

7 May 2024
MEDIA RELEASE

Development of Australia's Sustainable Finance Capability Framework makes critical progress

Australia's first Sustainable Finance Capability Framework has entered its next stage of development, marking a significant advancement for sustainable finance in Australia.

The Framework, which is being developed by the Australian Sustainable Finance Institute (ASFI), will support an uplift in finance capability by indicating the skills required to accelerate the transition to a more sustainable, resilient, and inclusive financial system.

This next stage of development follows broad public consultation on the draft Framework in April, which received significant interest from across finance, industry, academia, government, and civil society.

ASFI's draft Framework underscored the shift in mindset and skills needed across the finance sector to support more sustainable outcomes.

The draft identified seven essential capabilities for sustainable finance professionals, ranging from sustainability reporting and risk management to strategy, financial products, transition planning, and First Nations and finance. These capabilities span three proficiency levels to support organisations in assessing professional development needs.

The consultation process will provide critical input to strengthen the draft Framework, ensuring broad applicability for the Australian market while maintaining interoperability with existing international frameworks.

ASFI CEO, Kristy Graham said:

"Developing sustainable finance skills and capability is imperative to ensuring Australia's financial services professionals are equipped to support the rapidly evolving changes in the finance sector. The Framework is a critical step toward creating a deep sustainable finance talent pool, and we look forward to working with industry and academia to expand this work to include relevant courses and a CPD program in the coming year."

The Framework was developed in response to the findings of ASFI's 2023 Australian Sustainable Finance Progress Tracker report, which indicated that as little as seven per cent of financial

professionals have green skills. This lags other industries critical to achieving global sustainability targets.

ASFI formed a Sustainable Finance Capability Reference Group made up of 13 professionals from across finance and academia to provide diverse advice on the development of the Framework. The final Framework is set to be released in mid-2024.

Further information about the development of an Australian Sustainable Finance Capability Framework can be found here: <https://www.asfi.org.au/capability>