Responsible Investment
Association Australasia

Submission to the Climate Change Authority

Evidence Platform Issues Paper

30th April 2026

About us

Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand institutional investors focused on the impact of climate change on investments. IGCC represents investors with total funds under management of over $4 trillion in Australia and New Zealand. IGCC's members are the custodians of the retirement savings of around 15 million Australians.

The **Responsible Investment Association Australasia (**RIAA**)** is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy. With 500+ members representing A$76 trillion in assets under management, RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and Aotearoa New Zealand. RIAA is also the official Regional Convenor of the Taskforce on Nature-related Financial Disclosures Consultation Group for Australia and Aotearoa New Zealand.

Summary

Our peak body finance industry organisations welcome the opportunity to provide feedback on the Climate Change Authority's Evidence Platform Issues Paper.

We strongly support the development of a robust, publicly accessible progress-tracking Platform and commend the CCA for initiating this work at an important moment in Australia's climate transition.

As peak bodies that represent institutional investors and other finance sector stakeholders, who must act in the best financial interests of their beneficiaries, our interest is in strengthening governance underpinning climate action in Australia, including effective monitoring of progress and feedback loops informing policy development.

While the government's sector decarbonisation plans and National Adaptation Plan and National Climate Risk Assessment are positive steps towards a resilient, net-zero economy, they have been less useful in identifying how much and when climate-aligned investment is required. These documents lack short- and medium-term decarbonisation and adaptation goals and milestones, and don't provide investment roadmaps across key sectors.

When investors are making capital allocation decisions, they are assessing the current state of the market and making assumptions about how government policy will impact their potential investment. This Evidence Platform (hereafter, the Platform) can provide information to market that will help investors make better-informed investment decisions, linking policy, targets, gaps and opportunities.

Our submission focuses on design principles and metrics. Getting the foundational framework right should be the primary focus for CCA at this early stage of work.

We recommend that the CCA:

1. Prioritise defining an enduring Platform structure and purpose, with coverage across the whole economy, rather than immediate data availability.
2. Ensure flexibility to accommodate data on relevant non-climate sustainability areas.
3. Realign financial metrics towards corporate transition activity.
4. Create a Platform that aligns metrics with established government policy and investor frameworks – including the Sustainable Finance Taxonomy.
5. Use data from climate-related financial disclosures to inform the Platform.
6. Avoid conflating all climate-aligned investment with renewable energy investment.
7. Ensure framing questions and metrics are outcomes-focused rather than progress-focused.
8. Consider physical risks to the financial system outside of insurance-related impacts.

Response on overarching design of the Platform

Will the proposed design of the Platform provide useful insights on Australia's transition?

1. **Prioritise defining Platform structure and purpose over data-availability**

Our primary recommendation is that the CCA establishes a Platform based on metrics that cover the whole of economy, rather than on what data is currently available, even if that means the Platform launches with acknowledged gaps in coverage. This is important to ensure the Platform aligns with cross-sectoral decarbonisation and adaptation priorities of governments, investors, companies and communities.

There is value in making visible useful metrics for which there is insufficient data, to bring focus to better data collection. We recommend that the CCA builds out its Platform including all the metrics described in the consultation paper, rather than starting with a select few.

Many sustainable finance organisations submitted to Treasury's consultation on climate-related transition planning guidance, and we recommend that the CCA refers to this feedback to find indicative datapoints for the Platform to measure progress against.

The CCA should also provide guidance to public and private sectors as to how these data gaps can be filled, particularly for cross-sectoral interdependencies.

2. Data on non-climate sustainability areas

The Platform framework and structure should ensure sufficient flexibility to accommodate data on relevant non-climate sustainability factors. Doing so recognises that, increasingly, major global economies are looking beyond climate to other sustainability factors such as nature[1] and the rights of indigenous people, both of which are impacted by, and impact, the transition.

The interconnected nature of sustainability issues through the economy translates to institutional investors incorporating non-climate sustainability factors into investment decision-making as well as making public commitments. Activities which support the transition to a net-zero future could have unintended negative consequences in important areas such as labour rights, First Peoples' rights, gender equality and biodiversity if not considered together. Nature and climate change are particularly interlinked, and it hence makes sense to consider both together – as institutional investors and corporates are increasingly doing.

