions reduction targets"

2023 Year in Review

Jul

- **Commencement** of the Australian Taxonomy development project
- **Launch** of ASFI's partnership with the Department of Foreign Affairs and Trade (DFAT)
- ASFI **launches** capability work
- **ASFI research paper** on taxonomy transition methodology.
- **ASFI Movie Nights**
- **ASFI Member Lunch and Learn:** Join us for a conversation on the Voice

Policy Submissions

- Climate-related Disclosures Second Consultation Paper

Aug

- **ASFI Member Canberra Visit**
- **Launch** of partnership with Macdoch Foundation's Farming for the Future: 'Valuing Natural Capital'
- **Appointment** of the Taxonomy Technical Expert Group (TTEG)
- **ASFI Member Lunch and Learn:** Mid-Year review and member opportunities for involvement
- **Launch** of sustainable finance mentor program, Limitless
- **Inaugural meeting** of the TTEG
- ASFI's Sustainable Finance Capability Reference Group **established**

Sep

- **Inaugural meeting** of the Natural Capital Advisory Group (NCAG)
- ASFI's First Nations Reference Group **established**
- **Taxonomy Information Forum:** Developing an Australian Sustainable Finance Taxonomy

Policy Submissions

- International Sustainability Standards Board (ISSB) Consultation on Agenda priorities

Oct

- **Release** of 2023 Progress Tracker report
- ASFI Summit
- **Limitless Mentee and Mentor Mixer**

Nov

- **ASFI Webinar:** Australia's Home Energy Upgrades Fund

Dec

- **Treasurer's Investor Roundtable on the Net Zero Transformation**, which saw the **release** of the Taxonomy methodology papers
- **ASFI Webinar:** Methodological Design Features of the Australian Sustainable Finance Taxonomy
- **Establishment** of the Nature Finance Council, including the appointment of CEO Kristy Graham
- **ASFI at COP28:** Accelerating transition finance for climate action, which included the international release of the Taxonomy methodology papers
- **ASFI Webinar:** COP28 Debrief - Finance Sector Perspectives

Policy Submissions

- Sustainable Finance Strategy Consultation
- Agriculture and Land Sectoral Plan



L-R Kristy Graham, Izuro Kobayashi, Sean Kidney, Adam Wang-Levine and Monique Miller at our COP28 panel event.



Kristy Graham, ASFI CEO, and many of our members attended the Treasurer's Investor Roundtable on the Net Zero Transformation in December, which saw the release of the Taxonomy methodology papers.



2023 Work Program

The past year has seen some of the fastest momentum in the development of sustainable finance.

This Annual Report highlights the focus ASFI has put into capitalising on this moment of opportunity, and the success we have achieved in working together with our members and other partners to advance our mission. From the deep engagement in shaping policy developments and sustainable finance solutions, our partnership and progress on developing the technical criteria for Australia's taxonomy, our critical work on elevating First Nations voices and perspectives, and our natural capital and finance sector leadership, ASFI has seen a period of strong growth and impact.

In reflecting on ASFI's achievements in the past year, through partnership with our members, government, regulators, other industry peak bodies and finance industry stakeholders, we are reminded of the transformative power of collective efforts.

2023 Key Priorities



Enabling Sustainable Finance	Finance Sector Leadership	Connecting, Convening, Coordinating	First Nations and Finance	Sustainable Finance Solutions
<ul style="list-style-type: none"> • Sustainable Finance Taxonomy • TNFD and Natural Capital • Engagement in government policy processes where relevant to the Roadmap, including by amplifying and coordinating other peak bodies and industry organisations 	<ul style="list-style-type: none"> • Organisational transformation for sustainability ASFI member working group • ASFI Summit • Capability partnership • Connecting Australian FIs with global research and best practice 	<ul style="list-style-type: none"> • Progress Tracker • Industry events, media and communications around other areas of work 	<ul style="list-style-type: none"> • Further scoping and establishing ASFI's work program in this area by bringing on a First Nations person to lead the work and establishing a First Nations reference group to guide the work 	<ul style="list-style-type: none"> • Working across the public and private sectors to design blended finance solutions and public private partnerships to achieve sustainability outcomes • Facilitating collaborations to design financing solutions for specific sustainability challenges

- Integrating Indigenous perspectives
- Providing a whole of finance sector perspective
- Supporting cross-sectoral collaboration between industry, government, regulators, universities and others
- Working in partnership
- Strengthening international connections



Enabling Sustainable Finance

Sustainable Finance Taxonomy

Building on taxonomy development globally, ASFI is working in partnership with the Australian Government and with experts and stakeholders across the economy to develop an Australian sustainable finance taxonomy that is credible, usable and internationally interoperable, while reflecting the Australian context.

Taxonomies help streamline and standardise the process of identifying sustainable activities. In doing so, they can help guide capital towards the achievement of climate, environmental and social objectives.

The Australian taxonomy's initial development phase commenced in July 2023 and will run for 18 months, covering climate mitigation criteria for up to six priority economic sectors and associated technical work on data requirements. It will also include further qualifying criteria for Minimum Social Safeguards and a 'Do No Significant Harm' framework.

ASFI Taxonomy Scoping Project

Following its establishment in 2021, the Australian Sustainable Finance Institute (ASFI) identified the development of an Australian sustainable finance taxonomy as an immediate, strategic priority for Australia.

Between June 2022 and July 2023, ASFI undertook a taxonomy scoping project. The scoping project was industry funded and led, with engagement from government and regulators. This phase of work focused on the key framework design elements for an Australian sustainable finance taxonomy.

Research paper on taxonomy transition methodology

This final deliverable for the Scoping project, published in July 2023, identifies key considerations to inform the methodology for integrating transition activities in an Australian taxonomy.

Transition finance aims to mobilise capital toward initiatives that facilitate the decarbonisation of hard-to-abate sectors. Decarbonising these sectors will play a crucial role in reducing Australia's national emissions, greening financial portfolios, and reducing systemic risk exposure across the economy. It is imperative that financial institutions have access to credible and consistent transition criteria that progressively steer economic activities toward taxonomy alignment and assist in mitigating the risk of greenwashing.

The paper identifies 12 key considerations for a taxonomy transition methodology including:

- Limiting the scope of the transition category to hard-to-abate sectors only, to encourage the allocation of capital towards the decarbonisation of these sectors
- Avoiding carbon lock-in by restricting transition to existing projects only
- Sunset dates for all transition activities
- Aligning transition criteria with credible international, science-based scenarios, that achieve the Paris Agreement's goal of limiting global warming to 1.5°C.

Informed and adapted from the two most advanced transition methodologies currently under development internationally — in Singapore and Canada — as well as international best practice on transition financing and disclosures, the key insights and considerations in the paper will help inform the development of a transition category as part of the development of an Australian Taxonomy, in order to accelerate capital allocation in the decarbonisation of high-emitting sectors to achieve Australia's net zero ambitions.

Australian Sustainable Finance Taxonomy Development

In May, ASFI welcomed the Government's [decision](#) to co-fund ASFI to lead the development of an Australian sustainable finance taxonomy.

The Australian Taxonomy Development Project commenced in July 2023. It is a joint industry-government initiative, led by ASFI in partnership with the Commonwealth Treasury, to develop an Australian sustainable finance taxonomy. Funding and partnership from the Australian Government reflects shared appetite across government, finance and industry for new frameworks to support sustainable finance markets in Australia.

The initial development phase will run for 12 to 18 months and will cover climate mitigation criteria for a minimum of three and up to six priority economic sectors and associated technical work on data requirements, methodology for incorporating transitional activities, Minimum Social Safeguards and a 'Do No Significant Harm' framework.

Announcing the Taxonomy Technical Expert Group

ASFI was pleased to commence the development phase of the Australian sustainable finance taxonomy with the [appointment](#) of the Taxonomy Technical Expert Group (TTEG) in August 2023.

Twenty-five senior leaders, endorsed by the Australian Council of Financial Regulators' Climate Working Group, were appointed to the independent TTEG. The TTEG is co-chaired by Guy Debelle, former Deputy Governor of the Reserve Bank of Australia and former Chair of the Australian Council of Financial Regulators' Climate Working Group, and Emma Herd, who has deep expertise in developing, implementing and assessing sustainable finance taxonomies, including leading the taxonomy technical team that worked with ASFI on the initial design considerations and transition methodology for an Australian taxonomy.

