

Investors Welcome Carbon Certainty

The Investor Group on Climate Change (IGCC) Australia and New Zealand welcomed the Government's announcement today signally Australia's carbon emission reduction target for 2020.

"Investors now have some greater certainty and can begin the complex task of more accurately assessing the likely effect on costs, pricing and demand in a reduced greenhouse economy, Mr Frank Pagan, Chair of the IGCC said today.

Until today, everyone has been guessing on the emissions target for Australia. Now that there is at least a definitive minimum and maximum target, investors are better placed to make informed decisions, Mr Pagan said.

Mr Pagan however warned that the Government's minimum target of 5% was unlikely to be sufficient to drive the investment necessary to transition Australia to a lower carbon future and to maximise the opportunities for Australia to develop and participate in the growing 'Green Economy'.

"Representing long term, universal investors, IGCC support strong targets coupled with broad and effective emissions reduction and abatement policies. Together these elements will reduce the overall costs to the economy of addressing climate change in the medium to long term"

"They will also place Australia in a better position to take advantage of climate change opportunities, which will be a growing investment focus in the coming years", said Mr Pagan

"So while today's announcements have gone part of the way by providing greater investment certainty which is essential for underpinning continued economic growth, the bar may be too low to shift investment, minimise overall costs of climate change and provide Australia with the credibility to be a valued participant in global action to address one of the biggest challenges of our time."

ABOUT INVESTOR GROUP FOR CLIMATE CHANGE (IGCC)

The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand investors with over \$550 billion in funds under management, who recognise that the financial return of an investment has the potential to be impacted by climate change. As such, the IGCC aims to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors. The IGCC seeks to raise awareness of the potential impacts on investments, both positive and negative, resulting from climate change and to provide information and tools to assist the investment industry to understand and incorporate climate change into investment advice and investment decisions.

For further information on IGCC including a list of our members please see: www.igcc.org.au

For further information or comments please contact:

Joanne Saleeba

Executive Director

Investor Group on Climate Change Australia/New Zealand

Phone: 1300 794 047

Email: secretariat@igcc.org.au