

LEGISLATIVE COUNCIL

VICTORIAN FUNDS MANAGEMENT CORPORATION AMENDMENT BILL 2016

(Amendments to be moved by Mr BARBER)

1. Clause 2, line 2, omit "subsection (2)" and insert "subsections (2) and (3)".
2. Clause 2, line 4, omit "this Act" and insert "a provision of this Act other than section 8".
3. Clause 2, after line 5 insert—
"(3) Section 8 comes into operation on 30 June 2018."
4. Clause 3, line 6, omit "definition" and insert "definitions".
5. Clause 3, lines 7 to 9, omit all words and expressions on these lines and insert—
fossil fuel includes black coal, lignite, onshore and offshore gas, crude oil and petroleum;
fossil fuel entity means a body corporate, association, trust, partnership or other body that does any of the following—
 - (a) derives greater than 10% of its revenue from production or extraction of fossil fuel, generation of electricity through the combustion of fossil fuel, or the creation of liquid or other fuel from fossil fuel; or
 - (b) actively expands its booked fossil fuel reserves, either through exploration or asset acquisition; or
 - (c) owns or manages fossil fuel assets including coal mines, coal-fired electricity plants, drilling platforms or gas pipelines;*invest* has the same meaning as it has in the **Borrowing and Investment Powers Act 1987**;"

NEW CLAUSES

6. Insert the following New Clause to follow Clause 3—
"A **Objectives**
In section 6 of the **Victorian Funds Management Corporation Act 1994**—
 - (a) in paragraph (b), for "manner." **substitute** "manner; and"
 - (b) after paragraph (b) insert—

"(c) to provide its services in an environmentally responsible manner that avoids investment in fossil fuel entities."

7. Clause 6, lines 7 to 9, omit all words and expressions on these lines and insert—

"(1) In section 9A(1) of the **Victorian Funds Management Corporation Act 1994**—

(a) after "other Act" **insert** "(except section 9B)"; and

(b) in paragraph (a), after "authorised by this" **insert** "or any other".

NEW CLAUSES

8. Insert the following New Clause to follow Clause 6—

"B New section 9B inserted

After section 9A of the **Victorian Funds Management Corporation Act 1994** **insert**—

'9B Corporation not to invest in fossil fuel entities

The Corporation must not, in respect of a fossil fuel entity, directly or indirectly—

(a) as principal or agent, manage or invest funds of the entity;

(b) provide, or arrange the provision of, funds management, investment services or other financial services for, or financial advice to, the entity;

(c) act as trustee;

(d) act as manger of a trust of which the entity is a trustee."