



From Ambition to Impact: ASFI's First Five Years

ASFI's role in shaping Australia's sustainable finance system

PRISM Final Report of Learning Partnership 2025-2026 with PRISM Co
Australian Sustainable Finance Institute (ASFI) | 2026.





Acknowledgment of Country

The Australian Sustainable Finance Institute (ASFI) acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection and responsibility to land, water, species and culture.

We acknowledge their ongoing status as the First Peoples of Australia and pay our respects to their Ancestors and Elders past and present.

Contents

Introduction	04	Case Study 3: Shaping Sustainable Finance Policy	15
The PRISM-ASFI Partnership	04	Case Study 4: First Nations Finance	17
ASFI's Distinctive Value	04	Case Study 5: Leadership & Capability	19
Outcomes shaped by ASFI's work	05	Case Study 6: Blended Finance	21
ASFI's contribution by Work Program and Impact Area	06	Stakeholder Insights & Future Opportunities	23
Influencing the system and significant institutions within it	07	Stakeholder Insights	24
The key actors involved in outcomes influenced by ASFI	08	Future potential and opportunities	25
How ASFI has contributed to sustainable finance outcomes	09	Appendix 1: Methodology	26
Case Studies of Impact	10	Methodology & Findings	27
Case Study 1: The Australian Taxonomy	11	Impact Framework Development	28
Case Study 2: International Harmonisation	13		

Introduction

The Australian Sustainable Finance Institute (ASFI) is Australia's peak body for sustainable finance.

Established in 2021 to accelerate the transition of Australia's financial system to support a more sustainable, resilient and inclusive economy, ASFI operates at the intersection of the finance sector, government, First Nations communities and international partners.

Its work spans taxonomy development, policy advocacy, capability building, international engagement and market development.

The PRISM-ASFI Partnership

PRISM Co is a learning and leadership focused social purpose organisation working with organisations and systems seeking to create positive social and environmental impact.

In 2025, ASFI and PRISM Co entered a learning partnership with the aim of developing and implementing an outcomes measurement and harvesting framework to support ASFI in understanding, documenting and communicating the changes it is contributing to. This report draws together the findings, outcomes and reflections from

approximately one year of collaborative work between ASFI and PRISM Co, spanning April 2025 to March 2026. It provides an honest account of what ASFI has contributed to, what has changed, and how that change has been understood and documented.

This work aims to reflect carefully what has been learned rather than to claim more than the evidence supports. Where ASFI has contributed to change alongside others, this is noted as contribution rather than sole attribution.

ASFI's Distinctive Value

ASFI operates in a space that no other organisation occupies: technically credible, independent from government, trusted by both finance and policy actors, and committed to the long-term goal of a sustainable financial system rather than the interests of any single constituent.

This distinctive positioning enables ASFI to do things that government cannot do alone, that industry bodies will not do without cover, and that international organisations cannot do with local credibility.



Outcomes shaped
by ASFI's work
2021–2025



ASFI’s contribution by Work Program and Impact Area

The outcomes discussed in this report represent changes that ASFI has contributed to — changes made by other actors in practice, behaviour, policy, relationships, capabilities and systems.

In each case, ASFI's contribution occurred alongside the agency of others. They are organised by core ASFI work streams. More information on the process used to capture and report on outcomes is [in Appendix 1](#).

Our process identified 179 specific outcomes ASFI contributed to and analysed them across a range of dimensions, according to the impact framework*.

The analysis demonstrates that ASFI has made particular contributions to shift financial practices and align policy and regulation with Australia’s sustainability objectives, in line with the ambition of international agreements.

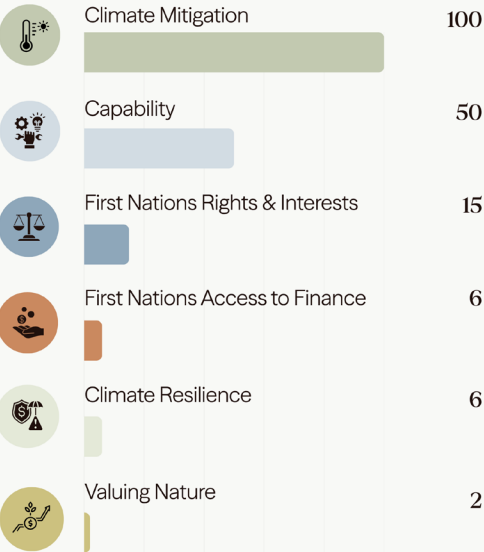
*Source: PRISM Co analysis, informed by document review, ASFI working sessions and 16 external stakeholder interviews. As outcomes can contribute to multiple themes and work programs, figures may not add up to exactly 179.

Outcomes by ASFI Work Program



In this period, the outcomes have overwhelmingly been focused on Climate Mitigation and also on growing sustainable finance capability within both the finance sector and government.

Outcomes by ASFI Impact Area



Influencing the system and significant institutions within it

The outcomes* revealed a majority of changes at an institutional (e.g. within a financial institution or government agency or sustainable finance intermediary) and at a systemic level (e.g. in adopted policy or broader practice).

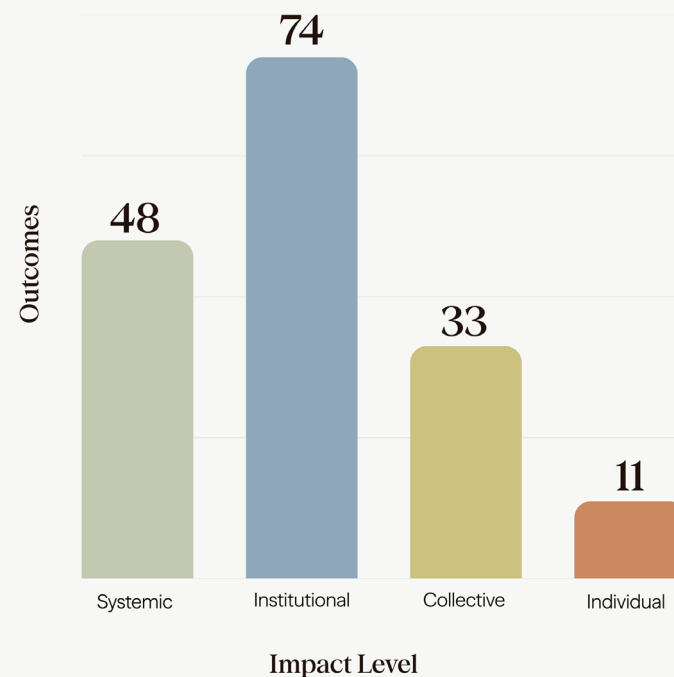
A smaller number were collective (e.g. a group of actors shifting collectively) or individual (e.g. a financial institution or government leader taking action).

This is significant as it does demonstrate the level of influence, in a small time on changes that are institutionalised or having broader effects on the market.

