

House of Representatives Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Review into APRA's Annual Report 2019-20

10 September 2021

Division/Agency: Australian Prudential Regulation Authority
Question No: APRA17QON
Topic: Climate Vulnerability Assessment
Reference: Hansard pg.15
Member: Ms Peta Murphy MP

Question:

Ms MURPHY: Thank you. I noticed when I was reading through the information paper that it talked about a number of global actions that have focused attention on the financial risk of climate change: the Paris Agreement and recommendations of the Task Force on Climate-related Financial Disclosures. The third one was senior legal opinion on the potential liability of company directors in Australia, where risks associated with climate change are not adequately managed. What are you referring to in respect of that senior legal opinion?

Mr Byres: There has been some legal opinion published by senior counsel that talks to the potential liability to directors if they do not appropriately consider the risks to their business from climate change, so we said that is one factor at play. As well as that are the other factors, institutional investors, government policy changes etcetera, and they mean we really wanted to raise the awareness of this issue.

Ms MURPHY: Do you have the detail of that legal opinion: who it came from, who asked for it and where it was published?

Mr Byres: Yes, we can provide that to you.

Ms MURPHY: That would be terrific; I'd appreciate that, thank you

Answer:

The senior legal opinion came from Noel Hutley SC and Sebastian Hartford Davis, at the request of the Centre for Policy Development. The opinion is published at the following web address:
<https://cpd.org.au/wp-content/uploads/2021/04/Further-Supplementary-Opinion-2021-3.pdf>