Australia launches its sustainable finance taxonomy: a major milestone for green investment

17 June 2025, Canberra: Today, the Australian Sustainable Finance Institute (ASFI) released the Australian sustainable finance taxonomy – marking an historic step towards aligning investment with the nation's net zero ambitions.

The Australian sustainable finance taxonomy provides a clear, Paris-aligned classification system for green and transition finance, tailored to Australia's unique economic and environmental context. It offers financial institutions and businesses a robust, voluntary framework to assess the green claims of economic activities and confidently invest in projects that advance net zero.

ASFI CEO, Kristy Graham, said:

"The release of the taxonomy marks a transformative moment for Australia's sustainable finance market and a key achievement under the Australian Government's Sustainable Finance Roadmap.

"The 20-month development process has been rigorous and collaborative, led by an independent expert decision-making body with strategic oversight from the Australian Treasury and financial regulators. It reflects deep technical input and extensive engagement across finance, industry and civil society.

"To unlock global finance for Australia's key green and transition sectors, the taxonomy had to be internationally credible and locally relevant. In a world-first, it includes sectors such as minerals, mining and metals, and it also sets expectations for engagement with First Nations peoples and cultural heritage management.

"ASFI will now work with Australia's leading financial institutions to pilot the taxonomy in real-world investment decisions."

Taxonomy Technical Body Co-Chair, Dr Guy Debelle, said:

"The taxonomy offers a clear, science-aligned guide to help direct capital towards Australia's green economic transformation by reducing uncertainty and strengthening investor confidence. It can also evolve over time as technology, policy and the economy shift.

“The taxonomy’s release is the foundation for a credible and resilient sustainable finance market in Australia.”

The taxonomy implementation pilot, involving major financial institutions, will run for several months. It aims to explore the taxonomy’s practical applications, inform additional market guidance, and provide an evidence base to refine and evolve the tool. Piloting participants include ANZ, the Clean Energy Finance Corporation (CEFC), Commonwealth Bank of Australia, HESTA, Moody’s Ratings, NAB, Rabobank, Rest and Westpac.

Climate Bonds Initiative, a global leader in sustainable finance standards and an ASFI technical development partner, has announced that it will expand its Certification Scheme to include criteria, pathways, and measures in the Australian Taxonomy that are consistent with the Climate Bonds Standard. This move supports the standardisation and convergence of global taxonomies, promoting market adoption and investor confidence in key sectors.

“Australia’s Sustainable Finance Taxonomy is a shopping list of investments for the future. Climate Bonds Certification will now be able to confirm adherence to both the Australian and the Climate Bonds Taxonomies. This will support investor confidence in the credentials of sustainable financial investments.” - **Sean Kidney, CEO and Co-Founder, Climate Bonds Initiative**

ASFI will continue to engage with regulators, public and private financial institutions and industry bodies to integrate the taxonomy into Australia’s broader financial and policy architecture.

Quotes from Australian Taxonomy Pilot Program Participants:

“The release of the Australian sustainable finance taxonomy is a key moment in the journey to a net zero economy. The taxonomy facilitates investors and business to work in concert, and to channel capital into credible net zero-aligned and transition activities. It is an important step in building further confidence in Australia's transition to net zero in international markets, helping to mobilise investment into Australia's decarbonised future.” - **Ian Learmonth, CEFC CEO**

“The launch of the taxonomy today represents four years of collaboration and thoughtful leadership by Federal Treasury, ASFI and its members.

“The taxonomy will be an important factor in accelerating capital flows supporting Australia’s climate and environment objectives. We’re delighted to be participating in the taxonomy pilot and I look forward to exploring how the taxonomy can help ANZ better understand and measure climate impacts, and contribute to an informed and efficient sustainable finance market.” - **Katharine Tapley, Global Head of Sustainable Finance, ANZ**

“Australia’s Sustainable Finance Taxonomy is a critical framework in helping business and industry tackle the energy transition, enabling financial institutions to credibly deploy green and transition finance toward investments being made.

“NAB has been active in the development of the taxonomy since the earliest stages. We’re looking forward to taking part in the pilot and exploring how it can support both NAB and our customers to achieve our ambitions, and support Australia’s transition to net zero and energy ambitions.” - **Jacqueline Fox, Chief Climate Officer, NAB**

“Westpac welcomes the release of the Australian sustainable finance taxonomy as an important next step in mobilising capital to enable Australia’s transition to net zero. We look forward to participating in the pilot to explore the opportunities it provides Westpac and our customers.” - **Fiona Wild, Chief Sustainability Officer, Westpac**

“We believe the Australian sustainable finance taxonomy is a practical, credible and effective tool that can help facilitate greater long-term investment in Australia's transition to a low-carbon future. HESTA supported its development and we look forward to further opportunities from this work that can help us deliver strong, long-term returns to our members.” – **Kim Farrant, General Manager Responsible Investment, HESTA**

"An Australian sustainable finance taxonomy should become one of a number of tools that investors use to support the classification of assets in our investment portfolios.

“With 2 million members and 1 million under 30, many of Rest’s members are decades from retirement. The taxonomy is one lever that we can use over time to help us and our members understand the sustainable finance assets in our portfolio.

“We look forward to continuing our collaboration with ASFI on this pilot to explore its potential benefits for the broader market, our fund and our members." - **Leilani Weier, General Manager, Responsible Investment & Sustainability, Rest**

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