



19 May 2020

IGCC response to the King Review of further emissions reduction opportunities

In response to proposed changes of the Morrison Government's climate change policies, Investor Group on Climate Change (IGCC) Chief Executive Officer, Emma Herd, said:

"To unlock significant private investment, governments need to establish a comprehensive and stable policy framework that addresses emissions from all sectors of the economy with a clear goal of reaching net-zero emissions by 2050.

"Private sector investment and robust carbon markets will be critical to ensuring Australia can reach net-zero emissions by mid-century.

"Investors are increasingly concerned about climate change risks to their portfolios and are looking to deploy capital into clean energy and technology projects that will provide sustainable returns to their beneficiaries over decades.

"However, the structural weaknesses in the Climate Solutions Package remain unaddressed. If Australia is to meet its short and long-term obligations under the Paris Agreement, caps on industrial emissions under the safeguards will need to be tightened over time or significantly larger amounts of taxpayer's money will need to be committed to purchase emissions reductions at higher prices.

"Tightening the safeguard baselines would accelerate private sector demand for abatement, removing the need for governments to purchase on budget significant emissions cuts.

"Expanding the remit of the Clean Energy Finance Corporation (CEFC) to include a broader range of sectors can also support technology and finance innovations across the economy if aligned with the objectives of the Paris Agreement. Allowing the CEFC to invest in climate change adaptation measures can also support building a clean and resilience economy.

"We recognise Energy Minister Angus Taylor's aim of seeking dollar-for-dollar matching investment in developing low emissions technology through the government's Technology Investment Roadmap and look forward to engaging with the government to capitalise on global investment trends towards renewable energy and green industrial production."

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