

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)

Westpac

Westpac28QW: (a) Does the bank agree with the Climate Change Authority's assessment that 'As a share of the global emissions budget, [Australia's fair share of the global emissions budget] implies a national budget of 10.1 Gt CO₂-e for the period 2013 to 2050'?

(b) If the bank does agree, what does the bank consider to be the implications for Australia's fossil fuel consumption and exports? Does this pose any risk for the bank?

(c) If not, why not and what national carbon budget does the bank consider to be consistent with the two degree limit endorsed by the bank?

Answer: As noted in our response to Westpac27QW, Westpac has been addressing this issue across our business for a number of years. We have long stated that we see climate change risk as a financial risk

Based on our research, including the scenario analysis conducted in 2016, we currently believe that our exposure to climate-related risks is appropriate, but we will continue to review and refine our policies as the regulation, technology and science develop.

We would encourage other companies, including those in carbon-exposed sectors, to assess the impacts of a two degree economy on their own business.