

# Public Information Session

Expressions of Interest for the Australian  
Taxonomy Technical Expert Group





# Agenda

1. What is the Australian Sustainable Finance Taxonomy Project
  - Phase 1 (Scoping)
  - Phase 2 (Development)
2. What is the TTEG:
  - Role and how it fits into the taxonomy development process
  - Duties and responsibilities
  - Duration
3. TTEG selection process
4. Stakeholder consultation and involvement beyond the TTEG
5. FAQs
6. Q&A

# Q&A

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# What is the Australian Sustainable Finance Taxonomy Project

## Phase 1 (Scoping)

- The ASFI Taxonomy Project was initiated as an industry-led initiative, working closely with government and regulators to explore the development of an Australian Sustainable Finance Taxonomy.
- Building on work done on sustainable finance taxonomies internationally, including by the EU, the Common Ground Taxonomy, Japan, Canada, New Zealand, the UK, ASEAN and in Singapore, the ASFI project has worked with experts and stakeholders across the Australian financial system and internationally to determine what a sustainable finance taxonomy should look like in Australia to ensure international credibility and inter-operability while reflecting the Australian economy and context.

## Phase 1 (Scoping) continued...

The scoping phase focused on the key framework design elements for an Australian sustainable finance taxonomy. Deliverables under this phase included:

- A **scoping paper of international taxonomies**, released in mid-October 2022, which analysed Australia's economic and environmental context, key international taxonomies, and implications for taxonomy development in Australia.
- A **recommendations paper on the key design elements** for an Australian taxonomy finalised in March 2023.
- Analysis and case studies to inform the **methodology for integrating transition activities** in an Australian taxonomy (to be finalised end June and published in July).

## Phase 1 (Scoping) Governance Arrangements

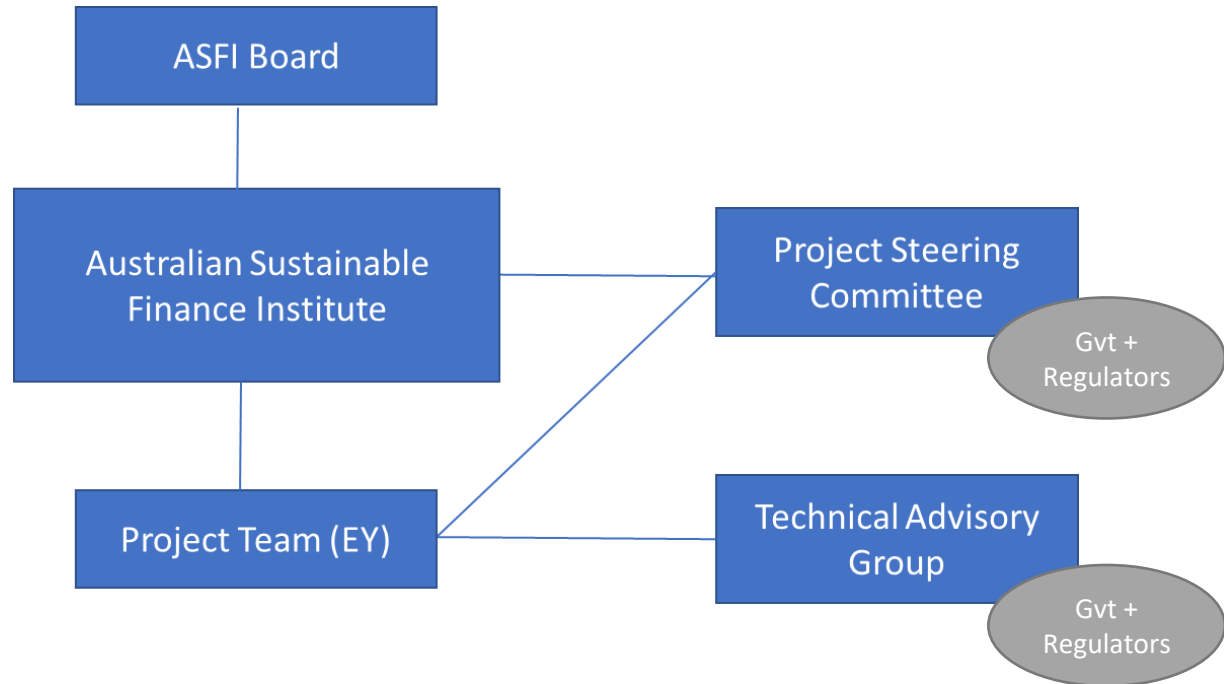
- During the first phase ASFI and taxonomy project team worked with a Technical Advisory Group (TAG) **comprising 47 members** from across the financial services sector including from banking, consulting, superannuation, asset management, private equity, ESG market specialists, academics, and international taxonomy experts.
  - **additional seven observers** representing the Australian Banking Association, the Financial Services Council, the Insurance Council of Australia, the RBA, ASIC, APRA and Treasury.

## Phase 1 (Scoping) Governance Arrangements

- The TAG provides expert technical advice to inform the Taxonomy Project papers and outputs, which are considered and approved by the Taxonomy Steering Committee (SteerCo) before passing to the ASFI Board.
- SteerCo consists of executive level representation from:
  - The eight taxonomy project funders (2 super funds, one asset manager, 2 banks, 2 insurers, one accounting firm)
  - The CEFC
  - ClimateWorks Centre
  - Observers from ASIC, APRA and Treasury.



