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Fresh policies that unlock private capital investment could accelerate emissions cuts and boost climate change resilience

Australia can boost its climate change resilience and accelerate emissions reductions with policies that unlock private capital, the Investor Group on Climate Change (IGCC) said in response to Prime Minister Scott Morrison's address to the National Press Club.

IGCC Chief Executive Officer, Emma Herd, said Australia needed prudent management of climate risks that would reduce the financial, economic and community costs of climate change. This includes physical risks, such as worsening drought and fires, and the economic risk of a disorderly shift to net-zero emissions.

"Investors are already making decisions on whether or not to deploy capital in Australia on the basis of their own climate change risk assessments," Ms Herd said.

"Responding to the growing frequency and intensity of extreme weather events like fires and drought will increasingly challenge the contingency funds of all levels of government. Unlocking the billions of dollars in private investment that could be deployed into adaptation measures, such as protecting critical infrastructure and improving building standards, is essential to boosting Australia's climate resilience.

"The announcement of the Finkel-CSIRO review of possible national adaptation measures is a good step. To accelerate private sector investment into resilience, the implementation of the government's National Disaster Risk Reduction Framework should also be brought forward. Robust adaptation policies will reduce the economic and community costs of growing climate change damage and work already underway by governments can provide a solid foundation to build upon.

"Additional measures would include an updated national assessment of infrastructure to identify the greatest areas of climate risk. Investors could then be engaged in adaptation programs with a co-funding mechanism similar to the Clean Energy Finance Corporation."

Ms Herd said resilience measures must be complimented by a broad package of public and private initiatives to make greater emissions reductions and prepare the economy for a smooth transition to net-zero emissions by 2050 in line with Australia's commitments under the Paris Agreement.

“The Morrison Government has an opportunity to create a robust and investable policy framework for accelerated emissions reductions as it develops Australia’s long-term climate strategy under the Paris Agreement.

“Climate change represents a systemic risk to the Australian economy and communities. Investors are ready to work with governments at all levels to unlock billions of dollars in national resilience and greater emissions reductions to safeguard our long-term prosperity.”

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About the Investor Group on Climate Change

The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand investors focused on the impact that climate change has on the financial value of investments. The IGCC represents institutional investors with total funds under management of over \$2 trillion, and others in the investment community interested in the impact of climate change. IGCC members cover over 7.5 million people with retirement savings and investments in Australia and New Zealand.

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