

Public Question Time – answers to questions taken on notice*

Questions from David Feith:

1. What banks does Council currently use?
2. Will the Council boycott banks that have not publicly distanced themselves from the Adani Mining Project? Namely Westpac?
3. Will Council issue a public statement declaring this?

Response

Council has a current investment policy which preferences financial institutions that do not directly or indirectly support fossil fuel companies and manages the investment portfolio to limit investment in institutions who do not meet that criteria, while balancing financial risk and ensuring optimum financial return.

Upon application of this policy Council investment in fossil free financial institutions peaked at 80%. In May Standard and Poors downgraded the credit rating of several financial institutions, resulting in Council no longer being able to invest in them under our policy. This will impact our ongoing investment in fossil free institutions which has now reduced to 67% of the total portfolio.

Since your email Westpac have declared it will not lend to new mines in previously undeveloped coal basins and nor will it lend to new mines that produce coals with low energy content which would rule out any involvement by them in the Adani project (refer attached Financial Review article dated 28th April)

Council is aware of recent speculation on our transactional banking services provider CBA. We communicated our concerns to CBA and put a freeze on all new investments with them. Council are engaged in continuing conversations with our CBA Relationship Manager and Sustainability team and have been advised that they have not been approached to provide finance for any mining project in the Galilee basin, and all projects must meet strict environmental, social and governance standards. Based on these commitments made by the bank we will now consider new investments with them going forward.

Council will be reviewing the current investment policy in 2017/18 in order to continue strengthening our fossil free investment while also ensuring we continue to balance risk and return. In the meantime we will continue to preference fossil free institutions under the current policy where practicable and monitor the Adani coal mine situation closely.

Finance officers will continue to liaise and advise Council of any significant changes in their investment portfolio and any decisions will be made public through due process.

Regards

Dennis O'Keeffe
Chief Financial Officer, City of Port Phillip

**Please note: answers to any questions in Public Question Time which were answered at the meeting are included in the minutes of that meeting.*