

FOR IMMEDIATE RELEASE

## **New Government Has Opportunity to Unlock More Than \$130 Billion In Climate Investment**

The new Australian government is presented with an enormous opportunity to unlock billions of dollars of investment in new jobs and industries that will address climate change.

Australian and global investors are actively seeking new opportunities to deploy their beneficiaries' capital and will direct that investment to countries where climate policy is credible, stable and transparent.

Globally, managers of more than \$130 trillion in assets have committed to align short and long-term investment decisions to achieving Paris Agreement-aligned 2030 and 2050 targets.

Australia's turbulent history of climate politics and the lack of Paris aligned 2030 targets and policies has impeded investment in Australia and sent capital offshore.

Due to a lack of credible policy for decades, every dollar currently invested in the Australian ASX creates twice the carbon risk of other major markets.

The election outcome offers an opportunity to reset and align Australia's economic policies with climate goals that will protect the retirement savings of millions of Australians.

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 Investor Group on Climate Change and its members, who manage more than \$33 trillion and include more than 7.5 million Australians as beneficiaries, look forward to working with all Australia's elected representatives to make rapid progress on systemic climate policies.

Immediate priorities include;

- Committing to an invest grade 2030 emissions target: Australia's current 2030 target of 26-28 percent below 2005 levels remains well below the average of our major trading partners and allies and what climate science demands. This is creating capital flight risk and missed opportunities as investors look for more certainty.
- Legislating Australia's net zero emissions target and ensuring the Climate Change Authority has a legislated role in advising the Parliament on Australian climate policy and targets.
- By 2024, phasing-in an economy-wide, comprehensive and enforceable mandatory climate risk disclosure regime that is both consistent with international best practice and fit for purpose for Australia. Lack of consistent and credible company disclosures is creating significant investment risk in the Australian economy.

- Establishing a National Transition Authority to provide guidance to investors, companies, communities and state and local authorities on managing worker and community impacts of the transition to net zero, the phasing out of fossil fuels and addressing the physical impacts of climate change. A high priority would be engaging with the finance sector on its role in the just transition and the possible mechanisms to support investment in communities undergoing transition.
- Putting in place sector-by-sector plans to ensure an orderly transition to net zero emissions, including ensuing alignment of Safeguard Mechanism baselines for existing and new entrants with emissions and technology pathways consistent with limiting to 1.5°C.

Achieving these policy changes will require collaboration between investors, business, governments and communities. Historically, vested interests' lobbying activities have been a significant brake on investable climate policy in Australia.

Investors will also be expecting companies to align their political lobbying with the companies own commitments to Paris-aligned targets.

CEO Rebecca Mikula-Wright said:

*"Investors stand ready to invest billions of dollars into climate positive solutions for Australia's future, and all the evidence shows that investment will be a net benefit for the national economy."*

*"It's time to benefit from the enormous resources and transformational opportunities this country has."*

*"The election result is a climate reset for Australia, and investors are now keen to work with the government to help progress policies that provide stability and send strong signals supporting climate-aligned investments across sectors, including clean energy, transport, buildings, manufacturing and agriculture."*

*"Investors also expect Australian companies and industries to engage constructively with government to help accelerate Australia's transition to the widely-supported 2030 and 2050 targets."*

*"Clear, stable and credible climate policy will enable Australia to be a global leader in the transition to a net zero economy."*

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*For further enquiries, to arrange an interview or briefing contact:*

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**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 more than \$33 trillion globally, and others in the investment community interested in the impact of climate change. IGCC members invest on behalf of more than 7.5 million people in Australia and New Zealand.