



29 September 2021

Stronger NSW 2030 emissions reduction goal signals increased investment opportunity

The NSW Government has announced it will halve emissions from 2005 levels by 2030. Following the announcement, Investor Group on Climate Change CEO, Rebecca Mikula-Wright, said:

“The commitment by the NSW Government to halve emissions by the end of the decade will create a strong signal to capital markets and support attracting billions in fresh investment into clean industries and infrastructure.

“Governments and investors around the world recognise that setting credible 2030 targets and pathways to net zero by 2050 is an investment decision. Institutional investors are hungry to capitalise on near-term opportunities to find market value and continue to generate sustainable returns for their beneficiaries and clients.

“The announcement from the NSW Government aligns with global capital market realities and will support investment in new jobs and net zero industry in the state.

“Australia’s largest states are increasing their climate ambition in line with our major trading partners in the G20, including the US, Japan, Canada and the European Union. (See Figure below)

“The emerging gap between Australia’s current national 2030 emissions targets and mainstream global investor practice, and company commitments to action, is a concern to institutional investors.

“Markets that do not match 2030 and 2050 net zero targets of major trading partners will become less competitive in attracting international investment into their economy and industries.

“Climate change is now widely recognised as a material risk for investors. A recent IGCC survey of investors found that climate policy uncertainty is a key barrier to investors. Strong climate policies in Australia could unlock \$131 billion of fresh investment and job opportunities by the end of the decade.”

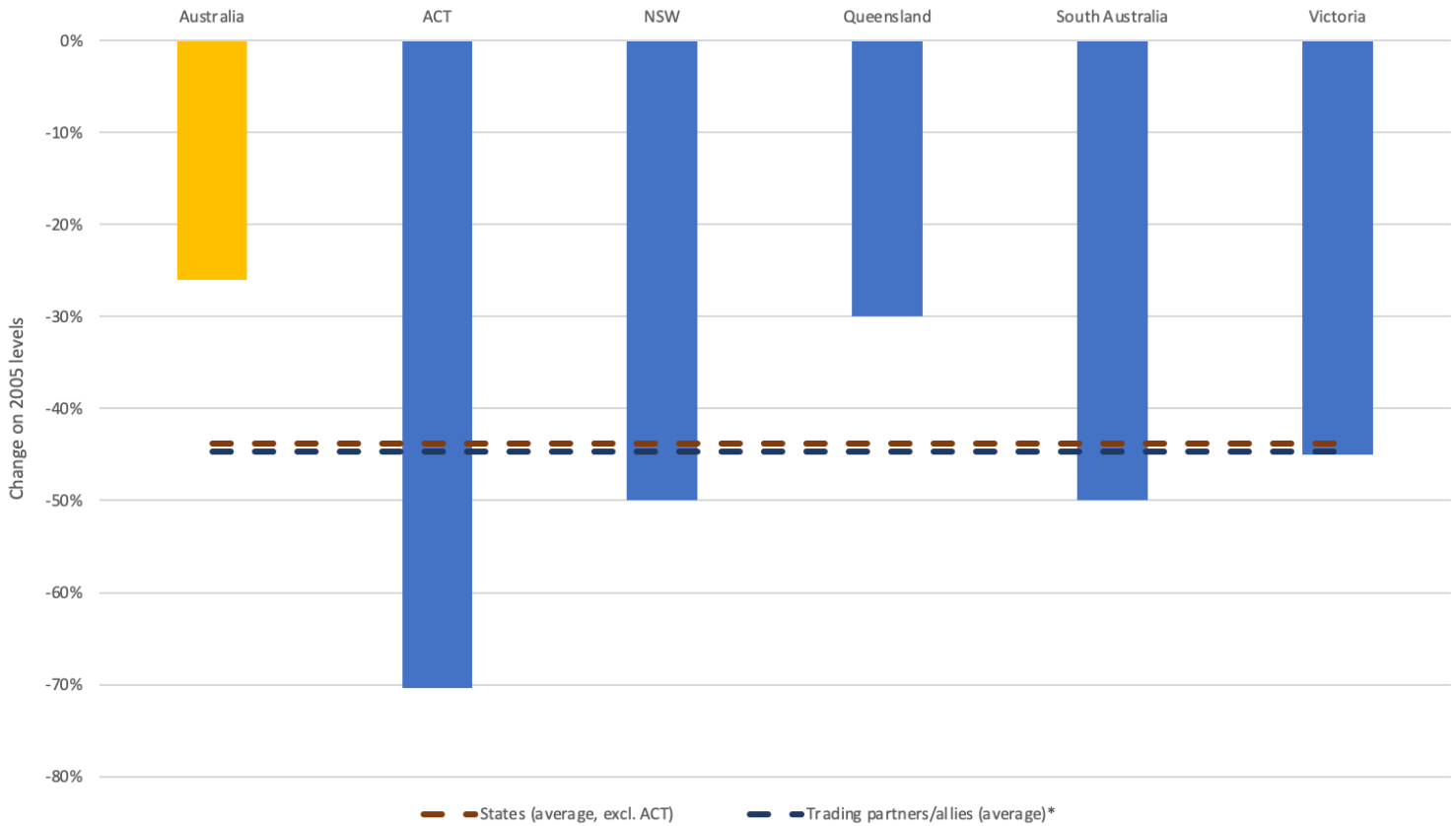
Investors are looking to governments in Australia to:

- Commit to stronger Paris-aligned 2030 emissions reduction targets
- Set a net zero emissions commitment by 2050 with clear transition policies for each segment of the economy
- Commit to phase in mandatory climate-risk disclosures to match best practice and support unlocking trillions in private capital looking for green investment opportunities in Australia



Australia's 2030 target vs State targets and average of our major allies/peers*

* Average 2030 target (on 2005 base year) of the targets of Canada, EU, Japan, New Zealand, Russia, the USA, and the UK.



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The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand investors focused on the impact that climate change has on investment. IGCC represents institutional investors with total funds under management of over \$2 trillion in Australia and \$20 trillion globally, and others in the investment community interested in the impact of climate change. IGCC members cover over 7.5 million people in Australia and New Zealand.

www.igcc.org.au

Notes:

The Investor Agenda recently issued the [2021 Global Investor Statement to Governments](#). This is the strongest ever call by global investors for governments to raise their climate ambition and implement meaningful policies to support investment in solutions to the climate change.



Investor Group on
Climate Change

Media Release

The Statement is signed by 587 institutional investors
with US\$46 trillion AUM, reflecting around 40 per cent of global assets under management.