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## **Expanded ARENA and CEFC remit can help accelerate investment towards net-zero emissions but climate constraints must be clear**

*In response [to the Federal Government's announcement](#) on the Australian Renewable Energy Agency (ARENA) and Clean Energy Finance Corporation (CEFC) mandates and budget allocations, Investor Group on Climate Change (IGCC) CEO, Emma Herd, said:*

“Investors are increasingly seeking to manage the systemic economic risk of climate change by aligning their portfolios with the overarching Paris Agreement goals. Expanding the mandate for ARENA and the CEFC could help spark fresh private sector investment towards the inevitable transition to net-zero emissions by 2050 across the economy.

“In the last three months alone Australian institutional investors with over \$300 billion in assets under management have committed to Paris-aligned emissions reduction targets. Companies like BHP are responding to investor engagement and seeking to find innovative solutions for emissions reductions across their entire operations. Fiscal packages to respond to the COVID-19 pandemic in the EU have seen investment in hydrogen jump from less than \$1 billion last year to over \$19 billion as these nations seek to control and dominate future clean energy markets.

“Investors are looking to the Federal Government to implement credible plans to achieve net-zero emissions across the economy by 2050. In expanding the remit of both ARENA and the CEFC it will be important for the government to embed these changes in a broader strategy to achieve net-zero emissions by mid-century to attract and maximise the investment opportunities that come from this inevitable transition.

“Maintaining the independence of ARENA and the CEFC is central to their credibility. Recent proposals support this. Investors are seeking to work with the government and these agencies to align investment with global trends away from fossil fuels and into future growth markets.

“Institutional investors have little appetite to allocate capital to legacy technology such as fossil fuels with carbon capture, utilisation and storage in the electricity sector. Expanding the functions of the ARENA and the CEFC to open up opportunities for this technology in other sectors can be valuable for creating opportunities for zero and negative emission technologies in harder to abate industries.

“ARENA and the CEFC have been successful in bringing forward the development and deployment of large-scale renewable energy and other clean technologies. The government changes open up an opportunity for these agencies to align with institutional investor expectations that companies in all sectors align their economic strategies with achieving net-zero emissions by 2050.”

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Investor Group on  
Climate Change

# Media Release

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**About IGCC**

The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand institutional investors and advisors, managing over \$2 trillion in assets under management and focusing on the impact that climate change has on the financial value of investments. IGCC aims to encourage government policies and investment practices that address the risks and opportunities of climate change.

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