

## Note: Is Westpac funding illegal logging in Solomon Islands?

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You don't have to travel far in Solomon Islands to see environmental damage caused by logging. The country's forests are being felled unsustainably. Worse, in classic resource curse fashion, logging profits have fed political corruption and have bypassed most Solomon Islanders.

This may seem a domestic issue, stemming from poor governance, but foreign businesses play a major role in financing and undertaking logging in the Solomons. Many of these businesses come from South East Asia, but if allegations made in [two recent](#) Sydney Morning Herald articles are correct Australia's Westpac Bank is also involved:

[Westpac] has provided loans to companies in the Solomon Islands linked to illegal tree felling threatening rare cloud forest, suspected hiring of illegal workers, trespass and causing environmental and social problems including violence...The Herald had found direct loans and long business relationships between at least five of the country's major logging interests and the bank.

To be fair to Westpac, it is reducing the proportion of its Solomons loans going to logging, but given the logging industry's well known adverse impact there, the question needs to be asked: why is Westpac lending any money at all to Solomons logging interests?

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