

12 September 2023

Decision Minute: CFR CWG Taxonomy Subgroup

Priority sectors for development under the Australian Taxonomy

Date: Thursday 31 August 2023

Record of discussion:

At a meeting between ASFI and the CFR CWG Taxonomy Subgroup on 31 August 2023, the prioritisation of sectors for development under the Australian Sustainable Finance Taxonomy was discussed.

ASFI provided an overview of its approach to identifying priority sectors for development. In accordance with the Terms of Reference set out between ASFI and the CFR CWG Taxonomy Subgroup, ASFI followed the below principles in identifying which sectors should be prioritised:

- the sector should be economically important to Australia;
- the sector should be important to supporting Australia's path to reduce emissions by 43 per cent by 2030, and to net zero by 2050;
- the sector should be important to supporting a just transition in Australia;
- prioritising the sector in the initial phase of the Australian Taxonomy's development would support the realisation of the Taxonomy Principles;
- prioritising the sector would deliver a competitive advantage to the Australian Taxonomy in the future; and
- prioritising the sector would support the advancement of developing an Australian Taxonomy and not impede progress.

ASFI was further guided by:

- independent, expert analysis published on sector and technology deployment pathways and benchmarks for achieving net-zero emissions; and on net-zero emissions trade and investment opportunities; and
- practical considerations relating to the funding and delivery of at least three sectors by the end of June 2024 as per the Grant Agreement between ASFI and the Australian Government.

Record of decision:

The following six priority sectors were recommended by ASFI and endorsed by the CFR CWG Taxonomy Subgroup for initial development under the Australian Taxonomy:

- electricity generation and supply;
- minerals, mining and metals;

- construction and the built environment;
- manufacturing;
- transport; and
- agriculture.

The Grant Agreement between the Australian Government and ASFI enables ASFI to develop technical screening criteria for at least three priority sectors within the 12-month period provided for in the Agreement. The below three sectors – which received the highest scores against the prioritisation factors – were endorsed for immediate development:

- electricity generation and supply;
- minerals, mining and metals; and
- construction and the built environment.

Record of attendees at ASFI/CFR CWG Taxonomy Subgroup meeting on 31 August 2023:

<i>CFR CWG Members</i>	<i>ASFI</i>	<i>Treasury Observers</i>
Warren Tease	Kristy Graham	Nandini Bajaj
Graham Sinden	Nicole Yazbek-Martin	Carol Kim
Anna Park	Grace Soutter	Rebecca Penny
Ben Phillips		