Investor Group on Climate Change

Supercharging Australia's Future

Mobilising capital for clean energy, industry and climate resilience.

IGCC's Policy Priorities 2026-2030

Published March 2026

IGCC acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, sea and community.

We pay our respects to their Elders past and present.

We also acknowledge and respect ngā iwi Māori as tangata whenua of Aotearoa New Zealand.

About the Investor Group on Climate Change.

We are the leading network for Australian and Aotearoa New Zealand investors to understand and respond to the risks and opportunities of climate change.

Our members include our countries' largest superannuation and retail funds, specialist investors and advisory groups.

Their beneficiaries include more than 14.8 million Australians, and millions more New Zealanders.

IGCC members have almost $5 trillion in assets under local management.

About this Document

These policy priorities are intended to meet IGCC's strategic goals, and ultimately help capital flow towards a climate resilient, net zero economy — which is necessary for sustainable financial returns.

They have been created with considerable input from our board, members, key partners and experts. Please refer to the acknowledgments page for details.

The priorities align with our five-year strategy term, which extends to 2030. To ensure our priorities remain fit for purpose over this time, we will continue to produce new analysis and thought-leadership, and will review these priorities before the end of 2028 updating them as necessary.

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Acknowledgements

IGCC's policy team has worked with our board, members, key partners and experts to inform these policy priorities. Thank you to all those who we have consulted for their time and insights.

We particularly acknowledge and thank the contributors below.

However this does not imply that this document reflects the positions of individual member organisations, nor does IGCC constrain individual member organisations from unilaterally managing their portfolio and operations as they interpret their fiduciary duty.

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CEO Foreword

"We're now the fastest-moving climate policy market in the world. That creates a unique advantage for investors: policy tailwinds, new markets, clearer signals. We've got the chance to be the global decarbonisation partner of choice; but only if we act quickly. This next phase is about delivery."

— Rebecca Mikula-Wright, CEO

Institutional investors are custodians of trillions of dollars for millions of Australians and New Zealanders. At Investor Group on Climate Change (IGCC), our more than 100 members manage $35 trillion at home and abroad on behalf of almost 15 million beneficiaries, with a legal duty to protect and grow their savings over the short, medium and long-term.

Economic modelling from Treasury is clear: climate action pays off. If Australia leans into its renewable energy advantages and captures emerging green export markets, the economy could be 84% larger by 2050, with $38,000 higher GDP per capita, $68 billion more in exports, and electricity prices 20 per cent lower than baseline. But if policy progress stalls and the net zero transition becomes disorderly, by 2050 the Australian economy could be up to $2 trillion smaller cumulatively, with $500 billion less investment, lower wages, and power prices 54 per cent higher than baseline. For long-term investors, this is not marginal — it is the difference between stronger growth, rising returns and protected retirement savings, or slower growth, weaker earnings and eroded financial outcomes for beneficiaries.

Since its establishment in 2005, IGCC has been the investment sector's leading voice on climate change risks and opportunities, advocating for policy that enables institutional capital to responsibly align with climate action in beneficiaries' best financial interests. From supporting the original carbon pricing mechanism and the establishment of the Clean Energy Finance Corporation to defending the Renewable Energy Target during periods of policy uncertainty, IGCC and its members have consistently argued for stable, investment-grade policy. In recent years, this advocacy has extended to support for standing up the Net Zero Economy Authority, strengthening the Safeguard Mechanism, legislating the 2030 climate target, advancing mandatory climate-related financial disclosures aligned with global standards, elevating climate risk with prudential regulators and Treasury, contributing to the development of Australia's Net Zero and Sectoral Decarbonisation Plans, the National Climate Risk Assessment and National Adaptation Plan, and supporting a strong 2035 emissions reduction target.

Across political cycles, investors remain focused on securing durable policy settings that reduce systemic risk and emissions, unlock private capital at scale, and protect beneficiary returns. IGCC members are now looking forward to the next five years, a critical time to establish policy priorities that can get us on track, by 2030, for net zero by 2050.

Our Policy Track Record

Of IGCC's 13 core policy priorities for 2022–2025, almost all have been achieved.

Our advocacy helped establish:

- **Increased emissions reduction ambition** in Australia's final 2035 NDC target range of 62–70%,
- **A national climate change legislative framework** in *The Climate Change Act 2022,* supporting investor certainty,
- **Financing for new clean energy supply** via the Capacity Investment Scheme,
- **National and regional just transition authorities** to protect the social equity and cohesion that supports investors,
- **An effective carbon price** for approximately 30% of Australia's emissions, implemented through Safeguard Mechanism reforms,
- **Mandatory Climate Related Financial Disclosures,**
- **Sector decarbonisation plans** that help investors and business decision-makers allocate capital with confidence,
- **The National Climate Risk Assessment and Adaptation Plan** that start to identify and address physical risks that will harm the economy.

