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Investors: Labor's climate change action plan provides foundation of investable climate policy

The Climate Change Action Plan announced today by Labor would be a critical first step to managing the substantial financial risks of climate change and unlocking billions of dollars of new investment, the Investor Group on Climate Change (IGCC) said today.

"If implemented, the ALP's climate policy would provide a credible foundation to manage the risks of climate change and deliver capital towards a resilient and prosperous economy," said Emma Herd, Chief Executive Officer, IGCC. "The policy could unlock multi-billion dollar investment in climate change solutions".

IGCC represents institutional investors with total funds under management of over \$2 trillion and its members cover over 7.5 million superannuation holders in Australia and New Zealand.

"Implementing a more credible 45% reduction in emissions by 2030 and net zero emissions by 2050 would be a positive signal to investors in Australia and around the world. Credible targets aligned with the objectives of the Paris Agreement provide the private sector with greater certainty as to the rate and pace of change ahead."

"A clear pathway to net zero emissions will improve investors' ability to assess climate-related risks and opportunities and boost zero carbon investment."

"After decades of delay, business and government need to work together to implement a practical response to significantly reducing emissions across the economy."

"Ongoing scare campaigns instead of credible action don't address the reality that global markets are shifting towards zero emissions. To deliver investor confidence, Australian governments must develop credible and durable policy support for a net zero emissions and climate resilient economy."

Last week, IGCC released [*Policies for a resilient net zero emissions economy*](#) that sets out what institutional investors see as the key policy priorities for the Australian Government over the period 2019 to 2022. Labor's Climate Change Action Plan captures key elements of this policy, including aligning national strategies to the long-term objectives of the Paris Agreement, boosting the Safeguard Mechanism and implementing policies to ensure a managed transition to zero emissions in the energy sector.

"Climate change is a systemic risk to investment returns, financial stability, communities and the economy."

"A robust national climate change adaptation policy remains a key gap in the policy announcements of both major parties today."

“The ALP’s proposal to implement triennial climate change risk assessments is an important foundation to build upon towards a comprehensive national adaptation strategy to manage the cost of growing climate impacts.”

“Investors will work with governments, the companies they invest in and industry groups to pursue a policy response that delivers a prosperous net zero emissions economy,” Ms Herd concluded.

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