

MEDIA RELEASE

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Finance sector welcomes Government's proposals for a 'comprehensive and ambitious' strategy to strengthen and grow Australian sustainable finance markets

The Australian Sustainable Finance Institute has welcomed the much-anticipated Government's Sustainable Finance Strategy consultation paper, as a strong affirmation of the Government's commitment to supporting and driving sustainable finance and investment in Australia. The proposed reforms will position Australia to manage sustainability-related risks, capitalise on opportunities, and build a stronger, more resilient and more inclusive financial system.

The release of the Paper today follows the commitment by Australian Treasurer, Jim Chalmers MP, in December 2022 to pursue an 'ambitious and coordinated sustainable finance strategy' in 2023. It delivers on the Government's promise through a range of proposed measures to improve transparency on climate and sustainability; grow financial system capabilities; and strengthen Government leadership and engagement – particularly on the international stage.

A clear, ambitious and comprehensive Australian Government Sustainable Finance strategy gives the finance sector clarity and certainty about how the policy and regulatory architecture in this area will develop. It provides reassurance to international stakeholders – including investors – that Australia will keep pace and align with international developments on sustainable finance. And it ensures financial institutions will have the data, capability, systems and processes in place to integrate sustainability related risks and opportunities into decision making.

ASFI strongly supports the ambition and focus of the draft Strategy

- Starting with climate but establishing a framework and signals that other sustainability issues will be incorporated, particularly nature and First Nations
- Positioning Australia to take a leadership role internationally in areas such as transition finance, nature and biodiversity and just transition
- Establishing Key Principles that reflect lessons learned from other jurisdictions, and industry support for an interoperable, useable, ambitious and collaborative approach.

This ambition echoes strong industry sentiment that Australia should seek to shape global rules and definitions around sustainable finance so that we both access international finance to support the transition and our financial institutions can access offshore opportunities to support the global transition – highlighted in ASFI's Summit last week. It takes important steps towards aligning financial policy with key goals – including Australia's net zero transition, and renewable energy superpower ambitions.

ASFI looks forward to continuing to work closely with Treasury and the CFR, with the input of industry, on development of the taxonomy – a cornerstone of the Strategy. And we will continue to support our members to engage across the Sustainable Finance Agenda including promoting international alignment, international engagement on sustainable finance to support Australia's

leadership on climate and sustainability and ensuring fit for purpose regulatory frameworks, particularly for the financial sector.

Quote attributed to Kristy Graham, CEO, Australian Sustainable Finance Institute:

“The Sustainable Finance Strategy paper addresses key gaps in Australia’s sustainable finance policy architecture, positioning Australia to more effectively manage sustainability-related risks, capitalise on opportunities, and build a stronger, more resilient and more inclusive financial system.

ASFI welcomes the Government’s ambitious, comprehensive, and measured approach to progressing sustainable finance reforms. There is strong finance sector support for these developments, and for Australia’s ambitions to play a leadership role in the development of global and regional sustainable finance frameworks. This will support global progress on sustainability, and ensure emerging frameworks reflect Australia’s interests.

In recent times Australia has gone from ‘laggard’ to ‘early follower’ on sustainable finance. This Strategy positions Australia to take a leadership role in support of our net zero commitments and renewable energy superpower ambitions. ASFI looks forward to a continued collaborative approach between government and the finance sector to make this happen.”

More detailed analysis from ASFI is available [here](#).

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