

30 Aug 2021

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Draft Prudential Practice Guide CPG 229 Climate Change Financial Risks (CPG 229)

The Minerals Council of Australia (MCA) welcomes the opportunity to provide feedback to the Australian Prudential Regulation Authority (APRA) – [Draft CPG 229 Climate Change Financial Risks](#). Australia's modern mining industry has successfully managed one of the world's most difficult geographies and climates, has a long history, world class resources and practices, and has become increasingly significant to the Australian economy, supporting the country through COVID.

Climate Change Financial Risk disclosure and climate action

The MCA strongly supports member-driven work that meets international community expectations of reporting transparency on climate-related financial disclosures.

In 2021, the MCA released its [Climate Action Plan](#) reiterating industry support for the Paris Agreement and the goal of net zero emissions.

The Plan outlines how the industry will work together to support developing technology pathways to achieve significant reductions in Australia's greenhouse emissions, increase transparency on climate change related reporting and informed advocacy, and share knowledge of the sector's responses to addressing climate change.

The plan references the Task Force on Climate-related Financial Disclosures (TCFD) and identifies current disclosure practices amongst members to inform their alignment with TCFD recommendations.

Support for a Prudential Practice Guide on Climate Change Financial Risks

The MCA supports APRA's development of a Prudential Practice Guide on Climate Change Financial Risks for Australia as it assists member-driven work to align reporting with TCFD recommendations.

Recommendations

The MCA recommends APRA provide guidance to APRA-regulated institutions that assessment and management of risk include industry history and practice in managing risk and how successful past management has enabled Australia's mining industry to become increasingly important to regional and national economies and communities. A holistic assessments of industry and company climate mitigation, adaptation and resilience strategies based on infrastructure, skills and knowledge in place, experience in dealing with changing environments – both physical (climates, weather) and market (changing demand patterns, economic cycles) is important when considering risk.

Conclusion

Please do not hesitate to contact me if you have any questions regarding this submission.

Yours sincerely

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GENERAL MANAGER, CLIMATE & ENERGY