

Investment Vice-chancellor defends decision to offload resources stocks

# World needs fossil fuels: ANNU

Ben Potter

Australian National University vice-chancellor **Ian Young** said the world would depend on fossil fuels for "decades to come" as he defended the university's decision to cull seven resource stocks from its investment fund.

Professor Young said he did not believe ANU had been "bullied" in the future that has followed the October 3 decision. Referring to *The Australian Financial Review's* coverage, he said: "I am concerned that some elements of the media have applied pressure to the institution but I have broad shoulders."

Asked by Labor's **Kim Carr** about Prime Minister **Tony Abbott's** description of the move away from fossil fuels as "stupid", Professor Young said: "I don't necessarily agree with all those views but I think it's good policy not to... comment on comments I hear in the media."

He said the ANU council had considered pressure from several groups to sell out of fossil fuel stocks completely but had come to the conclusion that this would not be "wise or practical".

"The reality is our economy and indeed the world economy is going to be dependant on fossil fuels for decades to come," he told a Senate estimates hearing. Two weeks ago he said on the ABC's *Lateline* the move was a response



Ian Young said he did not think the ANU had been bullied. PHOTO: ANDREW MEARES

to climate change. He rejected a suggestion that the consultancy used by the university, Canberra-based CAER, was biased against fossil fuels, saying ANU continued to hold "major Australian resource companies" which produce fossil fuels but had been "very highly assessed". These include **BHP Billiton** and **Rio Tinto**, which are also large donors to ANU.

Professor Young said a number of oil and gas companies in the ASX300

The seven blacklisted stocks scored lowest on CAER's environmental, social and governance rankings, he said. They have complained CAER's reports on them are inaccurate.

Professor Young confirmed at least two - Santos and copper-gold miner **Sandfire Resources** - are in talks with CAER and "there may be others".

"They believe that the assessments could be changed as a result of the additional information and my understanding is that CAER is engaged in a process with them to look at additional information that they might want to bring to the table."

He said ANU retains "full confidence" in CAER and the seven blacklisted stocks were among the worst performers in the portfolio, returning just 3 per cent in calendar 2014 and losing 25 per cent in the time ANU held them. The portfolio made 9.1 per cent per annum over the last 10 years.

Meanwhile, former students urged Sydney University to sell its \$1 million stake in **Whitehaven Coal**, which is developing a controversial coal mine near Narrabri, in north-western NSW.

And 80 protesters occupied the foyer of **Australia and New Zealand Banking Group's** Melbourne head office Wednesday, causing the building to be partially locked down for several hours on police advice.

Tabled Document  
Supplementary Budget Estimates 2014-15  
Inquiry: 20/11/2014  
Date/Time: The Hon Peter Costello AC  
Witness Name  
Organisation: Future Foundation Agency

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