The TTEG provides strategic direction over, input into and endorsement of an Australian sustainable finance taxonomy for consideration by government. The TTEG collectively represents a mix of skills and experience that will be critical to informing the taxonomy's development, including in sustainable finance; whole-of-economy decarbonisation; climate and environmental science and policy; human rights; and Indigenous rights and perspectives.

Taxonomy Methodology Reports

Released at the [Treasurer Investor Roundtable on the Net Zero Transition](#) on December 5, ASFI published [two methodology papers](#) as it took a further step towards the development of Australia's sustainable finance taxonomy.

The reports outline the key methodological design features of the [Australian sustainable finance taxonomy](#). These features, which have been endorsed by the [Taxonomy Technical Expert Group](#), form the basis on which the Australian taxonomy's technical screening and further qualifying criteria will be developed over the next twelve months.

The first methodology report defines "green" and "transition" and how sectors and activities will be assessed as eligible or not for inclusion in the Australian taxonomy under these labels. The second methodology report explains the process for determining the classification of other environmental objectives and social considerations in the taxonomy, and how they will be defined for the purpose of ensuring that green and transition activities that support climate change mitigation do not undermine Australia's other sustainability goals.



Kristy Graham, ASFI CEO and Guy Debelle, Former Deputy Governor of the Reserve Bank of Australia and Co-chair of ASFI's Taxonomy Technical Expert Group at the Treasurer's Investor Roundtable in December 2023. The roundtable saw the release of the taxonomy's two methodological reports.



Natural Capital

Australia's economy and the wellbeing of Australians is dependent on nature. The growing pressure on nature from climate change has led to an increased focus on the role of natural capital as a key input to our economy.

The Roadmap recognises the importance of natural capital to a resilient and sustainable economy and makes several recommendations that will enable the finance sector to recognise, value and incorporate natural capital into capital allocation decisions and risk analysis.

To support this, ASFI seeks to drive programs of work that deliver Roadmap recommendations for nature and align with global developments. Such as our 'Valuing Natural Capital' program of work, which aims to support financial institutions in the integration of natural capital into financial decision making to ultimately increase flows of private capital to nature-positive outcomes, provide climate change mitigation and adaptation benefits, and ensure Australian industries remain highly competitive in global trade markets.

Valuing Natural Capital

ASFI's 2023 Strategy and Business Plan identified the need to build readiness across the Australian financial system for nature-related risk and opportunity assessment, disclosure and reporting through engagement, capacity building and the delivery of specific projects to demonstrate how some of the challenges identified around natural capital, such as data, metrics, and complexity, can be overcome.

ASFI was proud to launch our partnership with Macdoch Foundation's Farming for the Future (FtF) on the 'Valuing Natural Capital' program of work in August 2023. This work program brings together Australia's agricultural producers and financial institutions to deliver on the Roadmap recommendations by integrating natural capital into decision-making of financial institutions using an evidence-based approach and enabling tangible on-farm outcomes.

Natural Capital Advisory Group (NCAG)

The NCAG aims to support the outcomes of the 'Valuing Natural Capital' partnership by facilitating communication, collaboration and upskilling on natural capital between key representatives from financial institutions, agriculture specialists, government, academia, and property valuation specialists. NCAG membership comprises expert participants from financial institutions, which include Australia's largest agricultural lenders and asset owners; and observers from the agriculture industry, accounting bodies and Australian Government representatives from agriculture and environment.

The inaugural meeting of the NCAG was held in September 2023. The meeting was immediately followed by the Farming for the Future: Natural Capital Summit, where the initial results and insights of Farming for the Future's national-scale evidence base research connecting on-farm natural capital management and farm productivity were presented. These findings form the basis of future NCAG discussions and the 'Valuing Natural Capital' program of work.



L-R: Kristy Graham, Angelica Del Hierro, Nicole Yazbek-Martin, Sue Ogilvy and Michelle Gorton at the launch of 'Valuing Natural Capital'.

Nature-related risk and opportunity disclosures

In 2023, ASFI supported a strong Australian voice in the development of nature-related disclosure frameworks including formalising its membership of the Taskforce on Nature-related financial disclosures (TNFD) forum; through providing a joint submission to the TNFD on its fourth and final beta framework; and supporting member engagement on TNFD development.

Leveraging our capacity building work from 2022 on nature-related disclosures, our work program is focused on the “how”, with the aim of helping financial institutions successfully operationalise global frameworks, like the TNFD, in Australia.

ASFI in collaboration and partnership with government, industry and experts ran key strategic projects to help demonstrate how challenges such as data, measurement and metrics can be overcome to enable financial institutions to better integrate nature-related risks and opportunities into financial decision making, including new product development.

Taskforce on Nature-related Financial Disclosures (TNFD) Feedback – Joint Submission

ASFI and Chartered Accountants Australia and New Zealand (CA ANZ) welcomed the opportunity to provide a [joint submission](#) to the TNFD on its fourth and final beta framework in June 2023. As TNFD forum members, both ASFI and CA ANZ support the mission and objectives of the TNFD. We focused our feedback on those areas where we considered we can add the most value, particularly with a view to ensuring useability and uptake of the framework which will be critical to the TNFD achieving its objectives.

Policy Engagement

Throughout 2023 ASFI actively engaged with the Australian Government, members and other industry bodies to progress policy reforms that support Roadmap implementation. This included direct engagement with officials and Parliamentarians, policy submissions, member briefings, and public events.

Policy Submissions

Submission on the Australian Government's National Reconstruction Fund

On 19 January the Government released its National Reconstruction Fund [consultation](#) paper. The government identified the priority areas for the fund, including: renewables and low emissions technologies; medical science; transport; value-add in agriculture, forestry and fisheries; value-add in resources; defense capabilities; enabling capabilities. The Government is modelling the NRF design on the Clean Energy Finance Corporation and has invited views on its paper. Find our submission [here](#).



Submissions on the Australian Government's Climate-related Disclosures Consultation

[ASFI Submissions on the Australian Government's Climate-related Disclosures Consultation Papers](#)

ASFI supports the introduction of mandatory climate disclosures for the Australian market. A robust and workable climate disclosures framework will help to channel more capital into activities consistent with Australia's national emissions reduction goals. It will form an important pillar of Australia's broader sustainable finance architecture alongside a sustainable finance taxonomy, science-based sector decarbonisation pathways, strong targets and policies to reach those targets. ASFI's full submission on the Government's Climate-related Disclosures first consultation paper is available [here](#) and our submission on the second paper is [here](#).

[Climate-related Financial Disclosures Joint Peak Bodies Submission](#)

This submission presents the collective views of the 11 professional, industry, investor and research bodies. We consider clear, transparent, comprehensive and comparable disclosure of sustainability related information to be part of the foundation of a well-functioning financial system and welcome the introduction of mandatory climate-related disclosure requirements in Australia. A robust, useable, and internationally aligned climate-related disclosures framework will help to channel more capital into activities consistent with Australia's national emissions reduction goals. It should form a key pillar of Australia's sustainable finance architecture alongside a sustainable finance taxonomy, agreed sector decarbonisation pathways, strong climate targets and real economy climate policies.

Submission on the Australian Government's Nature Repair Market Bill

ASFI [supports](#) the government developing a robust, high-integrity market framework that would enable funding and investment in nature protection, restoration, and enhancement, with the ultimate objective of achieving net positive gains for Australia's natural environment.

Submission on the Australian Government's Safeguard Mechanism Reforms

Climate change presents serious risks to the financial system and to the ability of financial institutions to meet their obligations to members, investors, clients, consumers, customers, and shareholders. Strong, orderly action to reduce emissions – consistent with a 1.5 degree pathway – is critical to reduce these risks, support Australia's economic competitiveness, and ensure Australian financial institutions (FIs), firms and communities maintain access to the cost-effective capital that is essential for the transition. ASFI's [submission](#) welcomed the Government's commitment to reform the Safeguard Mechanism to require Australia's largest emitters decarbonise in line with Australia's climate targets. On 8 March the Safeguard Mechanism (Crediting) Amendment Bill was passed through parliament.

Submission to the Climate Change Authority Consultation

In June 2023, The Climate Change Authority invited submissions on its [issues paper](#) "Setting, tracking and achieving Australia's emissions reduction targets". The paper sets out 31 questions across a wide range of issues. ASFI's [submission](#) to this consultation focused on aspects of the Issues Paper that are especially significant for the finance sector: Australia's 2035 Nationally Determined Contribution (NDC), national sector decarbonisation pathways, and the review of the National Greenhouse Emissions Reporting Scheme (NGERS).