It provides endorsement that ASFI has been focused on changes that can shape and influence the broader context and practice of sustainable finance.

*Source: PRISM Co analysis, informed by document review, ASFI working sessions and 16 external stakeholder interviews. As outcomes can contribute to multiple themes and work programs, figures may not add up to exactly 179.

Level of Outcomes



Insight

The majority of outcomes achieved by ASFI were on the financial system or institutions within it.

This provides endorsement that ASFI has been focused on changes that can shape and influence the broader context and practice of sustainable finance.

The key actors involved in outcomes influenced by ASFI

ASFI’s impact is reflected in the actions of different parts of the sustainable finance system — including government, the finance sector, civil society and the private sector.

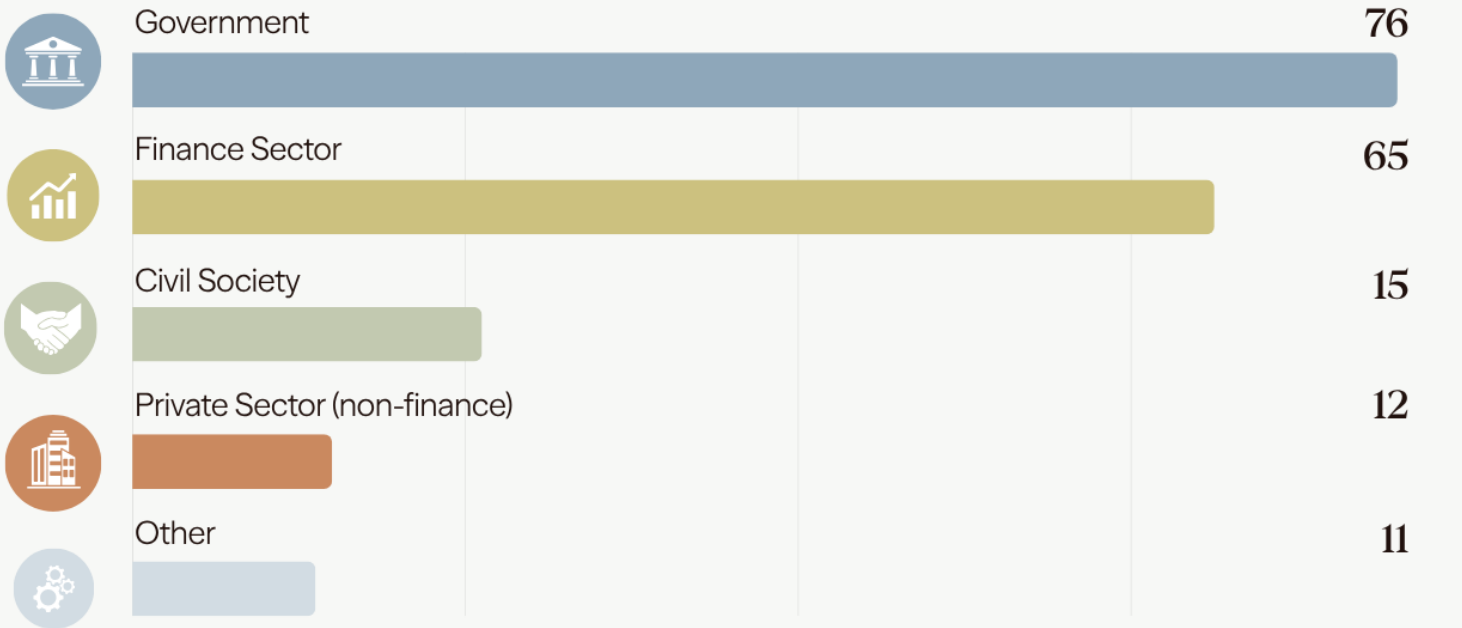
The actor that took action in any relevant outcomes* were most concentrated in Government (76) and Finance Sector (65), establishing and facilitating multi-stakeholder networks.

It’s important to note how this aligns with the [‘Outcomes by ASFI Work Program’](#) chart showing the higher number of outcomes from shifting financial institution practice.

In many instances, the action of government agency or change in policy or practice may contribute to shifting financial institution practice primarily.

*Source: PRISM Co analysis, informed by document review, ASFI working sessions and 16 external stakeholder interviews. As outcomes can contribute to multiple themes and work programs, figures may not add up to exactly 179.

Who is taking action?



How ASFI has contributed to sustainable finance outcomes

ASFI contributes to change in different ways, depending on the issue and the stakeholders involved.

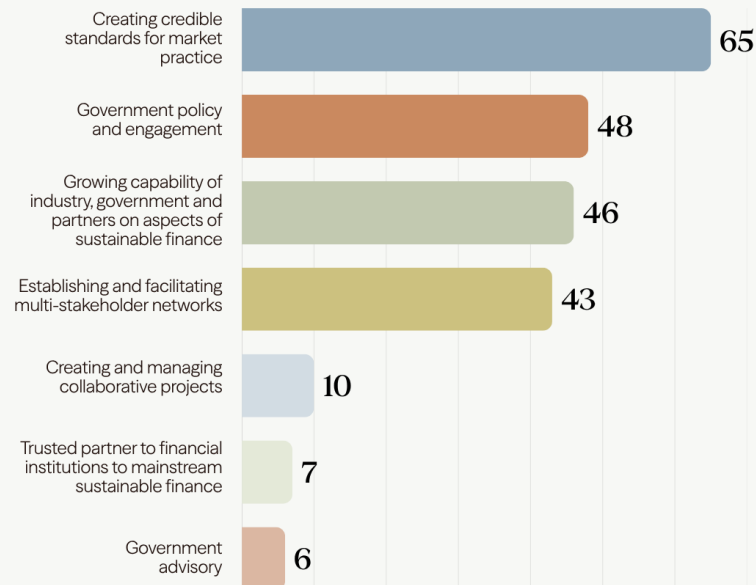
The analysis shows that ASFI's greatest influence often comes from combining several roles, from developing standards and engaging with government to building capability and bringing the right people together.

ASFI's most effective roles for contributing to sustainable finance outcomes* to date have been through:

- the creation of credible standards
- government policy engagement
- growing capability of industry and government, and
- establishing and facilitating multi-stakeholder networks.

*Source: PRISM Co analysis, informed by document review, ASFI working sessions and 16 external stakeholder interviews. As outcomes can contribute to multiple themes and work programs, figures may not add up to exactly 179.

ASFI's role in contributing to Outcomes



As interviews confirmed, it is often the combination of roles and, importantly, the independence, expertise and openness that ASFI staff bring to these roles that has enabled them to be influential.

It is the combination of roles that enables ASFI to influence change.

INDEPENDENCE, EXPERTISE
AND OPENNESS STRENGTHEN
ASFI's INFLUENCE

Case studies of impact

The following impact case studies draw on the outcomes harvested through the PRISM-ASFI engagement, with verification through external stakeholder interviews. They represent ASFI's most significant areas of contribution.



