

Australian Ethical walks away from Lendlease over koala development

For immediate release: 6am Monday 13 March, 2023

Australian Ethical has sold its shares in Lendlease Group (ASX: LLC) over its planned development at Mt Gilead in south-western Sydney that could threaten the survival of one of the last remaining healthy koala colonies in NSW.

In December, Australian Ethical warned it would divest its shareholdings in Lendlease if it proceeded with Stage 2 of the development in its current form without providing critical information about planned koala corridors.

Independent advice from the Office of the NSW Chief Scientist and Engineer (OSCE) makes clear that Mt Gilead is critical to the survival of this important koala colony and that wildlife corridors need to provide koalas safe passage across the site.

Australian Ethical says it has lost faith after recent talks with Lendlease stalled, and the NSW Department of Planning & Environment (DPE) has failed to commit to a meaningful public consultation ahead of its statutory deadline for making a decision by July 2023.

“For over four years we have used our shareholdings in Lendlease to encourage it to strengthen koala protections, but Australian Ethical cannot continue to support a company that appears to be failing to take biodiversity protection seriously,” Australian Ethical spokesperson Amanda Richman said today.

“We’ve been clear that Australian Ethical would continue to advocate until we have exhausted all avenues with Lendlease to improve koala protections, and we’ve now reached that point,” said Ms Richman.

Australian Ethical is calling on the NSW Minister for Environment & Heritage, the Hon. James Griffin MP, to intervene.

The NSW Government’s environmental protection body, the Environment and Heritage Group (EHG) wrote to DPE in December stating that the (current) Lendlease proposal is inconsistent with recommendations contained in the OSCE advice and subsequent expert reports.

EHG told DPE that “*EHG does not support the exhibited planning proposal, including the structure plan or the Biodiversity Certification Assessment Report and Strategy,*” essentially due to a lack of information on the proposal* – which mirrors the concerns Australian Ethical raised with DPE late last year.

“Neither Lendlease or the NSW Department of Planning & Environment has given the public meaningful information about the proposed koala corridors at Mt Gilead, and we have serious concerns about the way the reports from the NSW Chief Scientist and other experts are being interpreted by the Department,” Ms Richman said.

“The previous public consultation on the development is redundant from a biodiversity perspective because the public hasn’t been given the full picture. Our fear is that this development will be approved without proper public consultation on the environmental impacts.”

“The Minister needs to ensure there is a transparent public consultation because, as it stands, we cannot be confident that this koala colony will survive the developments proposed for the area,” Ms Richman said.

Notes to Editors

* The NSW Government Environment & Heritage Group’s (EHG) submission to the DPE on the public exhibition of the Planning Proposal for Mount Gilead Stage 2 states: *“Insufficient information has been provided to support the proposed zone boundaries and structure plan including the extent of the proposed urban development zone and land proposed for certification, and the clearing of 53.5 hectares of native vegetation and threatened species habitat which includes critically endangered and endangered ecological communities.”* [Read in full here](#)

Divestment details

- Australian Ethical has sold its debt and equity positions in Lendlease (ASX: LLC) and related vehicles.
- Australian Ethical has an investment in an unlisted property trust, the Australian Prime Property Fund - Retail, which is managed by Lendlease, which is illiquid, but it will exit as soon as it is able.

Background

- Australian Ethical statement, 8 December 2022: [Lendlease and NSW Government must be transparent about koalas](#)
- Video: [Our call to Lendlease and the NSW Government](#)
- Australian Ethical is Australia’s leading ethical investor and for 36 years has made its investment decisions in line with its [Ethical Charter](#). Its previous divestments on ethical grounds include Marsh & McLennan Companies, Tassal and Arthur J Gallagher.

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About Australian Ethical Investment Limited (AEI)

Australian Ethical is Australia’s leading ethical investment manager. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide competitive returns. Investments are guided by the Australian Ethical Charter which shapes its ethical approach and underpins both its culture and its vision. Australian Ethical has over \$8 billion in funds under management across managed funds and superannuation. Visit: www.australianethical.com.au