



There is no certainty on climate policy without a lasting policy framework

The Investor Group on Climate Change (IGCC) today said that investors needed a climate policy framework that could stand the test of time and that repealing the carbon price without a clear alternative policy would only create uncertainty.

“We should not pretend that repealing the carbon price before an alternative climate policy framework is resolved would provide certainty to business or investors, Mr. Frank Pegan, Chair of the IGCC said.

The Government’s soon to be released Direct Action policy should be examined and compared to carbon pricing to ensure that it could provide a lasting policy framework. Such an examination is in the interest of all those seeking an efficient, effective and lasting climate change policy outcome in Australia.

“If Parliamentary Inquiries into Direct Action and carbon pricing can assist in improving policy design and support a lasting climate policy outcome, they are welcomed by investors,” Mr Pegan said.

Recently the OECD stated in its October 2013 report, *Climate and Carbon: Aligning Prices and Policies*:

“Explicit carbon pricing mechanisms, such as carbon taxes and emissions trading systems, are generally more cost effective than most alternative policy options in creating the incentive for economies to transition towards zero carbon trajectories.”

“Investors have long supported a carbon price in the form of an emissions trading scheme (ETS) and will continue to do so in the absence of an equally effective and efficient, long term climate policy,” Mr. Pegan said.

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About the IGCC

The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand investors with over \$1 trillion in funds under management, who recognise that the financial return of an investment will be impacted by climate change. 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. For further information on IGCC please see www.igcc.org.au or email secretariat@igcc.org.au.

IGCC is part of the *Global Investor Coalition* with investor groups in Europe, North America and Asia with funds under management of \$20 trillion. <http://globalinvestorcoalition.org>