



No more profiting from climate change – Asking the banks to stop funding fossil fuel expansion

April 2021

At the February 2021 Synod meeting, those at the meeting passed a resolution to update the Synod's direction on climate change. Part of the resolution acknowledged:

the need for immediate and substantial action by governments, businesses and communities, including the councils and institutions of the church in this Synod, to mitigate climate change caused by human activity and the threat it poses to God's good creation.

Australia's major banks are amongst the corporations that still make significant contributions to propping up the use of fossil fuels. We have the opportunity to encourage the banks to take stronger action to stop supporting the use of fossil fuels and instead finance the shift we need to a net-zero emission future.

A joint report by non-government organisations Rainforest Action Network, BankTrack, Indigenous Environment Network, Oil Change, Reclaim Finance and the Sierra Club released in March 2021 found that the 60 largest banks globally had poured \$5 trillion into fossil fuel businesses between 2016 and 2020. The contributions by the big four Australian banks in that period were:

- ANZ \$20 billion;
- Westpac \$8.6 billion;
- Commonwealth Bank \$8.2 billion; and
- NAB \$5.8 billion.



The Commonwealth Bank provided \$400 million in finance to coal mining projects. The ANZ Bank provided \$372 million to coal mining projects.

The ANZ Bank even provided \$212 million to oil and gas fracking projects in this period. In May 2020, NAB was part of a consortium of 26 global banks to provide a \$6.2 billion loan to TC Energy to build a gas pipeline in British Columbia, Canada. The pipeline is opposed by the Wet'suwet'en Indigenous people, who are the traditional owners of the lands the pipeline will cut across.

Westpac and the Commonwealth Bank did not finance fracking projects between 2016 and 2020.

Positive Commitments by the Banks

NAB has committed to not financing new or material expansions of coal-fired power generation facilities or new thermal coal mining projects. The bank has agreed to halve its funding of thermal coal projects by 2028 and would aim to achieve no funding for such projects by 2035.

Westpac has committed to stop financing thermal coal projects by 2030. It has also committed to providing \$3.5 billion of new lending to climate change solutions over the next three years.

The Commonwealth Bank has committed to stopping the finance of thermal coal mining and coal-fired power generation by 2030. They have also committed to making \$15 billion of funding available to low carbon projects by 2025.

At the end of October 2020, the ANZ Bank committed to "move away from working with customers that don't have clear and public transition plans" to reduce their greenhouse gas emissions. The ANZ has committed to funding at least \$50 billion of "sustainable solutions to help our customers lower carbon emissions" by 2025. They also promised to "no longer bank any new business customers with material thermal coal exposures" of greater than 10% of their business. They will end their "direct" funding of existing thermal coal projects by 2030. The inclusion of the word "direct" in the commitment leaves open the possibility that the ANZ Bank may still indirectly finance thermal coal projects.



Finance for Oil and Gas Extractions continues

However, the big Australian banks continue to finance oil and gas projects. Between them, they are providing more than \$16 billion in finance for oil and gas corporations. Despite the promises made to address climate change, most major oil and gas corporations are still on a path to significantly increase their oil and gas production between now and 2030. An end to investments in new oil and gas fields and an acceleration of the phase-out of existing production are needed for oil and gas production to decline at a pace aligned with keeping global average temperature rise below 1.5°C in line with the Paris Agreement.

Both Westpac and NAB have halved their oil and gas extraction financing in the last two years, to \$2.2 billion and \$2.74 billion, respectively.

The ANZ Bank is the only one of the big four banks to be expanding their investments in gas projects. Since 2017, the ANZ Bank has increased its financing of oil and gas extraction projects by \$1.2 billion.

NAB has committed to reviewing its lending policy on oil and gas projects in 2021.

What You Can Do

Write polite and respectful letters to:

Mr Shayne Elliott
Chief Executive Officer
ANZ Banking Group Ltd
GPO Box 537E
Melbourne, Victoria, 3001

Mr Peter King
Managing Director and Chief Executive Officer
Westpac
275 Kent Street
Sydney NSW 2000

Salutation: Dear Mr Elliott

Salutation: Dear Mr King

Or you can fill out this online feedback page:
<https://www.anz.com.au/support/contact-us/compliments-suggestions-complaints/feedback/>

Or you can fill out the online feedback form:
<https://banking.westpac.com.au/olfmu/eforms/ConsumerFeedback/#/welcome>

Mr Ross McEwan CBE
Group Chief Executive Officer
National Australia Bank Limited
Level 7, 700 Bourke Street
Docklands
Melbourne, Victoria, 3008

Mr Matt Comyn
Managing Director and Chief Executive Officer
Commonwealth Bank Group
PO Box 2719
Sydney, NSW, 2001

Salutation: Dear Mr Mc Ewan

Salutation: Dear Comyn

Or you can fill out this online feedback page:
<https://www.nab.com.au/common/forms/complaints-compliments-feedback>

Or you can fill out this online feedback page:
<https://www.commbank.com.au/digital/your-feedback#/feedback>

Points to make in your letters:

- Express deep concern at the threat climate change poses to the well-being of people and the planet.
- Welcome that they have committed to exiting the funding of thermal coal projects. Still, more is needed if they are to play their part in keeping the global average temperature rise below 1.5°C.
- Ask that their bank commit to stop funding and providing financial services to any new fossil fuel developments or expansions.
- Ask that they instead increase funding for renewable energy generation and other initiatives to reduce greenhouse gas emissions.