

MEDIA RELEASE

Australia is heading in the right direction on sustainable finance but needs to accelerate progress to achieve Roadmap goals

The 2023 Australian Sustainable Finance Progress Tracker 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, developed by the Australian Sustainable Finance Institute, demonstrates progress against a broad range of Australian Sustainable Finance Roadmap recommendations. There is now an average score above a pass (2.6 out of 5) across the 37 recommendations, a rise of 0.6 from the 2022 average.

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.

Quotes from Kristy Graham, ASFI CEO:

“We have seen another step-change in Australian sustainable finance over the past 12 months, this time driven by the Australian Government. But there is more to do.

The 2023 Progress Tracker again demonstrates those areas where industry, government, regulators and civil society still need to drive faster, stronger progress towards ASFI’s vision of a sustainable, resilient and inclusive financial system. This means more courageous leadership, more investment in capability, more collaboration, and better coordination.”

“I am delighted at the progress we have seen on implementing the Australian Sustainable Finance Roadmap over the past year – including on mandatory climate disclosure, a sustainable finance taxonomy, and deeper international engagement.

Gaps remain, and moving forward we need to focus simultaneously on bedding down existing reforms and developments, as well as pursuing greater ambition in key areas.

Australia is now positioned to take on a leadership role and I look forward to seeing us rise to that challenge over the next 12 months.”

The Progress Tracker results 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. For government this includes ensuring a smooth commencement of climate disclosure requirements and supporting a complete sustainable finance taxonomy for mitigation and adaptation. For financial institutions, this means investing in capability uplift across their organisations on sustainability, and continuing to translate net zero targets into concrete transition plans.

At the same time, the urgency and magnitude of the sustainability challenge demands additional action. The Progress Tracker identifies a range of quick wins and priorities, including ensuring the forthcoming Government Sustainable Finance Strategy sets a high bar for ambition across Government, laying the ground for sustainable finance policy beyond climate, clarifying and streamlining the operation of competition law to support climate-related collaboration, and deepening Australia's international engagement on sustainable finance.

What is this tracker tracking?

The Australian Sustainable Finance Roadmap was published in 2020 following an extensive cross-sector collaboration. It sets out a pathway to realign the Australian financial system for a sustainable, resilient and inclusive Australia. This is the third progress report, developed by the Australian Sustainable Finance Institute. The full report is available [here](#). Further details on the Roadmap, including links to the first two progress reports, can be found at <https://www.asfi.org.au/roadmap>

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