Our 2030 Vision

A Climate-Resilient Economy That Is on Track, by 2030, for Net Zero Emissions in 2050

The Financial Risks of Our Current Trajectory

Climate-related economic damage and disruption and the transition to net zero are material investment factors that investors must understand, manage and minimise as part of their fiduciary duty.

-$40B
Current Disaster Costs
2% of GDP Annually[1]

-$73B
Projected Disaster Costs
by 2060 (4% of GDP)[2]

-38%
Lower Superannuation Returns
by 2050 in a 3.7˚ Scenario[3]

1&2 Deloitte Access Economics Special report: Update to the economic costs of natural disasters in Australia (2021)
3 Ortec Finance. Climate change & Australian superannuation: What's shaping the 2025 landscape and beyond (2025)

The Economic Upside: Climate Action Pays Off

An orderly transition to net zero by 2050 is the least-cost, highest-return pathway for Australia's economy and retirement system. It puts downward pressure on inflation and avoids a 38% cumulative negative impact on superannuation returns.

5.1M
New Jobs by 2050[1]

$2T
Cumulative higher GDP by 2050[3]

$68B
Green Exports by 2050[2]

2:1 to 10:1
Adaptation ROI[4]

1,2&3 Australian Treasury, Australia's Net Zero Transformation: Treasury Modelling and Analysis, September 2025

4 World Resources Institute, Climate Adaptation Investments Yield Massive Returns, June 2025.

Our 2030 Strategy

Strategic Themes

- **Accelerating the energy transition**
- **Driving down emissions in the real economy**
- **Addressing physical climate risk impacts**
- **Driving investment in climate solutions**
- **Supporting regional decarbonisation**

Our Levers

- **Enabling and encouraging institutional investors** to fulfil their fiduciary responsibilities with respect to climate
- **Influencing policy makers**
- **Influencing corporate decision makers** to act on climate
- **Delivering impact at scale**

Five Year Ambitions

Investor related

- Local investors are realising Paris aligned strategies that address climate risks and capitalise on opportunities.

Policy related

- Double the rate of decarbonisation across the economy with a government investment plan.
- Australia and New Zealand have durable, equitable legislative frameworks for decarbonisation, with democratic support.
- Australia and New Zealand are strengthening resilience.

Corporate related

- IGCC is working systemically with members to ensure ASX100 companies and an influential contingent of the NZX have 1.5 aligned strategies with supportive capital allocation and governance.

IGCC and our network

- 80% of major institutional investors in Australia and New Zealand have joined our network, and they will have climate action plans.
- We are recognised globally as the leading network for investor-led climate action.

Strategic Lever: Investors Influencing Policy Makers to Act on Climate

Policy Shapes the Operating Environment

Policy makers and regulators shape the operating environment. This impacts all climate transition projects and financial instruments that are crucial for the transition, and a precondition for long-term sustainable financial returns.

Target Outcomes

Policy Engagement
Policymakers engage with whole-of-economy implications of climate change.

Political Will
Policymakers show political will and clear rationale for ambitious climate policy

Policy Meets Investors' Needs
Policymakers incorporate investor perspectives to enable capital allocation towards a climate resilient, net zero economy.

Our Impact Ambitions

Double the rate of decarbonisation across the economy with a government investment plan.

Australia and New Zealand have durable, equitable legislative frameworks for decarbonisation, with democratic support.

Australia and New Zealand are strengthening resilience

Our Policy Priorities

Investors have identified five essential jobs climate policy must do over the next five years to reduce systemic risk, crowd in private capital, and protect long-term economic value in Australia.

Five Jobs for Climate Policy

This is where policy clarity and coordination matter most for capital allocation. They will reduce risk, unlock private investment, and ensure Australia remains competitive in the global transition to net zero. This is crucial for investors' sustainable financial returns.

1. Strengthen Climate Laws and Governance

to deliver policy certainty, investor confidence and community support.

2. Prepare for a Changing Climate

to protect people, assets and long-term value.

3. Eliminate Emissions at Double Speed

by correcting market failures and rewarding zero-emissions solutions.

4. Encourage investment in Australia

for clean industry, jobs and exports.

5. Deliver Leadership Beyond Our Borders

for regional trade, security and decarbonisation.

1: Strengthen Climate Laws and Governance

To deliver policy certainty, investor confidence and community support

Investor insight

Capital won't move unless laws are clear, durable and credible. Community support will wane without fairness in energy transition and adaptation.

