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Integration of energy and climate change policy critical for investment certainty

Investors with more than \$2 trillion in assets under management have expressed dismay at the sidelining of emissions reduction policy in Australia.

“Today’s decision to shelve the implementation of emissions reduction targets under the National Energy Guarantee has serious repercussions for investment in the energy sector in Australia”, said Emma Herd, Chief Executive Officer of the Investor Group on Climate Change (IGCC).

“For the National Energy Guarantee to deliver investment certainty it must include an obligation to reduce emissions. To provide the confidence necessary to bring investment back into the electricity sector, energy and climate policy must be integrated together”.

“A lack of clarity on the emissions reduction pathway is at the heart of the investment strike in the energy sector. A NEG without emissions reduction targets will further undermine the establishment of a credible, scalable, and enduring energy and climate policy framework”.

“Investors are looking for policy built on clear market signals. Where those policy settings are credible, capital will flow”.

“It is through credible energy and climate policy that the Federal Government can support bringing down energy prices and emissions together”.

“This includes a climate change policy framework which reduces national emissions in line with the goals of the Paris Agreement”.

“The Paris Agreement delivers a clear and unambiguous market signal to investors, that the global transition to a net zero emissions economy is underway and is accelerating. It is in Australia’s economic interests to be part of this transition”, said Herd.

IGCC will continue to engage with government and across industry to support the implementation of an integrated energy and climate policy framework which delivers on the goals of the Paris Agreement.

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