



30 October 2020

Bushfire Royal Commission: Government must help unlock private capital to build national resilience to climate change

In response to the recommendations of the Royal Commission into National Natural Disaster Arrangements, Investor Group on Climate Change (IGCC) General Manager, Crystal Fleming, said:

"IGCC welcomes the recommendations of the Royal Commission, which will go a long way to making our communities safer in the face of worsening natural disasters. Investment in climate change resilience has been sadly undervalued in Australia for too long and we must urgently rectify this to avoid unmanageable impacts to our economy and communities.

"Many of the recommendations put forward by the Royal Commission are in line with IGCC's submission to the inquiry, particularly establishing a standing resilience and recovery entity, the implementation of the National Disaster Risk Information Services Capability, more detailed national climate projections, the development of consistent data standards, a process for reviewing and improving the resilience of critical infrastructure, mandatory consideration of natural disaster risk in land-use planning decisions, and updating the National Construction Code to reflect climate change.

"In its response to the Royal Commission, the Federal Government will need to go further than what has been proposed if it's to unlock the billions of dollars in private capital critical to building climate change resilience across our country.

"There is a clear opportunity for the government to establish a National resilience body which also addresses key barriers to private sector investment in resilience and adaptation measures, including coordinated risk assessment for critical infrastructure, "valuing" resilience and developing financing solutions for adaptation in order to catalyse co-investment of private capital.

"The physical risks of climate change pose systemic financial risks to our country. The Australian Climate Roundtable has [stated](#): *'The impacts of climate change will also put many governments under fiscal stress. Tax revenues will fall dramatically and increases in the frequency and severity of weather events and other natural disasters, which invoke significant emergency management responses and recovery expenditures, indicate that pressure on government budgets will be especially severe.'*

"Government budgets alone will be insufficient to build resilience to the impacts of climate change across the economy and protect us from this financial risk. Unlocking private sector



Investor Group on
Climate Change

Media Release

capital is crucial. IGCC strongly encourages the Federal Government to focus on working with the private sector to build resilience to the effects of climate change and unlocking private capital in its response to the Royal Commission findings.

“One immediate opportunity to create greater private capital flow into building climate change resilience is to draw on the Clean Energy Finance Corporation’s experience in mitigation finance and extend its facilitation of public-private investment to include adaptation projects.”

---ENDS---

For further enquiries contact:

Erwin Jackson

IGCC Director, Policy

+61 411 358 939

erwin.jackson@igcc.org.au

Visit IGCC at www.igcc.org.au