Context

Australia has established essential climate policy frameworks — including setting a strong 2035 target, the Net Zero Plan, six sectoral decarbonisation plans, the National Climate Risk Assessment (NCRA) and the National Adaptation Plan (NAP). However, investors note:

- uneven quality and limited investment-readiness across plans,
- weak accountability, monitoring and reporting mechanisms,
- no guarantee key plans will be maintained and updated across electoral cycles.

Why this matters

Policy uncertainty increases risk premiums, delays capital deployment, and increases costs across the economy. Failure to deliver on principles of justice and fairness in energy transition and adaptation activities erodes public support.

Relevant IGCC 2030 Ambition

Australia and New Zealand have durable, equitable legislative frameworks for climate action.

Priority Actions: Summary

1.1	**Deliver an enduring legislative response to climate change by advocating for changes to the Climate Change Act** to require regular reviews and updates to the six sectoral decarbonisation plans, Climate Change Authority's (CCA) Pathways and the National Adaptation Plan (NAP) and National Climate Risk Assessment (NCRA).
1.2	**Ensure sector plans are complemented with investment roadmaps** and include short, medium-term and sector specific targets, and key technology, infrastructure, workforce and export strategies.
1.3	**Require Treasury, APRA, ASIC and the Reserve Bank to identify and respond to systemic climate risks** through regular stress testing of financial stability across banks, insurers, super funds and the overall financial system.
1.4	Work with allied organisations to **support First Nations empowerment and enfranchisement** through the energy and industrial transition and culturally appropriate adaptation.
1.5	**Ensure the benefits of the transition are shared equitably, enabling a rapid, well-planned and orderly transition to a net zero and climate resilient economy**, including by expanding the Net Zero Economy Authority's remit and resourcing to support social license and community benefit sharing more broadly.
1.6	Improve transparency and accountability at all levels of government that results in **phase-out dates for programs and policies, including subsidies, that enable any ongoing expansion, extraction or use of fossil fuels.**

1.1. Deliver an Enduring Legislative Response to Climate Change

By ensuring Australia's emissions targets under the Paris Agreement, the Nationally Determined Contributions (NDCs), are aligned with limiting global warming to 1.5 ˚C and amending relevant legislation to require:

- a National Climate Risk Assessment to be undertaken every five years to inform the National Adaptation Plan,
- the National Adaptation Plan to be updated with reference to the National Climate Risk Assessment every five years,
- The government to publish sector by sector decarbonisation plans every five years in line with updates to Australia's Nationally Determined Contribution under the Paris Agreement,
- the Climate Change Authority to be given responsibility and resources for:
  - ongoing monitoring and evaluation of the National Adaptation Plan
  - sector pathway analysis to inform progress on the sector decarbonisation plans, considering the best available climate science, recent technological advances, and enhanced transition capabilities within relevant sectors to identify opportunities to accelerate and achieve decarbonisation targets,

  Progress reports and policy recommendations should be made to Parliament every 2.5 years, and in advance of advice on any update to Australia's Nationally Determined Contribution under the Paris Agreement, and
- Just transition principles should be legislated, reflecting the need for the Climate Change Authority to consider First Nations people, economic, employment, social, cultural and human rights aligned with Australia's domestic and international commitments, and global best practice.

1.2. Investible Sector Plans

Ensuring sector plans are complemented with investment roadmaps and evolved to include:

- Short, medium-term and sector specific targets,
- Key technology and infrastructure strategies,
- Workforce planning,
- Export strategies that focus on regional supply chain decarbonisation and adaptation.

1.3. Supporting Financial Stability

By ensuring Treasury, APRA, ASIC and the Reserve Bank are identifying and responding to systemic climate risks through regular stress testing of financial stability across banks, insurers, super funds and the overall financial system by:

- Including the most up-to-date information on climate change impacts, across physical and transition risk,
- Improving incorporation of feedback loops between the financial system and the real economy, use of short-term scenarios and integration of climate risk into regulatory frameworks.

1.4. Empowering and Enfranchising First Nations Communities on Climate

By working with First Nations-led and allied organisations to champion policy settings that empower and enfranchise First Nations communities in the energy transition and culturally appropriate adaptation.

1.5. Sharing the Benefits of Climate Progress

By ensuring the benefits of the transition are shared equitably, enabling a rapid, well-planned and orderly transition to a net zero and climate resilient economy by:

- Expanding the remit and resourcing of the Net Zero Economy Authority and other relevant initiatives to support social license and community benefit sharing more broadly in the energy transition, going beyond coal plant closures to broader regional industry and energy transition.
- Ensuring adaptation plans and policies support groups (including communities, workers, and contractors) that are disproportionately vulnerable, involve communities in decision-making that affects them, and avoid maladaptation (e.g. redistributing risk and abandoning or exploiting vulnerable regions).