Minister for Climate Change and Energy the Hon. Chris Bowen MP acknowledged finance industry support for the passage of the Safeguard Mechanism Bill during a parliamentary sitting in April 2023. Quoting ASFI CEO Kristy Graham, the Minister said:

"[The Safeguard Mechanism reform] will provide an important signal to international investors, lenders and insurers that Australian climate policy is continuing to strengthen and enable Australia to attract capital to support the climate transition."

Submission to the Sustainable Finance Strategy Consultation

In this [submission](#), ASFI welcomed the Government's Sustainable Finance Strategy Paper as an important step towards creating an Australian sustainable finance policy architecture to address climate and sustainability related risk and opportunities, and channel capital consistent with Australia's net zero and broader sustainability objectives. Rapid implementation of this Strategy will help bring Australia into alignment with global developments, supporting access to international capital. It will also position Australia to take a leadership role in key areas to shape global frameworks in line with our interests.

Submission to the Agriculture and Land Sectoral Plan

In December, we welcomed the opportunity to [provide](#) input and feedback on how the agriculture and land sectors can play a part in the economy-wide Net Zero 2050 plan to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and the Department of Agriculture, Fisheries and Forestry (DAFF).

Media and Events

Safeguard Mechanism Reforms

On 28 March the Safeguard Mechanism (Crediting) Amendment Bill was passed through parliament. This represented a major step forward in Australian climate policy. ASFI was pleased with this development, which followed engagement with our members, partners and other financial institutions urging Parliament to pass the Safeguard Mechanism reforms, and to introduce complementary measures including transition plan requirements and indicative sector decarbonisation pathways.

ASFI and IGCC Event: Safeguard Mechanism Panel Session

ASFI and the Investor Group on Climate Change (IGCC) hosted a panel event for members in February 2023 with Emma Herd (EY), federal member for Wentworth, the Hon. Allegra Spender MP, Katerina Kimmorley (Boundless Earth), and Tennant Reed (Ai Group). In this fascinating discussion, panellists unpacked the political, industrial and finance dimensions of the Safeguard Mechanism reforms.

Joint Finance Industry Statement

In March 2023, leading Australian financial institutions and finance industry peak bodies made a joint statement on the Australian Government's proposed Safeguard Mechanism reforms.

As well as finance industry peak bodies ACSI, ASFI, IGCC and RIAA, the joint statement was signed directly by institutional investors including Aware, Cbus, HESTA, First Sentier, IFM, Metrics, and Ethical Partners. These organisations represent more than 500 investors, banks, insurance firms and financial service providers who collectively hold over USD\$29 trillion assets under management.



L-R Emma Herd, the Hon. Allegra Spender MP, Tennant Reed and Katerina Kimmorley

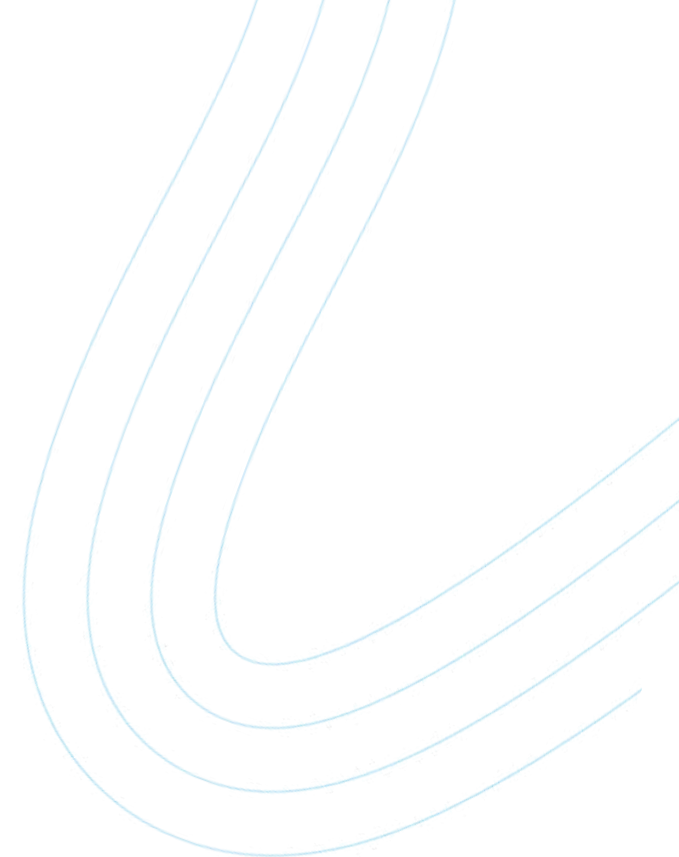
Unlocking Finance for Home Upgrades

Joint Industry Statement: Delivering healthy, comfortable and energy smart homes for Australians

On April 19, leading Australian banks and other financial institutions joined with ASFI, the Energy Efficiency Council, and peak property industry bodies to release a [Joint Statement](#) urging state, territory and federal governments to act decisively to deliver healthy, comfortable and energy smart homes for Australians.

The joint statement called for common-sense regulatory reform to help unlock finance for home upgrades. This included a single national rating framework for existing homes, mandatory disclosure of energy performance, and measures to improve the energy performance of rental dwellings.

At the Treasurer's Investor Roundtable on April 21, ASFI welcomed the Government's announcement to update and expand a national energy performance rating scheme for existing residential properties.



ASFI Member Canberra Visit

A delegation of representatives from ASFI member organisations travelled to Canberra in August 2023 to participate in a day of meetings and events with senior government ministers and officials. Members met with the Hon. Stephen Jones MP to underscore the importance of sustainable finance policy and regulation in supporting Australia's climate goals, the Hon. Tanya Plibersek MP for a roundtable to discuss challenges, opportunities, and enablers for the nature market and the Government's broader environmental reform agenda, and senior government officials to discuss the role for private capital in public policy. The day closed with the launch of ASFI's exciting new partnership with Macdoch Foundation's Farming for the Future: 'Valuing Natural Capital'.



A delegation of representatives from ASFI member organisations travelled to Canberra in August 2023 for our annual ASFI member Canberra visit.

Finance Sector Leadership



ASFI Member Working Group on Organisational Transformation for Sustainability

In recognising that leadership is a critical enabler for the transformation required for a more sustainable, resilient and inclusive financial system, over the course of 2023 ASFI continued to convene its members-only working group.

The Working Group on Organisational Transformation for Sustainability, which includes a junior and senior participant from member organisations, continued to use a facilitated action learning approach to support Group member with the organisational transformation needed to achieve ambitious sustainability targets.

Building on the first session on influence in October 2022, sessions in 2023 focused on overcoming the capability gap, building a culture of sustainability and leading the sector.

Enhancing Capability on Sustainable Finance

The demand for sustainable finance professionals is strong, and as ESG and sustainability become increasingly mainstreamed by asset owners, asset managers, banks, insurers and financial services companies the current stream of university graduates is insufficient to meet demand. Our work in 2023 focused on identifying opportunities and laying the foundation for this work to develop in 2024.

To support the transition of the Australian financial system, ASFI recognises how critical uplifting finance sector capability is to develop the mindsets, behaviours and skills needed to deliver sustainable finance commitments and ambitions.

Capability was identified in 2021 as one of the four pillars of ASFI's strategy on 'Leadership for Sustainability in Finance', and one that is critical to achieve ASFI's purpose of realigning the financial system so that more money flows to activities that will create a sustainable, resilient and inclusive Australia.

The 2022 Progress Tracker highlighted the strong demand for sustainable finance skills, the shortage of skilled professionals, and the challenges financial institutions across the sector are facing in the recruitment and retention of the staff needed to deliver on their sustainable finance commitments and ambitions.

In more mature professions such as accounting, banking, and investment, complex ecosystems exist to support capability that include: universities providing a large range of undergraduate, post-graduate and executive education courses; industry bodies that run accreditation systems for professionals including ongoing requirements for professional learning; a broad range of providers of courses that can count towards continuing professional development; and a well-established pathway for people from university or other technical qualifications into the profession.

Given its early stage of development, the sustainable finance profession is yet to establish this sort of ecosystem. ASFI is uniquely placed to accelerate the development of a sustainable finance ecosystem to support capability development and underpin trust in and credibility of sustainable finance as a profession.

