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MEDIA RELEASE

Foundations laid to expand sustainable financing to nature

In collaboration with Government and industry, the foundational research explores methods for developing taxonomy criteria for nature, providing a credible, actionable future pathway to expand the Australian taxonomy to activities that drive positive nature outcomes while supporting agricultural productivity and long-term resilience.

The Australian Sustainable Finance Institute (ASFI) has today released *Integrating Nature into Finance,* a new research report commissioned by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) with strategic support from the Treasury and the Department of Agriculture, Fisheries and Forestry (DAFF).

ASFI's report explores science-based methods for developing draft taxonomy nature criteria for agriculture, forestry and land management, sectors that underpin 55 per cent of Australia's land use and 74 per cent of national water consumption.[1] The report sets out how investments can flow into practices that drive positive environmental outcomes while strengthening agricultural productivity and delivering long-term resilience.

The work is informed by input from major financial institutions, including all Australia's major agricultural lenders, superannuation funds, farmers associations, First Nations organisations, and leading environmental groups. Between one fifth and one third of Australian farmers have already adopted sustainable practices, demonstrating growing industry appetite for investment-ready solutions.

"Capital markets need clarity, and this research give investors a clearer line of sight on how they could, in future, finance positive nature outcomes in agriculture and land," said Kristy Graham, Chief Executive Officer at ASFI.

"Agriculture is central to Australia's economic future. By shaping clear definitions that are both robust, and usable, we can unlock investment in practices that boost productivity while also restoring nature."

The research proposes draft criteria aligned with Australia's Strategy for Nature 2024-2030, which commits to halting and reversing biodiversity loss by 2030, and the Kunming-Montreal Global Biodiversity Framework (GBF) 2030 targets, marking an important step towards supporting future expansion of the Australian Sustainable Finance Taxonomy beyond climate.

[1] Australian Bureau of Agricultural and Resource Economics and Sciences 2025, Snapshot of Australian Agriculture.

ASFI will use this research as a foundation to engage with government, finance, agriculture and civil society, to explore the possible future expansion of the Australian Sustainable Finance Taxonomy beyond climate to include nature-related objectives.

“This is just the beginning of the conversation,” Graham said. “If Australia is to meet its biodiversity and climate goals, collaboration must be part of the solution. By working together, we can ensure capital flows into practices that strengthen productivity, build national long-term resilience and support nature at the same time.”

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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.

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.

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