1.6. Fossil Fuel Phase-Out

By setting phase-out dates for programs and policies that enable any ongoing expansion, extraction or use of fossil fuels.

Priority actions include:

- Australian and state and territory governments must prioritise a Just Transition with affected communities, review industry support programs and, where necessary, redesign them to avoid transition risks,
- increased transparency and accountability on national and state and territory fossil fuel subsidies through an annual disclosure of all national, state and territory-based explicit, implicit, production and consumption-based fossil fuel subsidies.

2: Prepare for a Changing Climate

To protect people, assets and long-term value

Investor insight

If we don't stimulate investment in resilience and adaptation now, climate damage becomes a permanent tax on the economy.

Context

Physical climate damages are already:

- eroding asset values
- increasing insurance premiums,
- undermining the viability of key industries, regions and infrastructure.

These financial impacts will intensify as warming increases, however systemic barriers exist to private capital deployment that only government policy can address.

Why this matters

Delaying coordinated adaptation measures increases economic risks, reduces productivity and drives up the cost-of-living.

Relevant IGCC 2030 Ambition

Australia and New Zealand are strengthening our climate resilience

Priority Actions: Summary

2.1	**Strengthen the National Adaptation Plan** by including sector-specific adaptation plans, measurable resilience targets, a national adaptation finance strategy — including opportunities for private sector partnerships, an investment roadmap similar to Infrastructure Australia's Infrastructure Priority List, and a review and update of roles and responsibilities through the 2012 COAG agreement.
2.2	**Enable increased private and public investment for adaptation and resilience** by expanding the mandates of SIVs and green bonds, leveraging financial instruments and incentives, expanding the Australian Sustainable Finance Taxonomy to incorporate resilience criteria, identifying gaps in adaptation finance and creating dedicated investment vehicles to close them, and supporting innovation through case studies and pilot projects that develop innovative approaches and financing mechanisms.
2.3	**Update relevant regulations and other governance mechanisms to consider resilience over the full expected life of assets.** This should include regular updates to land use planning regulations and the National Construction Code.
2.4	**Invest in sovereign scientific capability and ensure resources are fit-for-purpose and accessible,** including creating and maintaining a central database for climate-related information and partnering with the private sector.

2.1. Strengthen the National Adaptation Plan (NAP)

Including by having:

- Sector-specific adaptation plans, including policies to fund, regulate, and incentivise retrofitting of existing assets.
- Measurable resilience targets.
- A national adaptation finance strategy, outlining how adaptation will be funded and financed and the opportunities for private sector partnerships,
- An investment roadmap, listing priority adaptation projects and capital requirements, similar to Infrastructure Australia's Infrastructure Priority List, and
- Clear roles and responsibilities for all levels of government, updated through a review of the 2012 COAG agreement.

2.2. Increase Private and Public Investment for Adaptation and Resilience

By:

- Expanding the mandates of SIVs and green bonds to include adaptation and resilience,
- Identifying gaps in adaptation finance and creating dedicated investment vehicles or funds that target these gaps, including through blended finance models,
- Leveraging financial instruments and incentives such as guarantees, tax incentives and low-interest loans,
- Expanding the Australian Sustainable Finance Taxonomy to incorporate resilience criteria,
- Repositioning the Federal Budget to treat investment in resilience as a proactive measure that offsets predictable costs from physical climate risks, and
- Supporting innovation through case studies and pilot projects that develop innovative approaches (e.g. nature-based adaptation) and financing mechanisms.

2.3. Update Regulations and Governance

By reviewing and updating relevant regulations and other governance mechanisms to consider resilience over the full expected life of assets by:

- Reviewing existing regulations to identify where resilience considerations are currently included and where gaps remain,
- Committing to update these, including land-use planning and the National Construction Code, prioritising areas of greatest risk and impact.

2.4. Support Science and Decision Resources

By public investment in sovereign scientific capability and ensuring resources are fit-for-purpose and accessible by:

- Developing five-year scientific plans that address key research gaps, informed by the National Climate Risk Assessment,
- Creating an accessible central database for climate-related information, consolidating information from local, state and federal governments (e.g. through Australian Climate Service's Data Explorer),
- Collaborating across all levels of government to develop consistent climate information and guidance on what datasets and methodologies should be used,
- Partnering with the private sector to develop climate information and tools that enable coordinated public and private adaptation,
- Releasing additional datasets that were developed during the second National Climate Risk Assessment.