Sustainable Finance Capability Reference Group

In August 2023, ASFI sought EOIs from the public to join its Sustainable Finance Capability Reference Group, with the need to bring together broad representation from across both the finance and education sectors to support the development and integrity of sustainable finance capability development.

The Group convened for its first meeting in September 2023 where there was an overwhelming consensus that there is a need for an Australian Sustainable Finance Capability Framework. ASFI has since commenced reviewing international frameworks to help inform Australia's framework development.

Sustainable Finance Mentor Program; Limitless

Driven by the pursuit of limitless impact, our [mentor program](#) for sustainable finance professionals was launched in September 2023 and is a new approach to mentoring, developing the capability the sector needs to drive the impact the world needs.

Limitless matched mentees with experienced mentors willing to support the development of the next wave of change makers in the finance sector. The program is intended to help participants develop new skills and knowledge, build professional networks and increase their influence for change and ambition on sustainability within their professional and personal spheres.

Limitless is a nine-month program from November 2023 to June 2024 and has been generously sponsored by the Clean Energy Finance Corporation (CEFC).



Australian Sustainable Finance Summit

On October 24, at a sold-out summit, over 350 attendees from across finance, business, government, civil society, and academia came together to unpack our 2023 theme; 'Driving ambition: Australia's time to lead'.

There were so many rich discussions across all sessions, with attendees learning about practical examples; gaining inspiration from abroad; hearing what actions are needed to achieve a step-change across climate, natural capital and social outcomes; and uncovering how the finance sector can work collaboratively with government, universities, NGOs and others to achieve this.

Highlights

Welcome from Assistant Treasurer, the Hon. Stephen Jones MP

In an exclusive welcome, the Assistant Treasurer underscored the collaborative effort needed between Government and industry to achieve our sustainable finance ambitions:

"We have a big agenda, and we can't do it alone. It has to be a collaborative effort. We know you're all committed and ambitious for what Australia can achieve, and you know that we are ambitious as well."

Keynote Address: Steve Waygood, Chief Responsible Investment Officer at Aviva Investors

Steve Waygood of Aviva Investors delivered an inspiring keynote address:

"We all need to raise our game. Not just engage with companies, not vote at the AGM, but we need to engage with the system. We need to understand it using systems thinking and then analyse it, look at the impediments within the system and then seek to address it. A new level of thinking is possible."

Keynote Address: Rhian-Mari Thomas, CEO of the Green Finance Institute

Rhian-Mari Thomas OBE, CEO of the Green Finance Institute (GFI), outlined the work of the GFI in bridging the 'execution gap' between the commitments and intentions of private capital, and the genuine bankable opportunities to achieve climate and social goals. She underscored the need for multi-stakeholder collaboration, and the right institutional approach.

"This is a really exciting time for financiers, not to sit and wait for standardisation and regulation to tell us what to do, but for us to do what we're best at – which is finding solutions to problems and using our financial expertise, working closely to make sure regulation and policy is supportive, fit for purpose, and actually enabling us to crowd in capital."

Fireside Chat with Ian Learmonth, CEO of the Clean Energy Finance Corporation

In a fireside chat with ASFI's Kristy Graham, Ian Learmonth discussed the role of the Clean Energy Finance Corporation in catalysing private capital into clean energy and climate mitigation in Australia.

"Deploying publicly sponsored capital through the CEFC is about creating the right risk return environment for private capital to flow... by creating a clear investment framework for the private sector, it is able to come in on its own terms."

Keynote Address: Mark Podlasly, Chief Sustainability Officer at the First Nations Major Projects Coalition

Mark Podlasly brought his experience as a member of the Nlaka'pamux Nation and Chief Sustainability Officer at the First Nations Major Projects Coalition to provide insights and experiences from Canada:

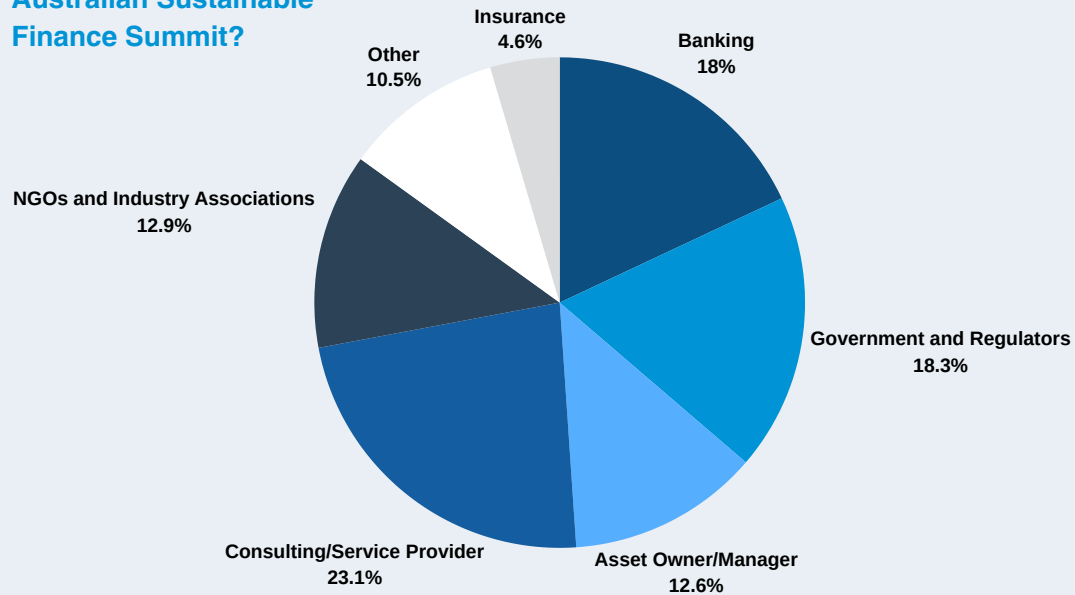
"The road to net zero runs through Indigenous lands."



Mark Podlasly delivering his keynote address at the 2023 Australian Sustainable Finance Summit.

2023 Australian Sustainable Finance Summit Key Highlights

Who attended the 2023 Australian Sustainable Finance Summit?



3

international keynote speakers

38

panellists, including 6 international and 8 First Nations panellists

13

sponsors and exhibitors

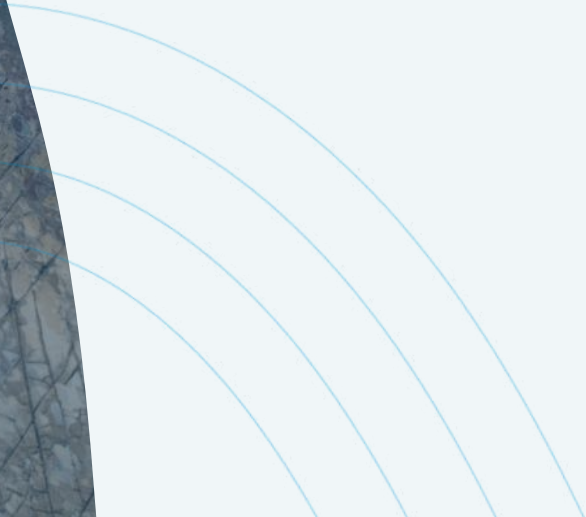




Kristy Graham, ASFI CEO and Ian Learmonth, Clean Energy Finance Corporation CEO at our 2023 Australian Sustainable Finance Summit



Connecting, Convening, Coordinating



2023 Progress Tracker

The [2023 Australian Sustainable Finance Progress Tracker](#), published in October 2023, shows Australia is heading in the right direction on sustainable finance policy, driven by a step change in leadership from the Australian Government.

The third annual Sustainable Finance Progress Tracker demonstrates progress against a broad range of Australian Sustainable Finance Roadmap recommendations, with an average score above a pass (2.6 out of 5) across the 37 recommendations, a rise of 0.6 from the 2022 average.

The Tracker demonstrates Australia is moving rapidly from laggard to 'early follower' on sustainable finance, advancing a world-leading sustainable finance taxonomy, moving to introduce mandatory climate disclosure for Australian firms from 1 July 2024, and developing a framework for Australia's first sovereign green bond issuance. These fundamental pillars of sustainable finance policy will help mainstream climate within Australian financial institutions; allow sustainability-related claims to be substantiated (or debunked); and position Australia to influence the development of international sustainable finance frameworks.