Examples of metrics for non-climate sustainability factors might include:

- For engagement with First Nations Peoples: time-bound public commitment to integrate the Dhawura Ngilan Business and Investor Initiative (DNBII)[2] principles alongside completing and submitting the DNBII self-assessment tool.
- For nature and biodiversity: relevant goals and targets outlined in the Guidance on nature in transition plans[3] by the Taskforce for Nature-related Financial Disclosure (TNFD).

[1] TNFD, Nature in transition plans, [link].
[2] Dhawura Ngilan (Remembering Country) Business and Investor Initiative, [link].
[3] TNFD 2026, Guidance on nature in transition plans, [link].

3. Realign financial metrics towards corporate transition activity

The current draft appears to elevate the role of institutional investors in the Platform's finance and investment metrics, relative to that of the companies in which they invest.

Institutional investors seek the best risk-adjusted returns available. While there are climate solutions investments across portfolios, climate impact investing is typically a smaller component of a fund's portfolio allocation.[4] This is to say that measuring climate impact investing against specific metrics requires a more nuanced approach in defining what makes a climate solutions investment.

Institutional investor performance on climate is largely dependent on two factors – company performance on climate, and ESG integration within the fund. Corporate stewardship activities are a critical area of engagement for investors and provide avenues to assist investee companies with their transitions, and to feed back company concerns to policymakers.

A Platform that primarily tracks investor portfolio allocation to climate-aligned investment risks treating a downstream indicator as if it were an upstream driver. The CCA should ensure that corporate transition and adaptation investment, including capital expenditure on abatement technology, fuel switching, and asset transformation and upgrading is used for tracking performance against financial metrics. Leveraging mandatory climate-related financial disclosures into the Platform presents an obvious opportunity here.

IGCC's annual *State of Net Zero* report tracks progress across investment practices, governance structures, corporate engagement, and policy advocacy efforts on climate. We recommend using those as inputs to measure progress against investor-specific metrics, which would provide a useful comparison to efforts made at the corporate level.

[4] IGCC's State of Net Zero reports are based on annual surveys across the Australian investor cohort, where we track climate solutions investment, policy priorities and other metrics, [link].

4. **Create a Platform that aligns metrics with established government policy and investor frameworks**

For the Evidence Platform to be useful to investors, its metrics must be designed to interoperate with the frameworks that the finance sector already uses to set and track commitments.

The Platform must align with how investors and companies will use the data. The climate-related financial disclosures regime is the basis for which investors report portfolio alignment and strategy with net zero objectives. There is huge value in taking disclosures data and feeding it into the Platform, presenting annual updates on how climate finance is being mobilised across the economy.

Company disclosures will be especially helpful to aggregate, as it will provide a first-hand account of what transition pathways are being pursued. Investor disclosures at the portfolio level are indicative but are less direct sources to measure progress against metrics. Integrating data from reporting will present a more accurate representation of how investors and companies define climate-aligned investment.

The CCA could also consider aligning the Platform's outputs with best-practice investor frameworks for setting targets and net-zero strategies, such as the Net Zero Investor Framework.[5] This would facilitate ease of use for the Platform, when investors are updating their strategies and making disclosures.

Investors look to the Australian Government's Net Zero Plan, the National Adaptation Plan and the National Climate Risk Assessment for guidance on the economy's net-zero transition. The Platform should present data directly against metrics, policies and milestones in these documents. Coherence of policy and reporting is essential for investors to use these documents to inform their own decarbonisation and resilience strategies.

[5] IGCC 2024, New Guidance: The Net Zero Investment Framework 2.0 ("NZIF 2.0"), [link].

The Platform should also ensure alignment with how Australia reports against its Nationally Determined Contribution, as part of the UNFCCC's Global Stocktake. Often, this is where policy commitments are clarified in their scope and impact.

Response on Platform domains

Emissions reduction domain

Our organisations are concerned that the current conceptualisation of the Platform risks equating climate-aligned investment with only investment in renewable energy. This is not obvious from the consultation paper, but is apparent in the proposed initial approach presented by the CCA, based on data availability. While renewable energy deployment is critical to Australia's transition, this framing would substantially undercount the breadth of transition-relevant investment and could create misleading signals for both policymakers and markets.