CASE STUDY 1

The Australian Taxonomy

THE TAXONOMY: IMPACT AT A GLANCE

The Australian Sustainable Finance Taxonomy, released in June 2025 and developed in partnership with the Commonwealth Treasury, addressed the fundamental market need for a common, science-based language for sustainable finance in Australia.

ASFI's role in taxonomy development exemplifies collaborative leadership in sustainable finance policy, as rather than a purely government-led or industry-led approach, ASFI made the case for a distinctive public-private partnership model. The taxonomy has been central to ASFI's work and the largest source of documented outcomes.



The Market Need



Identified through the Australian Sustainable Finance Roadmap



Responded to the need for a common, credible language



Designed to support green and transition finance in Australia



Collaborative Development



Led by ASFI in partnership with Commonwealth Treasury



A distinctive public-private partnership model



Comprehensive engagement with the Australian market



Early Market Uptake

11

financial institutions joined the taxonomy implementation pilot

9

taxonomy-aligned transactions in the market as of October 2026



Early use across lending, investment, reporting and asset screening



Applying the Taxonomy in Practice



The Western Australian Treasury Corporation became the first sub-sovereign entity to publicly report taxonomy alignment.



An agricultural financial institution began using the taxonomy to classify farming clients and structure differentiated support packages.



Market leading, major international assurance and second-party opinion providers began developing taxonomy verification products.

The Australian Taxonomy

Building a New Standard for Sustainable Finance

In June 2025, ASFI released the Australian Sustainable Finance Taxonomy in partnership with the Commonwealth Treasury.

This science-based classification tool provides a common language for green and transition finance across six priority sectors, fundamentally reshaping how financial institutions evaluate and report on sustainable investments in Australia.

ASFI's Contribution & Role

ASFI's role in taxonomy development exemplifies collaborative leadership in sustainable finance policy. Rather than pursuing either a purely government-led or industry-led approach, ASFI made the case for a distinctive public-private partnership model.

Following Treasurer Chalmers' announcement at the Investor Roundtable, government co-funded ASFI to lead taxonomy development, recognising ASFI's trusted position between the financial sector and policy makers. The development process engaged the market comprehensively. ASFI received 71 stakeholder submissions during the first consultation round and 99 during the second consultation round, ensuring the taxonomy reflected diverse perspectives.

ASFI designed and led the taxonomy implementation pilot, bringing together 11 financial institutions including Australia's four largest banks, the CEFC, the AOFM, and major asset owners.

Finance sector stakeholders praised ASFI for finding a 'practical middle ground', highlighting the agricultural criteria allowing 'whole-of-farm classification' as a significant achievement.

Government officials described ASFI's contribution to the taxonomy as 'outsized' and praised it as 'a unique approach — having that partnership between government and private sector.'

Advisors and officials from across government reinforced this: "there is no practical way that work would happen without having a credible partner... trusted to be quite pragmatic."

Evidence of Impact

ASFI's role in taxonomy development exemplifies collaborative leadership. Between 2021 and 2025 ASFI contributed to 73 specific outcomes in the area of Sustainability Standards and Practices, most of them related to the Taxonomy.

The taxonomy has catalysed tangible shifts in market practice.

Eleven financial institutions publicly committed to funding pilot participation and dedicating substantial internal resources. Two pilot organisations hired dedicated taxonomy staff, signalling deep institutional commitment.

Victoria Transmission Network aligned its inaugural green bond framework to the taxonomy — the first corporate use of the framework. Investors responded with notably larger bids, describing VTN's issuance as "incredibly positive" and "darker green."

The Western Australian Treasury Corporation became the first sub-sovereign entity to publicly report taxonomy alignment, and at least one of Australia's largest superannuation funds is using the taxonomy to assess and report on climate-related investments.

Financial institutions report that the taxonomy is replacing previously fragmented, bespoke approaches with objective eligibility criteria.

One market leading financial institution is using the taxonomy as an asset-level screening tool. An agricultural financial institution is using it to classify farming clients and structure differentiated support packages.

Banks report increasing client demand for taxonomy-aligned issuances, with clients actively approaching their providers. All state and territory financing agencies have committed to using the taxonomy as part of their green bond programs and the AOFM committed to considering the taxonomy in its next Green Bond Framework update.

Market leading major international assurance and second-party opinion providers are now developing taxonomy verification products.

Many of Australia's major banks have publicly discussed working with clients on taxonomy application in sustainable debt instruments.

ASFI's role in securing strong finance sector support proved decisive, delivering what was described as "an overwhelmingly positive response"

Why it's Significant

The taxonomy addresses a fundamental market gap: the absence of a common, science-based language for sustainable finance in Australia.

This gap has impeded the flow of finance into sustainable activities. The taxonomy's significance lies not only in providing a classification tool, but in its distinctive approach to transition finance.

Unlike European frameworks that have largely avoided hard-to-abate sectors, the Australian taxonomy enables transition finance for mining and agriculture — sectors critical to Australia's economy.

The public-private partnership model itself represents a significant innovation, avoiding pitfalls seen in other jurisdictions.

“

ASFI has done a really good job on balancing the need for a credible benchmark out into the market.

STAKEHOLDER FROM
TAXONOMY PILOT ORGANISATION

CASE STUDY 2

International Harmonisation

ASFI has pursued active international engagement to ensure interoperability of the Australian taxonomy with global frameworks. Australia's industry-led approach, embedded within a strong government partnership, offers a distinctive model for countries where finance-government collaboration differs from European or NGO-driven models.

ASFI's international engagement spans bilateral partnerships, regional collaboration, and work with global standard-setting bodies. ASFI's pioneering work on transition criteria for mining and agriculture has also created globally influential standards now being adopted by Canada, New Zealand, and the Climate Bonds Initiative's global standard.

INTERNATIONAL HARMONISATION: IMPACT AT A GLANCE



The Market Need



The Australian taxonomy needed to connect with global frameworks, not operate in isolation.



ASFI positioned the Australian approach as a practical model for other jurisdictions.



Interoperability helps create efficiency for multinational investors and financial institutions.



Global Engagement



ASFI's international engagement spanned bilateral partnerships, regional collaboration, and work with global standard-setting bodies.



ASFI co-convened the International Group on Taxonomies with Canada, ASEAN and New Zealand.



The Australian taxonomy is the first to be certifiable under the Climate Bonds Initiative standard



Evidence of Impact

82

% of respondents identified Australia as the highest priority jurisdiction for Canada to achieve taxonomy interoperability with



Indonesian analysts positioned the Australian taxonomy as the 'gold standard' for mining sector classification



New Zealand adapted Australian taxonomy criteria with only minor contextual adjustments



Stakeholder Insights



Government officials confirmed the taxonomy was designed "with interoperability front-of-mind"



International bodies requested information after ASFI members advised that "the Australian approach is the right approach."