But Progress Tracker results also underscore the task ahead to translate targets and policy into on the ground impact to decarbonise the economy, restore Australia's natural capital and support greater levels of wellbeing across Australian society. Over the next 12 months, bedding down and supporting implementation of existing reforms will be important. At the same time, the urgency and magnitude of the sustainability challenge demands additional action.

Connecting Sustainable Finance Professionals

Launch of ASFI's Sustainable Finance Jobs Board and Calendar

In January 2023 we were excited to launch our [Sustainable Finance Events Calendar](#), providing a space for sustainable finance practitioners and industry organisations to access information on upcoming leading events in sustainable finance.

In 2023, we also launched our [Sustainable Finance Jobs Board](#) and Job alerts; a centralised channel for sustainable finance practitioners to access the latest jobs and opportunities in Australian sustainable finance.



Sustainable Finance Events

ASFI's events keep members and industry stakeholders up to date with the most pertinent topics and relevant developments, and provide a platform for members and stakeholders to learn and share.

In 2023, ASFI supported our network in navigating the sustainable finance landscape through hosting a range of events and engagements. A snapshot of these events is listed below, with a complete overview of all ASFI events and engagements captured in our 2023 Timeline (pg. 8-9).

Unpacking Your Future, Your Super with David Bell

In April 2023, ASFI held a briefing for members with David Bell of the Conexus Institute to unpack the Your Future, Your Super reforms. He noted that while they do represent an improvement to the existing scheme, the YFYS framework would still be a serious impediment for funds looking to implement sustainability, ESG, or climate transition aligned strategies. For more on this, see a [report](#) released by the Conexus Institute, FTSE Russell with support from ASFI and RIAA in 2022.

Transition Plan Taskforce (TPT) Breakfast

May 2023 also saw ASFI bring together our members and representatives from across the finance sector, government and industry to discuss 'the what, why and how of transition plans'. Our panel featured UK Transition Plan Taskforce (TPT) Team Lead Jacques Morris, IFRS Foundation's Mardi McBrien, Commonwealth Treasury's Rebecca McCallum, EY's Emma Herd, NAB's Connie Sokaris and Metrics Credit Partners' Alison Chan. The insights shared underscored that transition plans are no longer a "nice to have" but a "necessity", and the clear support for the role of guidance in supporting the standardisation and rigor of transition plans.

Harnessing Technology for better Sustainability Disclosures

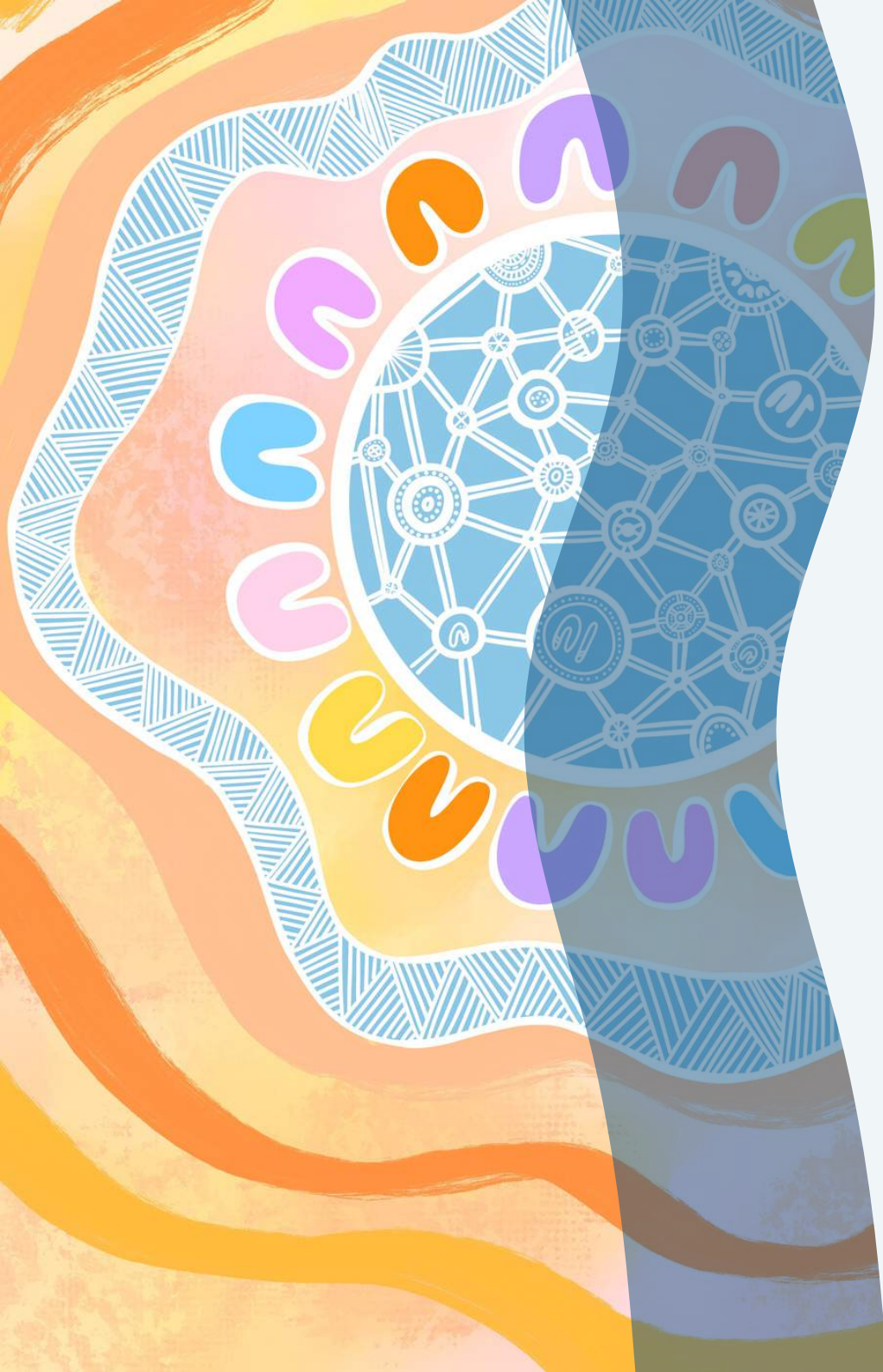
In June 2023, we were pleased to host a public webinar 'Harnessing Technology for better Sustainability Disclosures'. Expert panellists from the IFRS Foundation and representatives from Australia, Singapore, and the European Union, showcased how leading jurisdictions are using technology to support high quality disclosures that can improve financial decision-making.

ASFI at COP28: Accelerating transition finance for climate action

At COP28 in December, ASFI brought together senior officials from the US and Japan, with the Clean Energy Finance Corporation, Commonwealth Bank and the Climate Bonds Initiative on the critical topic of transition finance. The event showcased the Australian taxonomy's approach to defining 'transition' activities, and demonstrated the increasing global focus of financial institutions, governments and international fora, including the G20, on supporting the flow of capital to decarbonise heavy emitting industries.



L-R Kristy Graham, Izuro Kobayashi, Sean Kidney, Adam Wang-Levine and Monique Miller at our COP28 panel event in December 2023.



First Nations and Finance



Incorporating First Nations People, Perspectives and Outcomes into Finance

Throughout 2023 ASFI focused on elevating First Nations voices and lived experience into all areas of ASFI's work to ensure these perspectives, knowledge and expertise are shaping the development of sustainable finance in Australia.

The Roadmap includes a number of recommendations to support meaningful engagement between financial system participants and Indigenous Peoples, support self-determination, particularly by implementing free, prior and informed consent, and improve financial outcomes for Indigenous Australians.

The finance sector can play an influential role in supporting First Nations self-determination as financing and investment underpins all corporate and business activities and the right kind of financial products can unlock and accelerate an Indigenous economy.

In 2023, ASFI commenced work in this area to support transformation of the financial system so that it can better integrate First Nations related risks, impacts and opportunities into financial decision making, and ultimately better support economic self-determination. In particular, this work program focused on:

1. Improving disclosures of First Nations impacts and outcomes by corporates and financial institutions;
2. Elevating First Nations perspectives into sustainable finance;
3. Policy and regulator engagement to enable success; and
4. Coordinating, convening and connecting work in this area.