3: Eliminate Emissions at Double Speed

By correcting market failures and rewarding zero-emissions solutions

Investor insight

Markets are not pricing climate pollution costs or zero-emissions benefits accurately, slowing capital reallocation for companies and investors.

Context

Australia can economically and efficiently double the pace of emissions reduction needed to meet its 2035 target — and improve long-term budget outcomes — by fixing clear market failures:

- climate pollution costs are not consistently or efficiently priced across the economy
- perverse incentives continue to favour higher-emissions activities,
- zero-emissions solutions are not fully rewarded for system-wide benefits.

Why this matters

Early, orderly and least-cost decarbonisation lowers total system costs and protects long-term returns.

Relevant IGCC 2030 Ambition

Double the rate of decarbonisation across the economy with a government investment plan.

Priority Actions: Summary

3.1	**Work towards a broader carbon price or emissions trading scheme, reform the Safeguard Mechanism to cover more of the economy and prioritise on-site emissions reduction over offsetting.**
3.2	**Accelerate the energy transition towards 82% renewables by 2030, empower uptake of distributed and consumer clean energy resources, and implement enduring electricity market reforms that improve the long-term investibility of zero emissions technologies.**
3.3	**Support rapid uptake of energy efficiency and electrification** as cross-cutting technologies and measures in key sectors by expanding regulation and programs that drive efficiency and electrification.
3.4	**Implement a policy package to support Low Carbon Liquid Fuel (LCLF) production and uptake in sectors that cannot readily electrify.**
3.5	**Create and implement a methane emissions reduction strategy.**

3.1. Incentivise Emissions Reduction

By working towards a broader carbon price or emissions trading scheme, reform the Safeguard Mechanism to cover more sectors of the economy and prioritise on-site emissions reduction over offsetting. This could include:

- Aligning the required emissions decline rate to the top end of the 2035 target range,
- Reducing the threshold from 100,000 tCO2 to 25,000 tCO2,
- Including electricity generators, heavy transport and other sectors with no carbon price signal,
- More transparency and constraints over use of offsets, ensuring offsets used are high integrity and represent long-term abatement.

3.2. Accelerate the Energy Transition

This includes acceleration towards 82% renewables by 2030 and empower uptake of distributed and consumer clean energy resources:

- Implement enduring electricity market reforms that improve the long-term investibility of zero emissions technologies, in line with the National Electricity Market (NEM) review,
- Streamline and accelerate planning processes to reduce transaction costs in projects
- Empower consumers and increase uptake of decentralised energy and storage,
- Ensure emerging industries, such as data centres and AI, bring their own renewable electricity supply sources to service the increase in energy demand,
- Ensure more coordinated and transparent governance through an independent entity that provides advice to government about energy system needs, monitors progress towards net zero and communicates these findings transparently to market and government.

3.3. Efficiency and Electrification

Support rapid uptake of energy efficiency and electrification as cross-cutting technologies and measures in key sectors:

- Expand regulation and programs that drive efficiency and electrification of new and existing buildings,
- Incentivise efficiency and electrification of industrial gas uses, including LNG trains and low-temperature industrial process heat, including for businesses below the Safeguard threshold,
- Develop additional broad-based transport-focused measures to support electrification of road transport, supporting grid decarbonisation via battery uptake.

3.4. Low Carbon Liquid Fuels

Implement a policy package to support Low Carbon Liquid Fuel (LCLF) production and uptake in sectors that cannot readily electrify, with a mechanism to support demand for sustainable aviation fuel (SAF) an early priority.

3.5. Methane

Create and implement a methane emissions reduction strategy. Key measures should include:

- A methane emissions reduction target, in line with Australia's commitment to the Global Methane Pledge to cut methane emissions by 30% by 2030 compared to a 2020 baseline,
- Requirements for improved monitoring and disclosure of fugitive emissions from coal and gas mines,
- Incentives to support the adoption of technologies that capture and eliminate fugitive emissions in coal and gas mines and agricultural feed supplements.

4: Encourage Investment in Australia

For clean industry, jobs and exports

Investor insight

Institutional capital is global — and Australia must compete for it.

Context

Governments globally are moving quickly to attract clean industry investment at scale through:

- Strong demand signals and long-term policy certainty
- Competitive tax, regulatory and investment settings,
- Strategic use of public capital to de-risk early projects.

Australia's natural advantages are necessary but not sufficient. To realise the Government's Future Made in Australia ambition, action is needed before fossil fuel export revenues shrink.

Why this matters

Without more competitive policy settings, Australia risks missing out on large-scale clean-industry investment, jobs, regional growth and productivity gains.

Relevant IGCC 2030 Ambition

Double the rate of decarbonisation across the economy with a government investment plan.