The ability to facilitate deep stakeholder engagement and build genuine buy-in was something ASFI modelled

International Harmonisation

Positioning Australia as a Global Leader

As the Australian taxonomy gained traction domestically, ASFI pursued international engagement to ensure interoperability with global frameworks including by positioning the Australian approach as a model for other jurisdictions.

This work reflects recognition that sustainable finance operates within increasingly globalised markets, and that standards alignment creates efficiency for multinational investors and financial institutions.

ASFI's Contribution & Role

ASFI's international engagement spans bilateral partnerships, regional collaboration, and work with global standard-setting bodies.

ASFI engaged directly with the Chinese government on taxonomy interoperability through a bilateral research project and provided training to Indonesian government officials on taxonomy design principles.

Recognising New Zealand's parallel taxonomy development, ASFI shared the Australian methodology and criteria confidentially, which formed the foundation for New Zealand's framework.

At the regional level, ASFI co-convened the International Group on Taxonomies with Canada, ASEAN, and New Zealand counterparts. ASFI engaged with Singapore's Monetary Authority, ASEAN governments, South Africa, Chile, and the United Kingdom.

Beyond government engagement, ASFI proactively worked with the Loan Markets Association on its transition finance guide, providing extensive feedback through multiple rounds to ensure global standards aligned with credible transition methodology.

ASFI is characterised by stakeholders as a "bridge rather than lobby group" uniquely positioned for international engagement, assessing ASFI's influence with government at "8–9 out of 10" with "deep expertise that is probably unmatched in Australia." Government officials confirmed the taxonomy was designed "with interoperability front-of-mind" and that ASFI has been "really active in conversations" internationally.

“

If we didn't have an ASFI we'd have to invent it.

ASFI PARTNER ORGANISATION
BASED IN AUSTRALIA

Evidence of Impact

The Australian taxonomy has become a global reference point.

The New Zealand Centre for Sustainable Finance (CSF) described NZ's explicit approach as adopting everything from the Australian framework and innovating only where unavoidable.

“

New Zealand could not have developed a sustainable finance taxonomy if Australia hadn't gone first

CENTRE FOR SUSTAINABLE FINANCE NZ

Beyond the technical content, they credited ASFI's process design as equally important — the ability to facilitate stakeholder consensus and build genuine buy-in was something ASFI modelled and NZ learned directly from. One NZ stakeholder told CSF: 'I hate where we've landed but I cannot fault the process' — a testament to ASFI's governance approach.

The Climate Bonds Initiative began incorporating the Australian taxonomy into its global certification standard, the first taxonomy globally to receive this distinction and be able to become certified under the CBI standard.

The Loan Markets Association and the United Kingdom Transition Finance Council have both published transition guidance drawing significantly on ASFI's technical inputs following the credible approach to transition developed in the Australian taxonomy.

Canada taxonomy developers are using the Australian taxonomy as the benchmark for their own development, with Canadian technical

partners publicly endorsing the Australian transition methodology. A global survey of Canadian financial institutions found that 82 percent of respondents identified Australia as the highest priority jurisdiction for Canada to achieve taxonomy interoperability with, above the EU (76 percent) and other jurisdictions.

Indonesian analysts published a report positioning the Australian taxonomy as the "gold standard" for mining sector classification. The Indonesian government subsequently shifted ASFI's role from providing confidential reports to active design participation, bringing ASFI in to consult with their own consultants on the next version of Indonesia's taxonomy.

Demand for ASFI's expertise extends further: Malaysia, Cambodia, and Vietnam have sought ASFI technical assistance. International bodies including the International Capital Market Association, the Loan Markets Association, and the UK Transition Finance Council have requested information after ASFI members advised that "the Australian approach is the right approach."

Why it's Significant

Australia's industry-led approach, embedded within a strong government partnership, offers a distinctive model for countries where finance-government collaboration differs from European or NGO-driven models.

ASFI's pioneering work on transition criteria for mining and agriculture has created globally influential standards now being adopted by Canada, New Zealand, and incorporated into the Climate Bonds Initiative's global standard.

This work demonstrates Australian leadership on sustainable finance, ensuring Australian financial institutions are shaping, not merely adopting, global frameworks to suit Australia's national interests.

CASE STUDY 3

Shaping Sustainable Finance Policy

ASFI has played a central role in shaping Australia's sustainable finance policy architecture, operating as a bridge between the finance sector and government.

ASFI's policy work extends across multiple policy domains and has translated into concrete policy outcomes. Its capacity to bring the perspectives of diverse financial institutions (banks, insurers, investors) to important public policy debates has supported ambitious and effective policy reforms.

SHAPING SUSTAINABLE FINANCE POLICY : IMPACT AT A GLANCE



The
Coordination
Need



Sustainable Finance policy in
Australia was a significant way
behind other jurisdictions



The finance sector needed credible,
coordinated channels to contribute
evidence and market perspectives.



ASFI operated as a bridge between
financial institutions and government at
key moments of policy development.



Coalition
Building



Based on work done to develop ASFI
Roadmap, ASFI coordinated with other
industry bodies to shape Australia's
Sustainable Finance strategy

15

The number of financial institutions in the
coalition that supported the introduction
of mandatory climate disclosure.



ASFI mobilised unified finance and
business sector positions in response to
politically sensitive policy developments.



Evidence
of Policy Uptake



The Australian Government's
Sustainable Finance Roadmap
incorporated many ASFI
recommendations.



The Treasurer announced NatHERS expansion
funding three days after an ASFI-coordinated
joint statement from the finance sector.



The Climate Change Authority cited ASFI's
Maximising Green Growth report in its advice
on Australia's 2035 Nationally Determined
Contribution



Policy
Outcomes

52

specific outcomes were identified
across ASFI's public policy work.



The Safeguard Mechanism
Amendment Bill passed with
coordinated finance sector support.



Australia issued its first sovereign
green bond in June 2024.

CASE STUDY 3

Shaping Sustainable Finance Policy

Enabling Finance Sector Leadership & Influence

ASFI has played a central role in shaping the policy foundations for Australia's sustainable finance transition, acting as a critical bridge between the financial sector and government at moments of significant policy development.

Between 2021 and 2025 ASFI contributed to 52 specific outcomes around Public Policy.

ASFI's Contribution & Role

Building on the original ASFI Roadmap, ASFI coordinated with four other industry organisations to draft a comprehensive sustainable finance strategy document, which directly informed the government's [Sustainable Finance Roadmap](#).

This behind-the-scenes industry coordination represented a significant contribution to Australia's policy architecture.

On mandatory climate disclosure, ASFI's coalition-building was decisive at key moments during the development and passage of the legislation.

ASFI's coordinating role extends across multiple policy domains for example: joint statements on the Safeguard Mechanism and Home Energy Performance, the Maximising Green Growth report cited by the Climate Change Authority.

ASFI's CEO serves on the Net Zero Economy Authority advisory panel, and ASFI established a COP31 working group with seven leading financial institutions to drive a private climate finance agenda for COP31.

