



## MEDIA RELEASE

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### CLIMATE CHANGE BILL A WELCOME FIRST STEP

The Financial Services Council (FSC) has outlined the importance of policy certainty for Australia’s investment community provided by the Government’s *Climate Change Bill 2022* but says more needs to be done.

In [its submission](#) to the Senate Environment Committee, the FSC calls for a mandatory climate risk reporting regime to enable funds to properly price climate risk and efficiently allocate capital toward investments that can deliver value during the transition to a net zero economy.

CEO of the FSC Blake Briggs said: “This Climate Change Bill is just the beginning. Once this target is in place, the focus should turn to a mandatory principles-based climate risk disclosure regime, which would require companies to report climate-related financial risks and opportunities.

“This will provide valuable information for funds as they seek to allocate capital toward investments that provide long term value.”

The FSC and its members support the emissions reduction target of 43 per cent by 2030 and net zero emissions by 2050 and believe this is a positive step in ensuring stable policy settings are put in place to transition Australia to a lower emissions economy.

“The lack of certainty on climate policy has inhibited investment opportunity in Australia and restrained the funds management sector from effectively managing climate risk.

“The investments underpinning the transition to net-zero have long investment horizons, that require policy certainty across multiple governments.”

“Global and local investors are seeking long term value and opportunities in entities that are well prepared for the economic transition to a low carbon economy, in sectors as varied as mining, energy and utilities, housing, transport and agriculture.”

The FSC earlier this month released its [Climate Risk Guidance](#) for Australian fund managers, which sets expectations for the industry when setting net zero targets, labelling investment products, and fulfilling their legal obligation to disclose climate-related risks.

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#### About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 100 member companies in one of Australia’s largest industry sectors, financial services. Our Full Members represent Australia’s retail and wholesale funds management businesses, superannuation funds, life insurers and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange, and is the fourth largest pool of managed funds in the world.