

AUSTRALIAN TREASURER ANNOUNCES SUSTAINABLE FINANCE AGENDA

By Simon O'Connor, CEO, RIAA

... Australian Treasurer Jim Chalmers has announced a new national sustainable finance strategy, recognising the key role of investors in building a sustainable and prosperous nation.

The Treasurer has also announced a raft of concrete measures aimed at supporting investors to fast-track the shift towards a sustainable economy.

The headlines of today's announcement are:

- The Government will develop a **national sustainable finance strategy** to ensure government **measures to support responsible investment** are coherent and effective.
- Treasury is now consulting on the key elements of a mandatory **climate disclosure regime** – consultation will be open until 17 February 2023; and
- The Government has taken leadership on a national **sustainable finance taxonomy**, building on industry work led by the Australian Sustainable Finance Institute and EY...

While this is a great step forward, it's just the start. By reaffirming its commitment to mandatory corporate climate risk reporting, the Government is supporting investors to make better decisions, to be able to compare apples with apples.

These climate disclosure standards must be clear and robust, to ensure investors can distinguish corporates with real commitment and outcomes from the illusion of tangible change. There should be scope to grow this reporting regime to broader sustainability performance – important areas such as upholding First Nations Peoples' rights and protecting and restoring biodiversity. These matters are also front of mind for investors and are shaping decisions on where they deploy their capital.

The Government's support for industry work to build a sustainable finance taxonomy is an important signal and a critical underlying piece.

Each of these commitments announced today have been core asks seeded by RIAA over recent years, and finally sets in train a more coherent policy suite in Australia to drive more sustainable finance in a manner consistent to many of our major trading partners. This emerging suite of policies starts to set in

place the right enabling environment to unlock capital towards the big economic and sustainability challenges we have to urgently address.

Today marks a major win for our sector ... to help shape Australia's regulatory landscape.

<https://responsibleinvestment.org/australian-treasurer-announces-sustainable-finance-agenda/>