Government officials involved in the Sustainable Finance agenda noted that ASFI played a "really important role helping to open the door to make room for a holistic approach" on sustainable finance.

“

That access to regulators is a real standout — not just at a conference talking at us — engaged, committed — it's unique. That is absolutely unique.

ASFI MEMBER

They described ASFI as “values driven” whilst seeking “credible evidence” for recommendations and praised their ability to help stakeholders “understand the connections between component parts of the roadmap.”

Evidence of Impact

ASFI's policy work has translated into concrete government action.

The government released the Sustainable Finance Roadmap incorporating many ASFI recommendations. As part of this, the government legislated a mandatory climate disclosure regime — a major policy achievement in which ASFI's coalition-building was a critical contribution. The government passed the Safeguard Mechanism Amendment Bill with finance sector support that ASFI coordinated.

Budget outcomes directly reflect ASFI's advocacy influence. The federal budget included \$1 billion for CEFC home upgrade finance following ASFI's advocacy, and \$300 million for social housing upgrades. The Treasurer announced NatHERS expansion funding three days after an ASFI-coordinated joint statement from the finance sector.

The National Adaptation Plan includes a recommendation to expand the taxonomy to adaptation and resilience. The Climate Change Authority cited ASFI's report in its advice on Australia's 2035 Nationally Determined Contribution.

The ACCC granted ASFI authorisation for financial institution collaboration, with the ACCC Chair publicly highlighting this authorisation as an example of support for sustainability collaborations.

Australia issued its first sovereign green bond in June 2024, with ASFI providing input into government's green bond framework.

Why it's Significant

ASFI has acted as a critical institutional bridge between the finance sector and government. The capacity to coordinate diverse financial institutions, banks, insurers, superannuation funds, and present unified positions has given government essential political cover to pursue ambitious policy reforms.

The successful passage of mandatory climate disclosure, the Sustainable Finance Roadmap, significant previous budget commitments, and the Safeguard Mechanism legislation collectively demonstrate the concrete policy impact of this bridge-building function

”

Without a credible, well-led and adequately resourced body... it would have been much harder for people working inside the system to get the policy commitments on climate disclosure and sustainable finance.

FORMER GOVERNMENT OFFICIAL

CASE STUDY 4

First Nations Finance

ASFI has pursued the integration of First Nations rights and interests into sustainable finance frameworks, with results that have drawn international attention. The inclusion of First Nations rights in the Australian taxonomy represents a world first, setting a new global benchmark for incorporating Indigenous rights into sustainable finance.

ASFI also established a paid First Nations Reference Group — a deliberate choice to normalise payment for First Nations expertise rather than relying on volunteer participation — and has intentionally built First Nations capability and voice at Board level, with the explicit intention that Board members take this enhanced capability and perspective into their own spheres of influence.

FIRST NATIONS FINANCE: IMPACT AT A GLANCE



The Market Need



Sustainable finance must address social outcomes alongside environmental objectives.



First Nations communities are rights-holders with critical expertise in land stewardship and environmental management.



First Nations rights and interests are material in Australia, and so need to be embedded into sustainable finance frameworks



Integration to Sustainable Finance



ASFI recommends inclusion of Free, Prior and Informed Consent (FPIC) which is incorporated into taxonomy design parameters



The Australian taxonomy's Terms of Reference embedded Indigenous rights safeguards - the first globally to include comprehensive social safeguards for Indigenous rights.



Remunerated First Nations expertise included in taxonomy governance and advisory groups



Market and Government Uptake



There has been a notable increase in FPIC guidance requests to the National Native Title Council (NNTC), linked to taxonomy inclusion.



Financial institutions are beginning to use the NNTC's business and investor guidance on FPIC to assess alignment with the taxonomy's social safeguards.



The Joint Parliamentary Committee's Final Report on Economic Self-Determination for First Nations Australians incorporated many of ASFI's recommendations.



Shifting norms across the finance sector



ASFI members became more active supporters of First Nations finance work following capability building



ASFI established a paid FN reference group which is shifting norms across the sector



The inclusion of FPIC in Sustainable Finance frameworks has shifted this to a fiduciary risk management issue

CASE STUDY 4

First Nations Finance

Embedding First Nations Rights in Sustainable Finance

ASFI has pursued the integration of First Nations rights and interests into sustainable finance frameworks, making the Australian taxonomy the first globally to include comprehensive social safeguards for Indigenous rights and cultural heritage.

This work reflects recognition that sustainable finance must address social outcomes alongside environmental objectives, and that First Nations communities are rights-holders with critical expertise on land stewardship and environmental management.

Between 2021 and 2025 ASFI contributed to 12 specific outcomes related to First Nations Finance.

ASFI's Contribution & Role

ASFI's First Nations engagement began with advocacy for the inclusion of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and Free, Prior and Informed Consent (FPIC) principles in taxonomy design recommendations.

These principles were adopted by government into the taxonomy's Terms of Reference, embedding Indigenous rights safeguards into Australia's foundational sustainable finance framework.

Operationally, ASFI established a paid First Nations Reference Group — a deliberate choice to normalise payment for First Nations expertise rather than relying on volunteer participation. ASFI made a submission to and appeared before the Joint Parliamentary Committee on Economic Self-Determination.

ASFI has intentionally built First Nations capability and voice at Board and organisational level within members, with the explicit intention that members take this enhanced capability into their own spheres of influence.

ASFI has also facilitated First Nations participation in sustainable finance events and international forums, ensuring Indigenous voices are present in global discussions about sustainable finance standards.

“

For the first time, we have express inclusion of UNDRIP and FPIC included in the taxonomy — that was very significant for me... it then comes into the world of risk... not just asking them to be nice to us — this is your fiduciary duty.

SENIOR FIRST NATIONS STAKEHOLDER

First Nations stakeholders highlighted ASFI's 'important intermediary role' given the 'big disconnect between community and investment actors,' and praised the institute's 'culturally open, engaged approach flowing from Kristy's leadership.

Evidence of Impact

ASFI's policy coordination has translated into concrete government action. The government released the Sustainable Finance Roadmap incorporating reference to First Nations as a future area of work, in line with ASFI engagement.

The inclusion of First Nations rights safeguards in the taxonomy has generated measurable downstream effects.

Financial institutions and corporations have experienced a noteworthy increase in FPIC guidance requests to the National Native Title Council (NNTC), directly linked to taxonomy inclusion.

Financial institutions seeking to use the NNTC's Dharawa Ngilan Business investor guide for FPIC compliance, embedding First Nations engagement standards into investment decision-making to support them to comply with the taxonomy social safeguards on First Nations rights and cultural heritage.

The Joint Parliamentary Committee's Final Report on Economic Self-Determination for First Nations Australians incorporated many ASFI recommendations, extending influence beyond sustainable finance into broader Indigenous economic policy.