Qualifying what constitutes a climate-aligned investment is a common problem for public and private sectors alike. There is a risk that narrowing the metrics for the Platform mean that other investments which are not explicitly renewable are excluded from progress tracking. We suggest metric alignment with the Australian Sustainable Finance Taxonomy to maximise private sector utility of the Platform's outputs.

For metrics tracking renewable capacity coming online, it is worth noting that this is a lagging metric, as per the CPD's submission to this consultation. There are currently concerns that renewable energy deployment is stalling across Australia, and it would be useful to measure progress against key enabling conditions that would facilitate rollout.

The CCA should develop indicators that track progress in:

- streamlining planning approvals - e.g. average lead-times in renewable energy projects;
- widening the energy workforce pipeline - e.g. percentage of work on renewable energy
- projects performed by apprentices; and
- securing supply of key inputs - e.g. percentage of materials used in renewable energy
- projects that are locally sourced.

The CCA should also propose a metric that tracks the amount of funding for the development of clean technologies from government special investment vehicles (SIVs) that is not simple commercial-grade debt, such as equity, concessional loans, financial guarantees and venture capital. This should be disaggregated by technology type, to better understand where the gaps are across the capital stack.

Adaptation and resilience domain

Our organisations are supportive of the inclusion of adaptation and resilience within the Platform, and of an increased role for the CCA in providing advice and monitoring progress on adaptation outcomes.

Framing progress on adaptation

We have concerns that the proposed framing question for adaptation "Are Australia's economy, society, and natural and built environments adapting and becoming more resilient to the physical impacts of climate change? (pg. 6)" sets the bar too low. This framing is largely process-based, focused on whether adaptation activities are occurring, rather than whether those efforts are sufficient or effective.

An outcomes-based framing would be more useful for investors and governments. For example, is Australia on track to be sufficiently adapted to climate change so that vital functions (e.g., ecological, social, financial and economic) remain viable under increasing physical climate risks?

This reinforces the need for clear resilience targets, consistent with IGCC's policy priorities for 2026-2030 (pg. 21). Without these targets, it is difficult for investors or governments to assess whether current adaptation efforts are sufficient.

Alignment with international practice

It would be valuable for the Platform to provide transparency on how proposed adaptation metrics align with international adaptation initiatives. Clear alignment with metrics emerging from the Global Goal on Adaptation would enhance the usefulness of the Platform for both domestic policy evaluation and international reporting.

Feedback on proposed metrics

We consider the proposed metrics to be a reasonable starting point and have provided some specific feedback below:

- "Annual national productivity losses due to high temperatures" should be expanded to include productivity impacts from the full range of relevant chronic and acute physical risks.
- "Annual Australian Government spending gap for natural disasters" primarily reflects government funding choices, rather than the effectiveness of adaptation. A more outcomes-focused metric, either in addition or as an alternative, could be net savings as a percentage of GDP from avoided losses, including savings attributable to adaptation actions. This aligns with Indicator 12(c) under the Global Goal on Adaptation.
- The financial system metrics (AR4) are heavily concentrated on insurance-related impacts. This is understandable, as insurance availability and affordability are often the earliest market signals of rising physical risk. However, this focus risks underestimating the broader financial and economic impacts of insufficient adaptation. We recommend expanding the metrics to capture:
    - Impacts on bank lending and mortgage availability in high-risk areas (e.g., APRA's Banking Climate Vulnerability Assessment).
    - Broader forms of capital flight or repricing of assets exposed to physical risk (e.g., IGCC's Activating Private Investment in Adaptation).
    - Second-order impacts where withdrawal of insurance or finance constrains economic activity.
- Additional metrics to consider include:
    - The volume of private finance flowing to adaptation. This information could be derived from climate-related financial disclosures, supplemented by targeted industry surveys (e.g., IGCC's State of Net Zero).
    - Cost increases to essential goods and services due to physical climate risks, such as increases in the costs of groceries or utilities in affected regions.

Further information

Our organisations welcome ongoing engagement with the CCA as this work progresses. Please contact us for more information.

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