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Finance and Public Administration Legislation Committee
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Dear Committee Members

Net Zero Economy Authority Bill 2024

Aware Super welcomes the Net Zero Economy Authority Bill 2024 ('the Bill'). We strongly support the establishment of a new Authority to promote an orderly and positive economic transformation to a net zero economy, including supporting Australia's regions, industries, and workers to realise and share the benefits.

The passage of this Bill will ensure that the proposed Authority's priority constituents—Australian workers, industry, communities, and investors—are able to play their roles in delivering a fair and well-planned energy transition that benefits the whole Australian economy.

We welcome the recognition in the Bill that all levels of government and the private sector will need to work in a more coordinated way to catalyse the investment needed to support the decarbonisation of existing emissions-intensive industries, support the establishment of new industries and the creation of new jobs and other opportunities arising from the net zero transformation.

In fact, through the Investor Group on Climate Change (IGCC), we have advocated for an independent, statutory authority to enable a fair, coordinated and well-planned transition for several years¹.

It is proposed in the Bill that the Authority would facilitate and coordinate public and private investment in net zero transformation initiatives and, to do this, would undertake a number of functions including identifying and providing advice to government on projects, assisting with regulatory processes, and referring projects to government for further consideration.

Aware Super welcomes this move towards formalising accountability for coordination, as well as the Bill's acknowledgement of the need for stronger coordination across all levels of government.

¹ For example, see: IGCC, 2020, Policies for a resilient net zero emissions economy <<https://igcc.org.au/investors-set-out-policy-priorities-to-limit-systemic-climate-risks/>>; IGCC, 2022, Making the transition happen: Investment policy for a net zero emissions economy, <<https://igcc.org.au/investors-need-these-policies-to-fund-the-net-zero-transition/>>.

As a responsible investor, we also acknowledge the Authority's intended focus on just transition. We agree that the proper management of this economic transformation is essential for ensuring an orderly transition, and this will also support investor certainty.

While the Bill's consideration of social and industrial impacts signals the Government's commitment to a thoughtful and just transition, a high level of broad, ongoing public support for climate action is also essential to investors' ability to create sustainable financial returns and overall benefits for beneficiaries. We strongly support all efforts to consult with stakeholders and Australians more broadly every step of the way.

Aware Super looks forward to engaging with the Authority once it is formed.

Best Regards

Damian Graham
Chief Investment Officer

About us

Meet Aware Super - the multi-awarded super fund. We're here to help our members grow their savings, whether retirement is 2 or 20 years away. As one of Australia's largest profit-for-members funds, we always remember whose money it is and whose future we're looking after.

That means being super helpful in ways our 1.1m members want, and sometimes in ways they don't expect. From super returns of 8.40% p.a.*² over ten years for our High Growth option. To expert super advice and guidance for right now. We're committed to helping our members get more from their super, so they can get more for their future.

² Index median of 7.89% p.a. for the same period. Source: SuperRatings Fund Crediting Rate Survey (FCRS) 31 December 2023 (SR50 Growth (77-90) Index (approx. 50 options). Returns are after investment fees and costs, transaction costs, tax on investment income and any implicit admin fees. Past performance is not an indicator of future performance.