A number of ASFI Board and member contacts have become more active supporters of their organisation's First Nations Finance work following an increase in their capability in this area through their work with ASFI.

Other organisations have begun adopting the practice of paying for First Nations expertise, following ASFI's example.

First Nations partners have used the taxonomy in advocacy work, reporting that it has helped shifted conversations to address risk and fiduciary duty alongside a broader human rights framing.

Why it's Significant

The inclusion of First Nations rights safeguards in the Australian taxonomy represents a world first, setting a new global benchmark for incorporating Indigenous rights into sustainable finance.

By shifting the conversation from human rights obligations to fiduciary duty and risk management, ASFI has made First Nations engagement a matter of financial prudence.

When senior employees of major financial institutions' develop enhanced understanding of Indigenous rights frameworks, they carry this perspective into their own organisations' governance and strategy — creating ripple effects well beyond ASFI's direct reach.

ASFI's approach of paying for First Nations expertise and building capability at Board level is contributing to broader changes in how the finance sector engages with First Nations communities.

CASE STUDY 5

Leadership & Capability

ASFI has developed a suite of programmes and frameworks to build sustainable finance capability across the Australian financial sector.

ASFI also builds capability through engagement with financial institutions and policy makers — embedding sustainability learning into the practical work of taxonomy implementation, policy engagement, and convenings for the market on emerging sustainability issues like nature and First Nations and Finance.

LEADERSHIP & CAPABILITY: IMPACT AT A GLANCE



The Market Need



Integrating sustainability into financial decision making requires new capabilities, mindsets and competencies



Financial institutions saw value in a whole-of-sector understanding of capability needs



An often under-estimated aspect of sustainability capability, professional skills like influencing, stakeholder engagement and change management are critical



Building capability



Developed the Sustainable Finance Capability Framework to help organisations assess and build capability.



ASFI delivered the Mobilising Private Finance course and Sustainability Leadership program for four cohorts



ASFI designed and delivered the Limitless mentoring programme for emerging leaders.



Encouraging Institutional Uptake



Taxonomy pilots provided a bespoke opportunity to build technical capability, test implementation and learn within financial institutions.



One of Australia's largest insurers used ASFI's framework to develop its own capability framework.



One of Australia's largest insurers included a sustainability-related KPI into annual development plans



Changing Market Practice



Leadership Working Group members reported stronger approaches to building internal consensus and influencing sustainability strategy.



Financial institutions are using the Taskforce on Nature-related Financial Disclosures (TNFD) in a more informed, sophisticated way.



Some institutions showed a slight increase in executive-level climate and sustainability KPIs.

CASE STUDY 5

Leadership & Capability

Building Sustainable Finance Expertise Across the Sector

Translating market frameworks into practice requires the finance sector to develop new capabilities, mindsets, and competencies.

ASFI has developed a suite of programmes and frameworks to build sustainable finance capability across the Australian financial sector, from individual professional development to organisation-wide learning programmes and peer-led learning networks. Importantly, a commitment to enabling leadership and capability is threaded through all areas of ASFI's work.

Between 2021 and 2025, ASFI contributed to 42 specific outcomes related to Leadership and Capability.

ASFI's Contribution & Role

ASFI's capability development operates across multiple levels. ASFI developed the [Sustainable Finance Capability Framework](#) through extensive sector consultation, providing organisations with a structured tool for assessing and building capabilities.

ASFI convenes the Leadership Working Group for member organisations, creating peer-led learning and strategy development and implementation support. ASFI designed and delivered the Limitless mentoring programme for emerging sustainable finance leaders.

ASFI hosts the Australian Sustainable Finance Summit, which has grown attendance by 59 per cent since 2022.

ASFI has delivered the Mobilising Private Finance course and other targeted education programmes. ASFI facilitated Taskforce on Nature-related Financial Disclosures (TNFD) pilot activities, supporting the sector's emerging work on biodiversity and nature-related risks.

Critically, ASFI builds capability through engagement — embedding sustainability learning into the practical work of taxonomy implementation, policy advocacy, and nature focused industry events.

One ASFI member noted that ASFI's capability framework was “really helpful to think about — have we covered all bases when we think about what are those capabilities that we need,” and particularly praised “the notion of a sustainability mindset and what that capability looks like.” Another member described ASFI as “easy to work with, quite progressive, very thoughtful and strategic.”

Evidence of Impact

The capability framework has catalysed organisation-wide change. One large ASFI member drew on ASFI's framework to develop their own internal sustainability capability framework and made it the focus of their 2025 learning programme for all staff.

At least one other ASFI member is encouraging all employees to include a sustainability-related KPI in their annual learning and development plans.

ASFI participated in sessions with employees to make the case for including sustainability in

“

Their willingness to share and open up and invite people along is always very beneficial — don't feel like anything is off limits.

ASFI MEMBER

professional development — demonstrating how ASFI's work extends beyond frameworks into frontline engagement. Leadership Working Group members reported learning strategies for building consensus and structuring their influencing approach.

In 2024, members drew on solutions, case studies, and practical examples to bring new ideas into their own organisations. The 2025 Summit demonstrated “stepped-up sophistication,” with ASFI's Chair noting “the depth and sophistication of the discussions on the stage has really stepped up a level.”

Financial institutions are showing a slight increase in executive-level climate and sustainability KPIs, suggesting that ASFI's leadership development work is beginning to shift incentive structures. The finance sector is using TNFD in an informed, sophisticated way — rather than simply following requirements by the letter — following capability and pilot activities with and enabled by ASFI.

A taxonomy panel showed financial institutions “comfortable with uncertainty” — described as a “massive mind shift change for the finance sector,” where institutions are traditionally backward-looking and reluctant to discuss how they will tackle the unknown.

Why it's Significant

Regulatory and market frameworks do not implement themselves. The finance sector must develop the technical skills, institutional processes, and professional mindsets to translate frameworks into practice.

The ASFI member case outlined above demonstrates how ASFI's frameworks can catalyse organisation-wide change: when an institution of the scale of ASFI's members integrates sustainability learning into all-staff programs and executive performance metrics, the impact ripples through thousands of employees and influences investment and underwriting decisions.

Perhaps most significantly, ASFI is shifting the sector's approach to uncertainty. The observation that financial institutions are becoming “comfortable with uncertainty” represents a profound cultural shift.

Finance has traditionally sought certainty and clear rules; ASFI's work is enabling the sector to operate productively within ambiguity, to pilot approaches, and to iterate based on market learning.

This capability is essential for sustainable finance, which involves both scientific uncertainty and rapidly evolving frameworks.

CASE STUDY 5

Blended Finance

ASFI has partnered with the Department of Foreign Affairs and Trade (DFAT) to support the design and implementation of blended finance mechanisms and facilitate flows of Australian private capital for Southeast Asia's climate transition.

