



3 December 2021

## **Stronger 2030 emissions reductions targets will unlock investment opportunities in Australia**

In response to the Australia Labor Party's announcement of an emissions target of 43 percent below 2005 levels by 2030 Rebecca Mikula-Wright, CEO of The Investor Group on Climate Change (IGCC) stated:

“The climate announcement made by the Labor Party today is closer to what investors need to ensure investment certainty. Stronger Paris-aligned 2030 targets are needed to unlock \$131 billion in investment in clean industries and new jobs across the economy by the end of the decade.

“The commitment made by the Australia Labor Party to reduce emissions by 43 percent by 2030 is more closely aligned with investor and global capital market expectations of the action required to unlock multi-billion-dollar investments in the Australian economy and avoid a disorderly transition to net zero emissions.”

Australia's current 2030 target of 26-28 percent below 2005 levels remains well below the average of our major trading partners and allies of around 45 percent by 2030 and what climate science demands. It is also far below the 65-75 percent reductions that will be required by 2040. This is creating capital flight risk and missed opportunities as investors look for more certainty.

“The global transition to net zero emissions is already underway, with investors looking to invest billions into Australia's future. But investors require interim targets and the enabling economy-wide policy to provide confidence in the short and medium term. Australia failing to update its 2030 targets in line with the Paris Agreement and major global economies has been of deep concern to investors.”

Australia's regions are well positioned to benefit from existing and new industries as well as export products that will grow in demand as part of the global shift to decarbonise our economies. A nationally coordinated plan is vital to drive the investment, manage the structural changes underway and alleviate adverse impacts on communities disproportionately affected by domestic and global shifts from fossil fuels.

“IGCC supports the current bipartisan commitment to net zero by 2050.”

To unlock investment in industries and technology at scale, policy measures must align with pathways to reduce industry emissions at rates required by the Paris Agreement and expectations of Australia's key trading partners.

The announced policy suite including a proposal to tighten emissions baselines under the safeguard mechanism would be a practical step to support increased investment in low-carbon technologies throughout industry.



Investor Group on  
Climate Change

# Media Release

In a recent IGCC survey, 70 percent of investors cited the lack of climate policy in Australia as a key barrier to investment.

“We’re calling on all governments to adopt a bipartisan approach and commit to at least 45 percent below 2030 to join the global investment boom that is underway this decade,” says Mikula-Wright.

---ENDS---

*For further enquiries contact*

**Bethany Noble**

[Bethany.Noble@igcc.org.au](mailto:Bethany.Noble@igcc.org.au)

**+61 437 087 683**

*About IGCC*

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 the financial value of investments and the opportunities created by the transition to net zero emissions. IGCC represents institutional investors with total funds under management of over \$2 trillion, 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.