

25th January 2021

Australia joins the Coalition for Climate Resilient Investment in welcome step towards building safer communities

The Investor Group on Climate Change (IGCC) welcomes the Australian Government's announcement it will join the international Coalition for Climate Resilient Investment (CCRI) and refresh the National Climate Resilience and Adaptation Strategy.

The CCRI is a finance sector-led initiative bringing together over 75 institutional investors, banks, insurers, rating agencies and governments, representing over US\$10 trillion in assets, to address climate resilience challenges. The CCRI aims to develop consistent frameworks to accurately price physical climate risks in investment decisions, which will help reduce exposure and channel more private capital towards building greater resilience across economies and communities.

IGCC is a supporting institution of the Coalition for Climate Resilient Investment and a member of the initiative's Asset Design & Structuring Working Group.

IGCC Chief Executive Officer, Emma Herd, said worsening natural disasters across Australia, including the intensity of the 2019-20 Black Summer bushfires, were a reminder of the physical risks that climate change poses to our economy and communities.

"The Australian Government's decision to join the Coalition for Climate Resilient Investment and update the national strategy are welcome steps toward bolstering the necessary frameworks for managing climate risk and accelerating private capital support for climate adaptation measures," Ms Herd said.

"Expert advice [presented to the Australian Climate Roundtable](#) and the Royal Commission into the National Natural Disaster Arrangements shows our country remains deeply unprepared for the current and future physical risks created by a warming planet.

"Federal and state governments currently spend on average \$2.75 billion a year on direct recovery from disasters, but only \$100 million building resilience against such events. The total economic cost of natural disasters is expected to rise to almost \$40 billion by mid-century, even without consideration of the effects of climate change.

"Developing a national strategy and mobilising private sector capital will be critical. Given the scale of the challenge, governments alone won't be able to shoulder the load and private capital will be essential to building climate change resilience across our economy.

"The need for cross-sector and public and private collaboration will be particularly acute as governments will be more fiscally challenged after deploying immediate economic relief in the wake of the COVID-19 pandemic.

"By joining the CCRI, Australia will become part of an international cohort working to address common climate resilience challenges across the financial system.

"With the return of the US to the Paris Agreement under President Biden and the UK-hosted COP26 climate change talks in November, global action on climate change mitigation and adaptation is set to explode in 2021.

“IGCC looks forward to working with the Federal Government to implement the intelligence and tools developed through the CCRI and ensure the new National Climate Resilience and Adaptation Strategy will unlock private capital to address physical climate risks across Australia.”

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About the Coalition for Climate Resilient Investment

A United Nations Climate Action Summit and COP26 flagship initiative, the Coalition for Climate Resilient Investment (CCRI) represents the commitment of the global private financial industry, in partnership with key private and public institutions, to foster the efficient integration of physical climate risks in investment decision-making. More information can be found at www.resilientinvestment.org

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.

Visit IGCC at www.igcc.org.au