First Nations Reference Group

ASFI established our First Nations Reference Group to guide our efforts, and to provide subject matter expertise and insights for the four focus areas mentioned above.

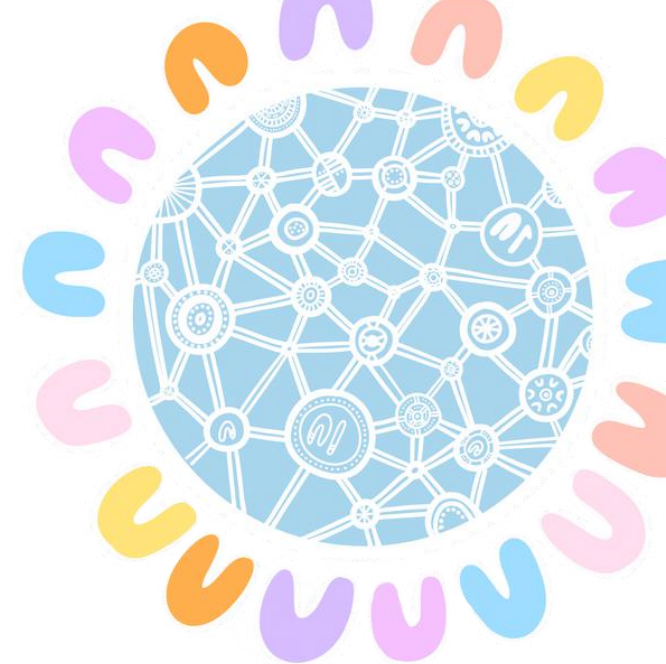
The reference group includes an impressive group of traditional owner representatives, Indigenous organisations, ASFI member representatives and industry organisations working in this area. We value the lived experience, subject matter expertise and community and industry connections they all bring to this work.

ASFI Member Lunch and Learn: Conversation on the Voice

In July 2023, ASFI hosted a Lunch and Learn session for ASFI members to unpack how financial institutions were engaging on the Voice. We heard how organisations supported their employees through education and building an environment to support respectful conversations, as well as using other levers of influence including advocacy and investee engagement.



Speakers Kristy Graham, Rob Koczkar, Rebecca Blurton, Darren Hammond, Brooke Scott and Anna Claude at our 'Conversation on the Voice'.





Sustainable Finance Solutions



Finance for Home Upgrades

Industry Workshop

In February 2023, ASFI with the support of the Clean Energy Finance Corporation, Climate-KIC, Energy Efficiency Council, Green Building Council of Australia, and Race for 2030 convened a workshop on Finance for Home Retrofits. The workshop brought together around 65 representatives from banks, non-bank financial institutions, insurance firms, industry bodies, services providers, policy organisations, and government to explore opportunities to unlock finance for Home Retrofits.

The Workshop featured a series of expert presentations, panel discussions, and a breakout group discussion. There were a number of key themes and potential solutions to support finance for home retrofits which emerged from the session. A summary of these outcomes is available in our [Workshop Report](#).

ASFI Webinar: Australia's Household Energy Upgrades Fund

ASFI brought together pioneers in home retrofit finance for a [webinar](#) in November 2023 to explore the approaches being deployed in UK and US to accelerate home energy upgrades.

Speakers Grace Tam, Emma Harvey-Smith, Bruce Mast, Jayson Uppal, Bill Peterson, Erika Moreira Baker and Jeremy Sung provided insights and inspiration as the CEFC looks to roll out its \$1bn Home Energy Upgrade Program. Speakers shared their wisdom and experience across a range of topics including: green home loans, on-bill finance, on-property finance, consumer demand, safety and consumer protection, and the role of policy and regulation.



Participants at our Finance for Home Upgrades Industry Workshop in February 2023.

ASFI-Department of Foreign Affairs and Trade Partnership

ASFI's work recognises the strong connection between Australia's sustainability and prosperity, and that of the broader Asia-Pacific region. In 2023, we were pleased to enter into a two-year partnership with the Department of Foreign Affairs and Trade (DFAT) to support the DFAT's blended finance programming in the region and Treasury's international engagement on sustainable finance.

This work has included working with ASFI members to produce a market assessment of Australian financial institutions' intentions, interests, and capabilities to allocate capital to climate and clean energy activities in the region. The report establishes a foundation of evidence to be drawn on by DFAT to create fit for purpose investment structures for climate and clean energy in the region, supporting implementation of the Southeast Asia Economic Engagement Strategy to 2040.

ASFI also actively engaged in public discussions on opportunities for Government to support greater allocation of private capital into South and Southeast Asia, including on the [Development Finance Review](#) and our member event "Sustainable Finance in the Asia-Pacific" with Australia's Ambassador for Climate Change Kristin Tilley.

Sustainable finance in the Asia-Pacific – trends and opportunities for policymakers and private capital

On Thursday May 25, we had the pleasure of hearing from an expert panel of senior government officials and sustainable finance specialists on sustainable finance trends and opportunities for policymakers and private capital in the Asia-Pacific. The conversation covered the state of sustainable finance in the Asia-Pacific, the barriers to private capital, and the tools to unlock it.



L-R Kristy Graham, Warren Tease, Linda Romanovska, Kristin Tilley and Ritesh Thakkar at our panel event 'Sustainable finance in the Asia-Pacific – trends and opportunities for policymakers and private capital'.

Looking Ahead



2024 Work Program



Enabling Sustainable Finance

- Developing Australia's Sustainable Finance Taxonomy
- Supporting implementation of Australia's Sustainable Finance Strategy
- Engagement in government policy processes where relevant to the Roadmap, including by amplifying and coordinating other peak bodies and industry organisations

Finance Sector Leadership

- Sustainable Finance Capability
- ASFI Summit
- Progress Tracker

Natural Capital

- Valuing Natural Capital
- Environmental policy engagement

First Nations and Finance

- Improving disclosures of First Nations impacts and outcomes by corporates and financial institutions
- Elevating First Nations perspectives into sustainable finance
- Policy and regulator engagement to enable success

Sustainable Finance Solutions

- Working across the public and private sectors to design blended finance solutions and public private partnerships to achieve sustainability outcomes
- Facilitating collaborations to design financing solutions for specific sustainability challenges

Connecting, convening and coordinating on sustainable finance issues

Elevating First Nations voices

Providing a whole of finance sector perspective

Supporting cross-sectoral collaboration between industry, government, regulators, universities and others

Working in partnership

Strengthening international connections

Priorities for 2024

Enabling Sustainable Finance

A supportive policy and regulatory environment is an essential foundation for the growth and credibility of sustainable finance. Tools and frameworks that are applicable industry-wide to guide capital to opportunities that will achieve sustainable outcomes, as well as supportive policy and regulation, were identified in the Roadmap as critical enablers for sustainable finance in Australia.

This pillar of ASFI's work includes the continuation and evolution of a number of 2022 and 2023 priorities, centred around convening strong industry and expert engagement with the Australian Government on the development and implementation of their Sustainable Finance Strategy.

Key areas of this work include the Sustainable Finance Strategy, Australian sustainable finance taxonomy development, and engagement in policy processes relevant the Roadmap.

Finance Sector Leadership

The Roadmap highlights the critical role of leadership from the finance sector to unlock progress towards Australia's climate, environment and social inclusion ambitions. This pillar of work supports and encourages stronger leadership from financial institutions and seeks to overcome some of the systemic challenges, such as capability, that prevent the finance sector making more progress towards Roadmap implementation.

This pillar includes our work on sustainable finance capability, the Australian Sustainable Finance Summit and our annual Progress Tracker report.

Natural Capital

There is growing recognition of the dependence and impacts of economic activity on our natural environment, including on biodiversity and natural ecosystems. The Roadmap recognises the importance of natural capital to a resilient and sustainable economy and a number of recommendations focus on supporting the finance sector to recognise, value and incorporate natural capital into capital allocation decisions and risks analysis.

In 2024, our Natural Capital program of work will focus on the Valuing Natural Capital Project and environmental policy engagement.

First Nations and Finance

The Roadmap includes a number of recommendations to support meaningful engagement between financial system participants and Indigenous Peoples, support self-determination, particularly by implementing free, prior and informed consent and improving financial outcomes for Indigenous Australians. The focus of ASFI's work in this area is on systems level changes in the financial system and with an institutional rather than retail finance focus.