Blended finance is widely recognised as essential for achieving climate outcomes in emerging markets, however, it is technically complex, requiring public officials to understand commercial investor requirements and requiring private investors to navigate government stakeholders and processes. ASFI's role as a specialist intermediary bridges this knowledge gap,

BLENDING FINANCE: IMPACT AT A GLANCE



The Market Need



Australia's climate diplomacy and development program requires private capital to support Southeast Asia's climate transition.



The Department of Foreign Affairs and Trade (DFAT) recognised the need to better understand institutional finance requirements for blended finance



Mobilising Australian private capital required a clearer view of investor barriers and commercial requirements.



Understanding Investment in Southeast Asia

12

financial institutions engaged through ASFI's Market Assessment Report on investment barriers in Southeast Asia.



The work provided DFAT with a clearer understanding of why capital flows to the region have been constrained.



ASFI highlighted the gap between grant-based aid and commercial finance requirements, helping define the role for blended finance.



Building Government Capability



Improved understanding across government of blended finance instruments and investment barriers in the region



Government officials deepened understanding of specialist investment vehicles and commercial investor views



With DFAT support, ASFI obtained ACCC exemption for blended finance co-design conversations with commercial investors.



Facilitating Blended Finance



Created stronger foundations for facilitating flows of Australian private capital to Southeast Asia's climate transition.



This work demonstrated the value of a specialised intermediary between government and the market



ASFI strengthened government capability to design climate initiatives to mobilise institutional capital.

CASE STUDY 6

Blended Finance

Mobilising Capital for Southeast Asia's Climate Transition

ASFI has partnered with the Department of Foreign Affairs and Trade (DFAT) to support the design and implementation of blended finance mechanisms and to facilitate flows of Australian private capital for Southeast Asia's climate transition.

ASFI's Contribution & Role

ASFI's engagement with DFAT commenced in mid-2023 with a focused Southeast Asia emphasis.

ASFI published a [Market Assessment Report](#) on investment barriers in the region, engaging twelve financial institutions in detailed research. This gave DFAT granular understanding of why capital flows to Southeast Asia have been constrained.

ASFI has provided technical advice on complex financial instruments such as the Government's Indo-Pacific Net Zero Transition Bond and Kinetik Fund.

ASFI was supported by DFAT in seeking ACCC exemption for co-design conversations, enabling structured collaboration between government and commercial investors. ASFI delivered training to approximately 100 DFAT and Austrade employees and developed bespoke executive training on mobilising private capital at DFAT's request.

ASFI's [Maximising Green Growth report](#) identified the gap between grant-based aid and commercial finance requirements, providing a strategic rationale for blended finance.

“

ASFI is uniquely placed to fill that role between industry and government.

ASFI STAKEHOLDER WITH SENIOR
EXECUTIVE GOVERNMENT & ACADEMIC
EXPERIENCE

ASFI has also supported DFAT's contribution to whole-of-government sustainable finance and climate finance agendas, and supported Treasury in developing the international pillar of the Sustainable Finance Roadmap.

Government officials valued ASFI's "status, technical knowledge, and broad membership," noting the institute is "well known and respected." They described the market assessment as helping them form "a better picture of why investment into Southeast Asia is difficult," which "informs our approach."

Evidence of Impact

ASFI's capability building, technical advice, and investor facilitation has enhanced DFAT's effectiveness in this area.

DFAT officials have increased their understanding of commercial investor requirements, moving to a more nuanced understanding of what private investors require to allocate capital to the region.

Critically, DFAT has entered a second phase of partnership with ASFI, signalling satisfaction with outcomes and commitment to sustained engagement.

Seventeen financial institutions attended ASFI's Private Infrastructure Development Group investor showcase, with several expressing follow-up interest in regional investment.

An ASFI member asset manager has invested in understanding the Southeast Asia region, demonstrating how ASFI's work is creating market momentum. Another ASFI member has engaged directly with DFAT on the design of new initiatives, suggesting growing market professionalism in regional climate finance.

Treasury drew on ASFI support for the international pillar of the Sustainable Finance Roadmap. The Department of Climate Change, Energy, Environment and Water accessed ASFI perspectives for climate finance negotiations.

Three of Australia's four major banks joined the COP31 working group that ASFI established with ideas developed through this group well

received by Government.

The Climate Change Authority cited ASFI's Maximising Green Growth report in its advice on Australia's 2035 Nationally Determined Contribution.

Why it's Significant

Blended finance, the combination of grant and concessional capital alongside commercial capital, is widely recognised as essential for achieving climate outcomes in emerging markets.

However, it is technically complex, requiring government officials to understand commercial investor requirements and requiring private investors to navigate emerging market risks and understand government objectives.

ASFI's role as a specialist intermediary bridges this knowledge gap and could also be extended beyond government to philanthropy.

Implementing Australia's commitments to mobilise Australian capital for sustainable investment in the Asia-Pacific will support the region's transition, and make a significant contribution to global emissions goals.

ASFI's work ensuring that these efforts are financially viable, grounded in understanding of what commercial investors require and what mechanisms will mobilise capital, makes ASFI's contribution substantive and strategic. These efforts contribute to the feasibility of Australia's regional climate diplomacy and support.

Stakeholder Insights & Future Opportunities

This section summarises the key themes that emerged from the thirteen external stakeholder interviews conducted in early 2026. The thematic analysis was prepared by PRISM Co based on full interview transcripts and provides a synthesis of how external stakeholders understand ASFI's distinctive contribution, core roles, and future potential.



Stakeholder Insights

Key Strengths

Credibility & Trust

ASFI has established exceptional credibility across government and industry. Multiple interviewees noted that ASFI is instantly recognised and respected by public servants, with Treasury officials describing ASFI as providing 'credible information.'

This credibility stems from technical expertise, evidence-based approaches, and the quality of staffing, particularly the Executive Team's unique understanding of government.

The organisation is described as 'values driven' whilst seeking 'credible evidence' for recommendations, maintaining integrity by being clear when positions don't represent all members. This honesty strengthens rather than undermines their credibility.

Bridge-Building & Convening Power

A distinctive strength is ASFI's role as a 'bridge rather than lobby group.' ASFI operates between investors and government, facilitating two-way dialogue rather than simply advocating.

This is particularly valuable in ASFI's intermediary role between community and investment actors. ASFI's convening power brings together diverse actors — banks, insurers, superannuation funds — creating a unifier across the finance sector. The clear purpose of ASFI was seen as anchoring an effective role engaging across sectors.

ASFI facilitates engagement opportunities through working groups and events, acting as a crucial connector.

Technical Expertise

ASFI demonstrates deep expertise that is 'probably unmatched in Australia' in sustainable finance.

This technical capability is evident in taxonomy development, policy submissions, and advisory work.

The team's ability to translate technical concepts for different audiences — from policymakers to practitioners to First Nations communities — represents a particularly valuable skill set.

Pragmatic & Balanced Approach

ASFI successfully balances competing demands: credibility versus usability, ambition versus pragmatism, industry needs versus government requirements.