Priority Actions: Summary

4.1	**Create a level playing field for Australian manufacturers and address carbon leakage by introducing a carbon border adjustment mechanism.**
4.2	**Adjust tax and regulatory settings at state and federal levels to position Australia competitively to attract investment in energy transition, manufacturing and export-focused projects from domestic and global investors.**
4.3	**Realise the vision of a Future Made in Australia by guaranteeing demand for green commodities through demand-side measures including offtake agreements.**
4.4	**Ensure the effectiveness of public finance in unlocking private capital by providing a long-term framework for Specialist Investment Vehicles and an on ramp for private investment.**
4.5	**Phase out fossil fuel subsidies that distort investment signals and increase budget revenue to support decarbonisation.**
4.6	**Maintain Australia's globally leading mandatory climate-related financial disclosures regime and extend the Sustainable Finance Roadmap** with a particular focus on broadening issuance of Australian and sub-sovereign sustainable bonds.

4.1. A Level Playing Field for Australian Manufacturers

Create a level playing field for Australian manufacturers and address carbon leakage by introducing a carbon border adjustment mechanism. It should:

- Focus initially on cement, clinker, lime, hydrogen, ammonia and derivatives, steel and iron, and glass,
- Phase out Trade Exposed Baseline Adjusted (TEBA) status for commodities covered
- consider reinvesting revenue to ameliorate price impacts for consumers and decarbonise industry,
- Encourage multilateral and plurilateral initiatives that could support the implementation of carbon border adjustments.

4.2. Tax and Regulatory Reform to Increase Australian Competitiveness

Adjust tax and regulatory settings to position Australia competitively to attract investment in energy transition, manufacturing and export-focused projects from domestic and global investors. A coordinated effort between the Australian and state and territory governments should include the following priority actions:

- Overhaul investment incentives for research and development, supporting early-stage venture capital projects through the "valley of death",
- Ensure Australia's tax settings are globally competitive, including capital gains tax
- Streamline regulatory processes that can act as a barrier to investment and increase transaction costs, including FIRB and planning processes,
- Ensure any redesign of the superfund performance test supports investment in the net zero and Future Made in Australia agenda, prioritising returns in the best financial interests of beneficiaries.

4.3. Realise the Vision of a Future Made in Australia

By guaranteeing demand for green commodities through demand-side measures including offtake agreements. In order to make these projects investable, early demand for prospective commodities like green iron must be stimulated through government-backed offtakes and other complimentary measures to reduce the green premium.

4.4. Public Finance Unlocking Private Capital

Ensure the effectiveness of public finance in unlocking private capital by providing a long-term framework for Special Investment Vehicles and an on ramp for private investment by:

- Deploying a larger share of capital towards research, development and demonstration stages of the innovation cycle,
- Immediately improving coordination (including through an effective Investor Front Door and Investor Council), strengthening workforce capability and streamlining engagement processes within existing mandates,
- Transition to a longer-term unified fund model that eliminates institutional overlap where SIVs become capital-led portfolios within a larger public capital deployment entity.

4.5. Fossil Fuel Subsidies That Distort Investment Signals

Phase out fossil fuel subsidies that distort investment signals and increase budget revenue to support decarbonisation. Priority measures include:

- Reform the diesel fuel rebate for the mining sector to restrict use of any incentive towards electrification of mining equipment,
- Increase revenue from taxation of fossil fuel exports in line with the practice of other OECD countries, with revenue to be invested in decarbonisation of hard to abate sectors.

4.6. Disclosures and the Sustainable Finance Roadmap

Maintain Australia's globally leading mandatory climate-related financial disclosures regime and extend the Sustainable Finance Roadmap with a particular focus on broadening issuance of Australian and sub-sovereign sustainable bonds.

5: Deliver Leadership Beyond Our Borders

For regional trade, security and decarbonisation

Investor insight

Australia can't reach net zero alone — and doesn't have to, if we build international cooperation.

Context

Australia's neighbours increasingly need low-emissions energy, materials and products to meet their own climate and development goals. Over the next five years, Australia's opportunity is to work with regional partners to:

- Build shared markets for decarbonised products and services,
- Align standards, trade settings and finance to lower costs and scale investment,
- Maximise regional economic benefits and resilience while reducing climate pollution.

Why this matters

Regional cooperation cuts emissions faster, reduces system-wide risk, and unlocks larger, more durable economic returns for Australia.

Relevant IGCC 2030 Ambition

Maximise regional impact.