During 2024, ASFI will continue to grow this area of work by focusing on improving disclosures of First Nations impacts and outcomes by corporates and financial institutions, elevating First Nations perspectives into sustainable finance, and through policy and regulator engagement to enable success.

Sustainable Finance Solutions

Building sustainable finance markets requires a supportive policy and regulatory environment, however the growth and credibility of markets and the deployment of capital towards solutions can be accelerated through the development of new structures, products and market infrastructure, as highlighted in the Roadmap. This area of work seeks to rapidly accelerate capital flow towards sustainability solutions, achieving sustainability outcomes and demonstrating the commercial value of these approaches.

Core focus areas of this work program include designing blended finance solutions and building capability on blended finance and public private partnerships; and catalysing financing solutions to accelerate climate action and broader sustainability outcomes.



2023 Members Report

ASFI Membership

ASFI Membership continued to grow in 2023, with ASFI working with 44 members presenting over A\$23 trillion of assets under management.

At the heart of transitioning to a sustainable financial system is the need for collaboration and leadership.

To effectively drive systemic change, structures are needed to embed collaboration across the financial system. There is a need for deep, constructive, and ongoing partnerships between government (federal, state and local), community and other financial system participants.

ASFI operates across the whole financial system to address systemic challenges across climate, environment and social aspects of the sustainable finance agenda. We have close and productive working relationships with regulators and government to support or drive development of policy and regulation in this area and act as a bridge between the finance sector and government.

We are highly collaborative. We recognise, amplify and support progress on Roadmap implementation made by other organisations, and partnerships with other industry organisations, government, our members, international peers and think tanks and research institutions are a strong focus for ASFI. Our membership base comprises the most progressive organisations across the financial sector who are driving the growth and credibility of sustainable finance in Australia.

Figure 1: Members by type

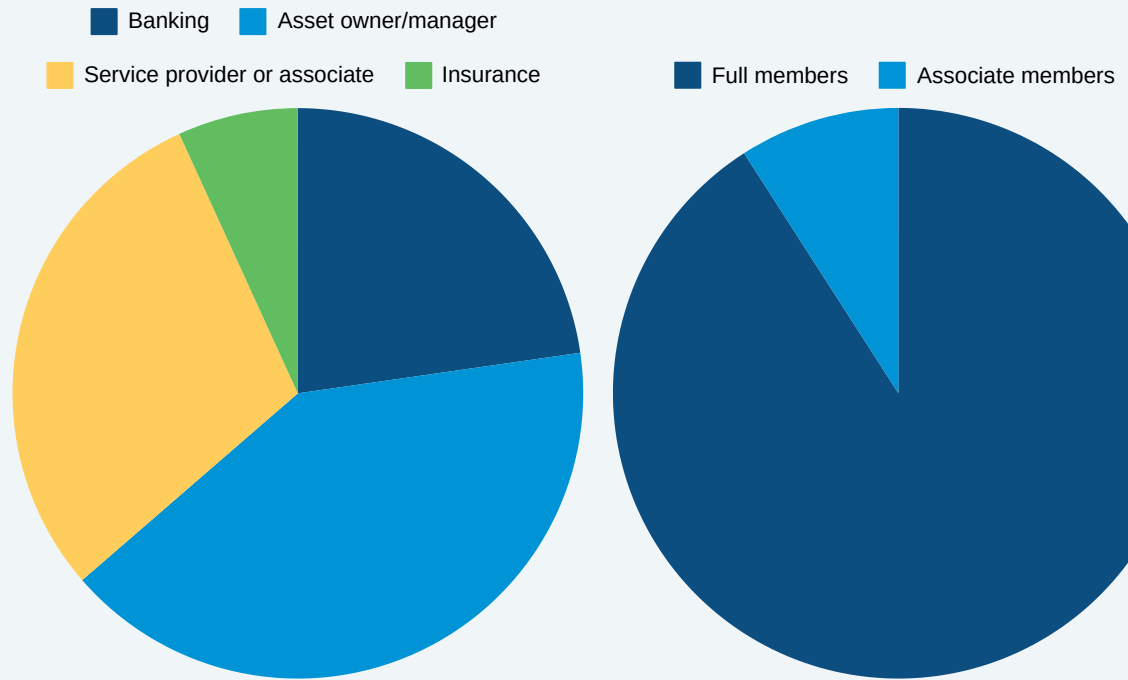
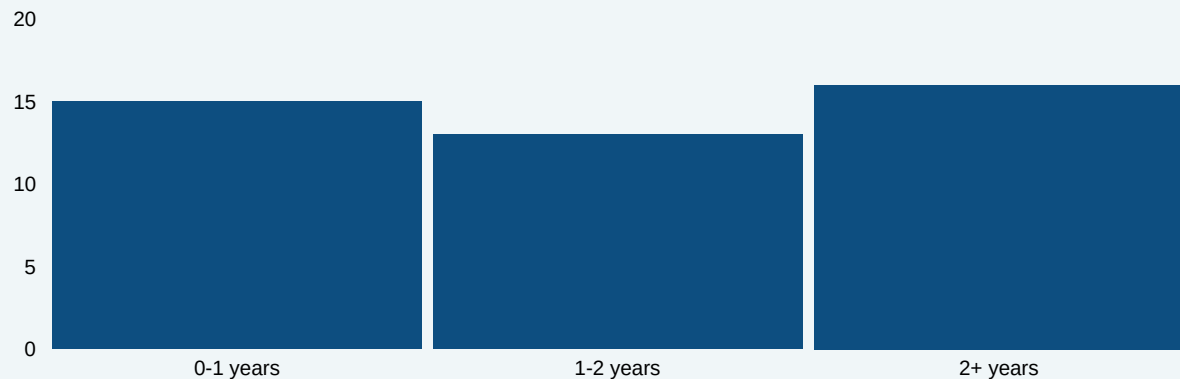


Figure 2: Members by duration of membership



ASFI Members



Associate Members





Our Partners and Supporters



ASFI Partners

In 2023 ASFI continued to expand its network of implementing partners and supporters.

Achieving the bold vision that ASFI has for reshaping Australia's financial system will take a large network of highly talented, passionate and committed people, working together to drive the change laid out in the Roadmap.

From its inception as an initiative, through to its operations today, ASFI has established itself as an organisation that uses the power of people for good.

Initially, over 130 individuals from more than 80 organisations collaboratively developed the Australian Sustainable Finance Roadmap.

Today, we are supported by over 40 member organisations, 13 additional organisations who are members of our Advisory Committee, a network of implementing partners and many more interconnected relationships spanning all parts of financial services, academia, government and civil society.

Partnerships and collaboration are critical for successful implementation of the Roadmap. The nature of the systemic change we are trying to achieve, and the type of organisation that ASFI is, means that working in partnership is critical to our success. We work through formal and informal partnerships with a range of organisations.

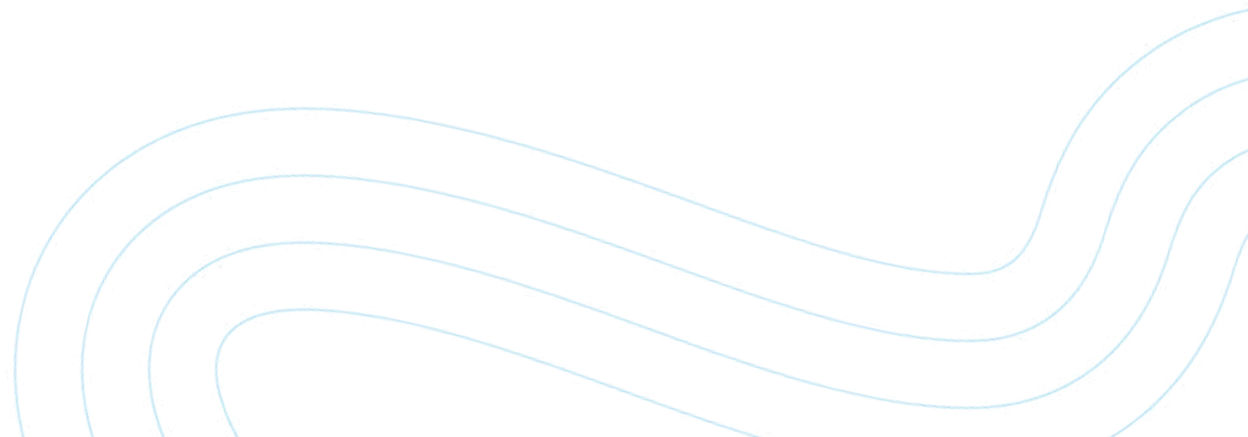
Our implementing partners and supporters include



ASFI Advisory Committee



Observers





Annual Financial Report

Financial Report

In FY23 ASFI continued to focus on strengthening the financial position of the organisation, increasing our membership base and welcoming new team members to support the delivery of our ambitious work programs.