Multiple interviewees praised ASFI's ability to find a 'practical middle ground,' particularly evident in the taxonomy's approach to transition finance that the EU avoided.

This pragmatism extends to understanding implementation challenges and being responsive to feedback.

Leadership & Culture

ASFI's leadership receives consistent praise as 'accessible, respectful and humble.'

The organisational culture is described as 'very open and engaged' with an 'open door policy,' making ASFI 'easy to work with' and 'approachable.' This culture facilitates strong relationships and effective collaboration across diverse stakeholders.

Core Roles

Policy Influence & Development

ASFI has played a crucial role in shaping Australia's sustainable finance policy architecture. The organisation was instrumental in Australia's Sustainable Finance Roadmap development, with the final Strategy incorporating many ASFI recommendations.

ASFI's 'outsized contribution' on the taxonomy represents a significant achievement — work that, in the words of one interviewee, 'wouldn't have happened' without them.

Standard Setting & Implementation

The taxonomy development represents world-leading standard-setting work, particularly on transition criteria for mining and agriculture, and the pioneering inclusion of First Nations rights and FPIC.

ASFI's role as 'custodian' of the taxonomy positions ASFI to guide implementation and evolution over time.

Education & Capability Building

ASFI plays a vital education role across multiple levels: policy-maker education on finance

realities, finance sector education on sustainability requirements, and First Nations community education on finance fundamentals.

The capability framework has been particularly influential, with organisations such as an ASFI insurance member using it to develop internal programmes affecting all staff.

International Engagement & Harmonisation

ASFI represents Australian sustainable finance internationally, pursuing sustainable finance taxonomy interoperability with China, supporting Indonesia's taxonomy development, and engaging with ASEAN countries.

This role leverages Australia's industry-led approach as a distinctive model, particularly valuable where government-finance collaboration differs from European or NGO-driven models.

Market Development & Mobilisation

ASFI works to mobilise capital through multiple mechanisms: reducing barriers to sustainable investment, creating common standards, facilitating investor engagement, and supporting product development.

The organisation helps link market needs to policy solutions, translating between investor requirements and government capabilities.

Future Potential & Opportunities

Interviewees identified several areas of future potential, including:

- Deepening taxonomy implementation and support
- Integrating priorities so they are stronger together
- Elevating government relationships
- Clarifying strategic positioning and where ASFI adds unique value versus where others should lead
- Developing partnership models, particularly for First Nations work; and
- Addressing resource constraints

“

Stakeholder Perspective

Some interviewees emphasised the critical importance of ASFI leading where sustainable finance needs to move, rather than relying on finance or government to be able to lead independently.

Appendix 1: Methodology



Methodology & Findings

The engagement was structured around several interconnected workstreams: developing an outcomes measurement and harvesting framework; facilitating regular reflection and sensemaking sessions with the ASFI team; identifying outcomes from documentation and a series of sessions with ASFI staff; conducting external stakeholder interviews to verify and deepen understanding of outcomes; and producing impact case studies drawing on the harvested outcomes and interview evidence.

Outcomes were identified through a combination of document review, working sessions with the ASFI team and, subsequently, verification through external stakeholder interviews. They are organised by ASFI's core workstreams.

To verify outcomes and deepen understanding of ASFI's contribution to change, PRISM Co conducted external stakeholder interviews in early 2026. These interviews served a dual purpose: to test whether the outcomes identified through internal harvesting were recognised and validated by those outside ASFI, and to gather richer contextual insights into ASFI's role and significance from an independent perspective.

Interview Methodology

Sixteen external stakeholders were interviewed across ASFI's core workstreams. Interviewees were selected to provide coverage across different areas of ASFI's work and to include people at different distances from ASFI — from close collaborators to those with more arm's-length relationships.

Each interview was semi-structured, combining verification of specific outcomes with open questions about ASFI's role, significance and future potential.

The interview process included verification of specific claims against external evidence, gathering of perspectives on ASFI's contribution that ASFI itself might not be well-placed to assess, and collection of forward-looking strategic insights.

The methodology was clarified at the final reflection session in February 2026 to distinguish between 'external verification' (testing whether outcomes are real) and 'richer contextual insights' (understanding what ASFI's contribution means in context).

Verification of Findings

The interviews provided verification for the majority of outcomes harvested. No outcomes were found to be incorrect.

A key finding from the interview process was that external feedback broadly matched what stakeholders share directly with ASFI. This suggests ASFI has strong, open relationships with its key stakeholders and that the outcomes harvested through internal processes reflect genuine external perceptions rather than internal wishful thinking. There were few surprises, and in some cases the external interviews surfaced richer detail and more confirmation than expected.

Interview findings are woven throughout the impact case studies in Section 5 and the thematic analysis in Section 6.

Impact Framework Development

A central purpose of the PRISM–ASFI partnership was to develop an outcomes measurement and harvesting framework suited to ASFI's particular form of work — systems-oriented, relationship-based and operating across multiple workstreams with many actors. The framework needed to reflect the complexity of ASFI's contribution to change without overclaiming or overly simplifying. See the full framework in Appendix One.

Key Concepts

The framework was built around several core distinctions:

Outcomes versus outputs: Outputs are the things ASFI produces — documents, events, briefings, training programmes. Outcomes are changes in behaviour, practice, relationships, knowledge, attitudes, policies by others that ASFI has contributed to or influenced, but which involve the agency of others.

Contribution versus attribution: ASFI operates in complex systems where many actors contribute to change. The framework captures ASFI's contribution to outcomes rather than claiming that ASFI alone caused them.

Emergent change: Not all significant change is planned or predictable. The framework creates space to document change that emerges in unexpected ways, particularly important for an organisation doing systemically oriented work.

Strategy aligned: The outcomes framework was developed to align to the current ASFI Strategy.

Tagging & Categorisation

Outcomes were captured and tagged across multiple dimensions to enable analysis and reporting. These included:

- Goals (what strategic objective the outcome relates to)
- Workstreams (taxonomy, policy, international, First Nations, leadership/capability, blended finance)
- ASFI's roles (e.g. convener, technical expert, bridge, advocate, capacity builder)
- Actor categories (who changed — government, financial institutions, international actors, First Nations, civil society)

- Types of change (e.g. policy, practice, demonstrated leadership etc)
- Level of change (individual, institutional, collective, systemic)

This tagging structure enabled analysis of where outcomes were concentrated, which workstreams showed strongest evidence of change, and where gaps existed in documentation.

The framework was developed iteratively through a series of monthly working sessions and four formal reflection and sensemaking sessions. ASFI staff contributed knowledge of outcomes, provided evidence and verified claims. The framework was adjusted in response to what was learned through the engagement, including adding new outcome categories and refining the tagging dimensions over time.

Over the course of the year, ASFI documented a substantial body of outcomes across its core workstreams.

[The outcomes identified here.](#)