Priority Actions: Summary

5.1	**Champion and build support for global initiatives that increase climate ambition** including developing a model for an investable NDC and evolving the global "Triple/Double" pledge by extending it to 2035 and adding an electrification pledge.
5.2	**Drive cross-border collaboration to unlock trade and investment in green industries, embedding Australia and the Pacific in global green supply chains.**
5.3	**Position Australia as a key player in the regional transition with strategically deployed climate finance in the Asia Pacific.**

5.1. Champion Global Initiatives

Champion and build support for global initiatives that increase climate ambition.
Key initiatives include:

- Developing a model for an investable NDC setting a clear and credible path for investment to achieve Paris Agreement goals, and leverage support from global investor networks to champion investable NDCs, particularly in emerging markets, and
- Evolving the global pledge to "Triple renewable generation and double energy efficiency improvement" by extending it to 2035 and adding an electrification pledge.

5.2. Embedding Our Region in Green Supply Chains

Drive cross-border collaboration to unlock trade and investment in green industries, embedding Australia and the Pacific in global green supply chains.
Key priorities include:

- Providing the evidence base and investor support required for the Australian Government to commit to regional supply chain decarbonisation strategies with key trade partners. These should identify critical areas that require coordinated supply- and demand-side incentives across markets to decarbonise.
- Developing an evidence base for market mechanisms that can be deployed with trading partners and beyond to share value and reduce emissions, and
- Australia using its convening power to align best practice sustainable finance and taxation frameworks that support the green commodity transition with key trading and regional partners.

5.3. Australia's Role as a Key Regional Player

Position Australia as a key player in the regional transition with strategically deployed climate finance in the Asia Pacific by:

- Establishing a regional framework for adaptation and resilience finance
- Working with key emerging markets in Southeast Asia to share expertise and build capacity to de-risk investment in the energy transition, and
- Coordinating bilaterally and multilaterally on standards, subsidies, carbon accounting and pricing.

Policy Timeline

Priority	2026				2027				2028				2029				2030			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.1				Deliver an Enduring Legislative Response to Climate Change																
1.2													Investible Sector Plans							
1.3					Supporting Financial Stability															
1.4			Empowering and Enfranchising First Nations Communities on Climate																	
1.5			Sharing the Benefits of Climate Progress																	
1.6				Fossil Fuel Phase-Out																
2.1		Strengthen the National Adaptation Plan																		
2.2			Increase Private and Public Investment for Adaptation and Resilience																	
2.3									Update Regulations and Governance											
2.4	Support Science and Decision Resources																			
3.1	Incentivise Emissions Reduction																			
3.2	Accelerate the Energy Transition																			
3.3				Efficiency and Electrification																
3.4					Low Carbon Liquid Fuels															
3.5			Methane																	
4.1		A Level Playing Field for Australian Manufacturers																		
4.2	Tax and Regulatory Reform to Increase Australian Competitiveness																			
4.3				Realise the Vision of a Future Made in Australia																
4.4	Public Finance Unlocking Private Capital																			
4.5				Phase Out Distortive Fossil Fuel Subsidies																
4.6					Disclosures and the Sustainable Finance Roadmap															
5.1	Champion Global Initiatives																			
5.2			Embedding Our Region in Green Supply Chains																	
5.3			Australia's Role as a Key Regional Player																	

Our 2026–2030 priorities represent a comprehensive policy agenda across the remainder of this critical decade for climate action.

Each year IGCC's policy team will review these priorities and communicate an annual workplan, making clear which areas present a near-term focus based on known opportunities, political momentum and planned policy reviews. This table provides an indicative timeline showing the sequence of policy priorities.

Working With Key Partners

Effective policy and advocacy is a team sport and IGCC benefits from close working relationships with several partner organisations. IGCC will leverage these relationships to focus our efforts where they will have the most impact, and partner and support others where appropriate.

Regional and global climate leadership

- IGCC will work closely with our sister organisation, the Asia Investor Group on Climate Change, including through our joint International Trade and Investment working group.
- For global initiatives, we will partner with other investor networks, including those convened by the Investor Agenda.
- IGCC participates in the Maximum Ambition Coalition (MAX) an action-oriented coalition supporting Australia to deliver a successful COP31 in partnership with Pacific Island nations.

Collaboration with other finance peak bodies

IGCC works with other finance and superannuation fund peaks including ACSI, ASFI, RIAA and PRI through a 'Ways of Working' agreement, reducing unnecessary duplication and overlap of effort, as well as groups like CPD.

