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MEDIA RELEASE

Higher ambition welcomed, but the real test is turning targets into investment

ASFI calls for credible policy frameworks to turn ambitious 2035 climate targets into action

The Australian Sustainable Finance Institute (ASFI) welcomes the Government's announcement of a 2035 climate target in the **62-70% range** as a credible step that strengthens Australia's international standing, but says success depends on clear policy frameworks to ensure targets translate into investment and resilience.

Kristy Graham, Chief Executive Officer at ASFI says ambition must now be matched by delivery.

"A target in this range is credible, but the real test will be building the policy frameworks to turn ambition into investment and resilience," Graham says.

"No matter the target, risks are already materialising. We must act by driving investment into climate mitigation, adaptation and resilience."

ASFI members collectively manage over \$16 trillion in assets and are seeking to manage climate risk and capitalise on opportunities.

The Government's own National Climate Risk Assessment found economic risks are set to rise to *high to very high by 2050*, including potential climate-related shocks to the financial stability of the Australian economy.

Clear policy frameworks, alongside mainstream adoption of tools like the Australian Sustainable Finance Taxonomy, will give investors, lenders and other financial institutions the confidence to deploy capital at scale. These tools are critical to direct investment into the activities and assets that will support achievement of the 2035 target, while strengthening Australia's long-term resilience and competitiveness.

"These targets give financial institutions the certainty they need, backed by clear policy and the right tools, to drive Australia's economic transition," she adds.

"Effective policies and clear frameworks will unlock the next wave of productivity-enhancing investment, especially in key transition sectors like energy, mining and agriculture."

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About the Australian Sustainable Finance Institute (ASFI)

The Australian Sustainable Finance Institute (ASFI) is committed to realigning the Australian financial system so that capital flows to activities that create a sustainable, resilient and inclusive Australia. ASFI is an independent organisation that acts as a bridge between the finance sector and government, working with regulators, policymakers, industry groups and ASFI members to address systemic challenges across climate, environment and social aspects of the sustainable finance agenda.

About the Australian Sustainable Finance Taxonomy

The [Australian Sustainable Finance Taxonomy](#) provides a common language for green and transition finance in Australia. The development of the Australian taxonomy was a joint initiative between the Australian Government and finance sector, led by the Australian Sustainable Finance Institute. The taxonomy is a key component of the Government's Sustainable Finance Roadmap informed by broad-based collaboration and extensive public consultation over twenty months, from July 2023 to February 2025.