## Phase 1 (Scoping) Governance Arrangements



## Phase 2 (Development)

- In April 2023 the Australian Government announced that it would co-fund ASFI to lead the development of an Australian sustainable finance taxonomy.
- Phase 2 will commence on 1 July 2023 and will encompass the development of taxonomy screening criteria for at least 3 priority sectors, and associated technical work on data requirements, methodology for incorporating transitional activities, minimum social safeguards and 'Do No Significant Harm' framework.
- Timeframe for the development phase is 12-18 Months.

## Phase 2 (Development) Governance arrangements

- ASFI will convene the Taxonomy Technical Expert Group (TTEG) comprising 20-25 leading experts in sustainable finance, climate science, industry, policy and including Indigenous representation to provide input to and endorsement of technical screening criteria and other products developed by ASFI's technical team of taxonomy and sustainability specialists.
- As part of this work ASFI will also undertake comprehensive stakeholder engagement across key sectors.
- The Australian Council of Financial Regulators Climate Working Group (the CWG) will oversee this phase of Australia's taxonomy development, as part of its role supporting the development and implementation of the Government's Sustainable Finance Strategy.

## Council of Financial Regulators Climate Working Group

- Representatives from the Council of Financial Regulators (Treasury, APRA, ASIC, RBA)

ToR

## SECRETARIAT (ASFI)

- Technical expert consortium led by Climate Bonds Initiative (CBI)
- Stakeholder engagement
- Administration
- Project management

## Taxonomy Technical Expert Group

- 20 – 25 Members
- Finance, industry and sustainability experts selected in accordance with agreed skilled matrix through shortlist and EOI process.
- Workstreams:
  - data and usability and International interoperability
  - Technical criteria for priority sectors
  - DNSH and MSS
  - Taxonomy expansion

## Sector Advisory Groups

- Expert stakeholders for each sector (across industry, technical and non-governmental: social and environmental), plus policy expert observer from relevant government department
- DNSH/MMS comprised of specific experts on this issue including First Nations, IR/ just transition, modern slavery, environmental protection, circular economy/waste.

## CONSULTATION FORUMS + PUBLIC CONSULTATION

- Taxonomy Forum
- International taxonomy knowledge sharing forum
- Public consultation

## Role of the TTEG

- The TTEG will **provide expertise and insights** to inform and review draft deliverables of the initial phase of taxonomy development, as deliverables are prepared by ASFI and its technical team. Following any adjustments required based on TTEG input and comments, the TTEG will **endorse deliverables** which will then be presented to the CWG for its consideration.
- The TTEG's role is confined to this initial development phase of taxonomy development.
  - 12 months with possibility of extension to 18 months (until December 2024)
- The **TTEG will replace the current governance arrangements** set up by ASFI for its taxonomy scoping project, including the Taxonomy Technical Advisory Group and the Taxonomy Steering Committee.

## TTEG obligations

- Meet every 6 weeks, unless otherwise agreed, with a minimum of 8 meetings over 12 months
- Consider and provide input to the technical deliverables by ASFI including reports, research and associated outputs
- Consider input from consultation with interested and affected stakeholders for each sector under consideration and provide input and recommendations on how feedback from stakeholders was incorporated/considered or not
- Consider any feedback from the CWG on draft taxonomy outputs, and recommendations on how that feedback was incorporated/considered or not

# TTEG Selection process

## The selection process will consider the following when selecting TTEG Members:

Ensuring the TTEG members have a **balanced mix of all the skills**, experience and expertise identified in the skills matrix. When assessing the skills mix, consideration will be given both to the members' skills as an individual, and the organisation they are associated/employed with.

The candidates understanding of the global and Australian sustainable finance landscape and how their skills and expertise will inform the Australian taxonomy development

Candidates' ability **to commit the time required** to discharge the duties of the TTEG

The candidates other positions or commitments (including potential conflicts of interest)

The candidates **track record of achieving strong outcomes in a collaborative environment** in their workplace, profession and/or field of expertise.

Candidates' commitment and willingness to positively contribute to the work of the project

The **overall diversity of the TTEG**.

**Ensuring Indigenous perspectives knowledge and expertise** on the TTEG.

To be considered for the TTEG, please submit an EOI of no more than 350 words together with a 2-page CV to [info@asfi.org.au](mailto:info@asfi.org.au) by **7 July 2023**. Please include a letter of endorsement from your organisation as part of your application.

Should you wish to be considered for the role of Chair of the TTEG, please indicate this in your application with an explanation of why you would like to take on this role.

## Stakeholder consultation beyond the TTEG

- **For each sector there will be a Technical Advisory Group**
- Expert stakeholders for each sector (across industry, technical and non-governmental: social and environmental), plus policy expert observer from relevant government department
- **Subject Matter: Technical Advisory Groups**
- Data, Usability and International Interoperability
- DNSH and MMS
- **Taxonomy engagement Forum**
- **General/ Public Consultation**



## Communications and information

Approved Minutes of TTEG meetings and the register of Members' interests will be published on the ASFI website

All reports and technical outputs approved and endorsed by the TTEG will be shared with the CWG and the Treasury and will be made available on the ASFI website.

# FAQs

- Why is this new group being formed?
- Will it replace the current Governance Structures?
- Will candidates who participated in phase 1 of the work receive any preference in the selection process?
- Will the work of the TTEG consider the work in phase 1?
- For stakeholders that are not selected for the TTEG, will there be other groups and opportunities to contribute to the taxonomy?
- What is the expected time commitment?

**Q&A**

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