The intersection of climate and nature

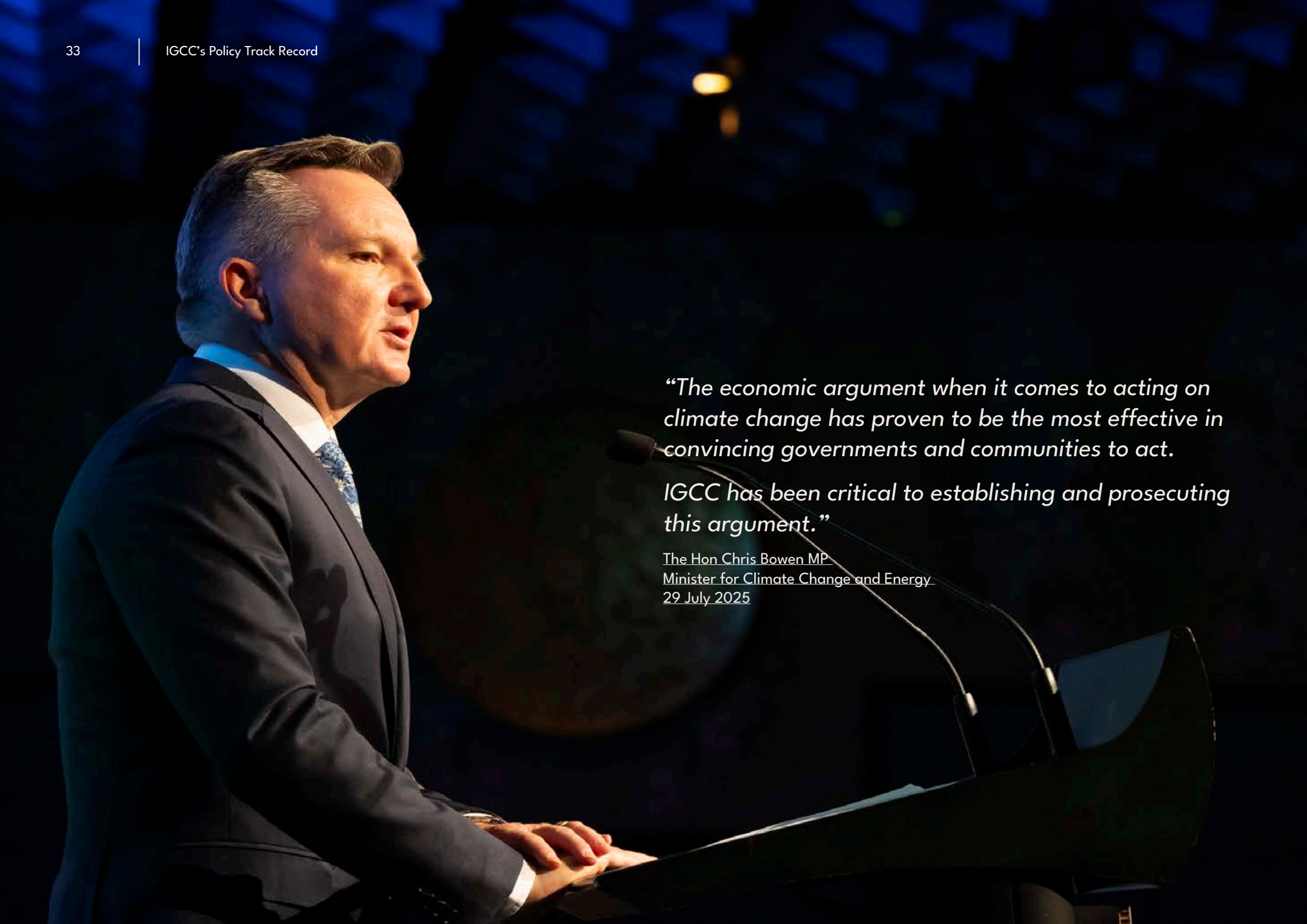
The need to invest in climate solutions for the long-term sequestration of carbon is clear and will increasingly dovetail with the need to adapt to our changing climate and to protect and restore precious biodiversity. IGCC proposes to partner with RIAA to explore the handshake of carbon and nature markets and policies needed to support investors.

Human rights

The transition to net zero involves resource extraction, land use, and labour practices that can lead to exploitation, displacement, and inequitable access to benefits. IGCC will partner with aligned organisations to support policies that uphold and protect human rights in the transition.

Circular economy

Circularity is critical to reaching net zero emissions and helps manage supply chain risk and material scarcity, while delivering greater value from fewer resources. IGCC will support advocacy to establish a Circular Economy Act and measures focused on the transition to net zero emissions.



"The economic argument when it comes to acting on climate change has proven to be the most effective in convincing governments and communities to act.

IGCC has been critical to establishing and prosecuting this argument."

The Hon Chris Bowen MP
Minister for Climate Change and Energy
29 July 2025

Investor Group on Climate Change

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