QTON No. 272

Legislative Assembly for the **Australian Capital Territory**
Select Committee on Estimates 2026-2027

Inquiry into Appropriation Bill 2026–2027 and Appropriation (Office of the Legislative Assembly) Bill 2026–2027

Answer to question taken on notice

Asked by: Mr Andrew Braddock MLA

Addressed to: Treasurer

In relation to: Responsible Investment Policy Framework

Hearing: 4 August 2026
Uncorrected Proof Transcript pp 82
Transcript provided: 5 August 2026
Answer Due: 12 August 2026

Mr Patrick McAuliffe: took on notice the following question(s):

MR BRADDOCK: Yes. Am I correct in understanding that Morgan Stanley Capital International is the independent assessor under that ESG framework?

Mr McAuliffe: It is MSCI, is the - - -

MR BRADDOCK: Yes. And from Morgan Stanley's ESG controversaries and global norms methodology, they do not proactively identify companies operating or sourcing from such territories, and by territories I am referring to disputed territories including Westbank, Gaza Strip and East Jerusalem. Given this, why are we reliant on a company is undertaking research - well you say it is independent research in line with accepted international norms and conventions. However, they are not doing any proactive identification of the companies which may be involved in these territories.

Mr McAuliffe: Look, we can take that on notice and come back with some more detail about the actual underlined methodology, but they do consider all, you know, ESC and these global issues in accordance with the framework, so.

Mr Chris Steel MLA: The answer to the Member's question is as follows:

The Government's Responsible Investment Policy Framework incorporates MSCI's ESG Controversies and Global Norms framework to assess companies' involvement in human rights-related controversies.

MSCI's assessment considers a range of factors including:

- Severity of the human rights impact, including both the nature of the alleged harm and the scale of impact;
- Type of human rights violation, including alleged involvement in killings, physical abuse, forced displacement, violations of fundamental human rights, complicity in abuses committed by governments, security forces or other third parties, and adverse impacts on Indigenous peoples and affected communities;
- Degree of company involvement, distinguishing between direct involvement, where a company's own actions, products, operations or controlled entities are responsible for the alleged harm, or indirect involvement, where the company may be linked to the harm through suppliers, contractors, customers, or business relationships; and
- Remediation and resolution measures, including compensation, settlement of claims, rehabilitation or restoration efforts, cessation of harmful practices and implementation of controls and safeguards to prevent recurrence.

MSCI maps human rights controversies against internationally recognised standards, including:

- The United Nations Guiding Principles on Business and Human Rights;
- The United Nations Global Compact;
- The OECD Guidelines for Multinational Enterprises; and
- International Labour Organisation conventions.

As previously stated, the Government does not consider the United Nations Office of the High Commissioner for Human Rights (OHCHR) database as an appropriate standalone tool for the purposes of the Responsible Investment Policy Framework.

- The database is intended to provide information regarding certain business activities and is not designed to function as a sanctions mechanism, blacklist or investment exclusion list.
- Inclusion in the database does not mean a company has been found guilty of human rights violations and does not constitute a judicial finding, legal determination or sanction.
- The database does not assess or attribute specific adverse human rights impacts directly to a company's operations, products or services. Rather it identifies companies whose activities are connected to Israeli settlements.

The Government notes that the MSCI ESG controversy assessments draw on a broad range of sources, including information published by the OHCHR and the United Nations Human Rights Council.

While MSCI considers information from the OHCHR as part of the ESG Controversies and Global Norms assessments, inclusion in the OHCHR database does not automatically result in a finding of an ESG controversy or breach of international norms.

Approved for circulation to the Select Committee on Estimates 2026-2027

Signature: Date: 13/8/26

By the Treasurer, Mr Chris Steel MLA