During the financial year, ASFI continued to grow revenue from membership, the Summit and partnerships, which continue to support programs that help us achieve our strategic objectives.

Expenses remained consistent with budget and in line with revenue received, and relate largely to employee wages, professional services, operational costs, and project specific expenses.

Overall, a retained surplus of \$798,273 was achieved for the year, contributing to improved organisational resilience for the future. In 2024, the retained surplus will fund both our First Nations and Finance and Finance Sector Leadership work programs and allow us to increase our policy function.

Figure 1: Funding by source FY23

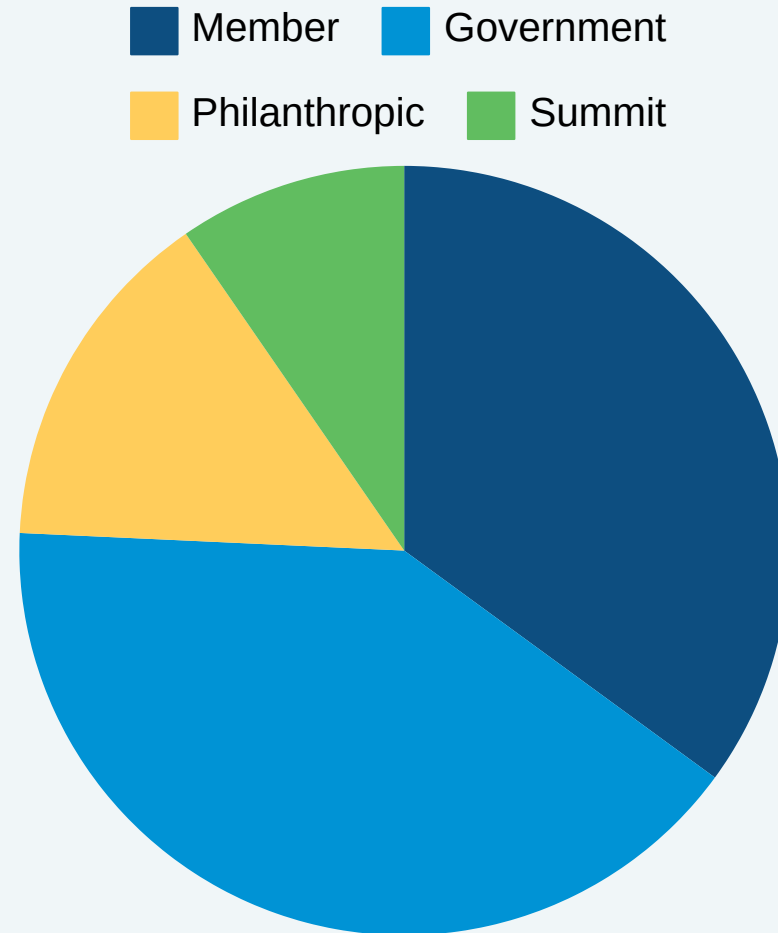


Table 1: Income Statement as at 31 December 2023

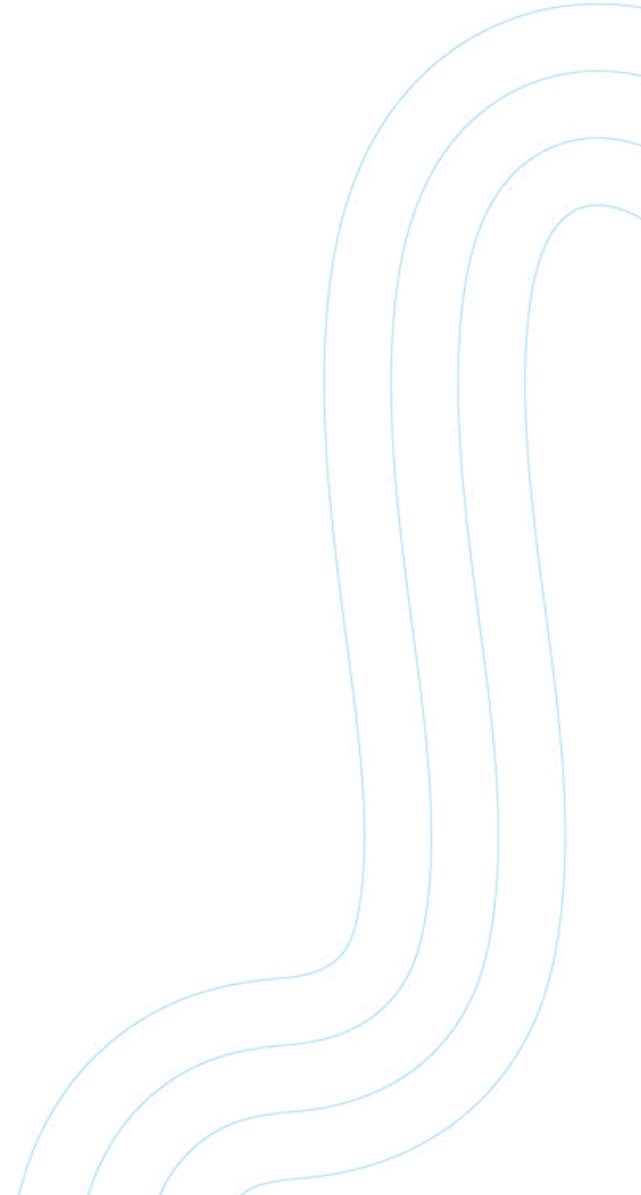
	2023	2022
Revenue	\$3,011,003	\$1,155,606
Interest Income	\$13,864	\$980
Administration expenses	(\$421,449)	(\$222,261)
Project expenses	(\$847,317)	(\$367,350)
Employee expenses	(\$957,828)	(\$431,416)
Retained Surplus	\$798,273	\$135,559

Table 2: Balance Sheet as at 31 December 2023

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$3,216,744	\$1,045,206
Trade and other receivables	\$45,540	\$22,000
Other current assets	\$329,501	\$12,219
Total Current Assets	\$3,591,785	\$1,079,425
Non-current Assets		
Security Deposits	\$8,239	\$0
Total Non-current Assets	\$8,239	\$0
Total Assets	\$3,600,024	\$1,079,425
Liabilities		
Current Liabilities		
Trade and other payables	\$47,441	\$89,768
Income received in advance	\$1,967,381	\$714,360
Tax liabilities	\$155,739	\$58,057
Other liabilities	\$490,070	\$76,477
Total Current Liabilities	\$2,660,631	\$938,662
Non-Current Liabilities		
Provisions	\$5,561	\$5,204
Total Non-Current Liabilities	\$5,561	\$5,204
Total Liabilities	\$2,666,192	\$943,866
Net Assets	\$933,832	\$135,559
Equity		
Current Year Earnings	\$798,273	\$135,559
Retained Earnings	\$135,559	
Total Equity	\$933,832	\$135,559



Our Team and Board



Our Current Team



Kristy Graham
Chief Executive Officer



Angelica Del Hierro
Natural Capital Project Manager



Grace Soutter
Senior Project Manager;
Taxonomy



Isobella Halcrow
Communications Officer



Jackson Rowland
Program Manager; Capability



Mahilini Kailaiyangirichelvam
Sustainable Finance Solutions
Project Manager



Michael Dolan
Sustainable Finance Taxonomy
Technical Manager



Natalie Sarau
Program Lead; Operations,
Membership and Engagement



Nicole Yazbek-Martin
Head of Taxonomy and Natural
Capital



Purdie Bowden
Program Lead; Policy and
Sustainable Finance Solutions



Rena Hasimi
Taxonomy Project Officer



Sarah Polce
Administration and Event
Manager



Tiarne Shutt
Program Lead; First Nations
and Finance

Our Current Board



Kristian Fok
Chair and Director



Katharine Tapley
Director



Michelle McPherson
Director



Connie Sokaris
Director



Vivienne Bower
Director



Fiona Reynolds
Director



Jeff Brunton
Director



Robynne Quiggin
Director



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