

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

2014 - 2015

**Department/Agency: Reserve Bank of Australia**

**Question: BET 15**

**Topic: G20 powers have launched a joint probe**

**Reference: Hansard page no. 54 - 02 June 2015**

**Senator: Whish-Wilson, Peter**

**Question:**

Senator WHISH-WILSON: I will just read to you a statement from G20:

The G20 powers have launched a joint probe into global financial risks posed by fossil fuel companies investing in costly ventures that clash with international climate goals and may never be viable.

It continues:

The G20 has asked the Financial Stability Board in Basel to convene a public-private inquiry into the fall-out faced by the financial sector ... All member countries have agreed to co-operate or carry out internal probes, including—

several countries, and it lists Australia in there. Is this something that the RBA has turned its mind to—the prospect of following the lead of the G20 on this issue on any financial risks posed by the divestment movement?

Dr Edey: I would have to take that on notice as well. We do engage with the FSB processes so I am sure we will have staff that know about that particular exercise.

Senator WHISH-WILSON: So it would be appropriate for you, for example, to consider making a submission to the G20's inquiry, or would it be another agency? If it is specifically about financial risk, that would be your mandate?

Dr Edey: We potentially could do it. We would have to make a decision as to whether it was a big enough issue for us to get involved in that.

**Answer:**

The communique of the April G20 Finance Ministers and Governors meeting requested that the FSB convene public and private sector participants to review how the financial sector can take account of climate-related issues. To date, no date or details on this roundtable has been circulated by the FSB. The RBA has not prepared any input, but stands ready to do so if asked.