



# Are you Climate Risk Ready?

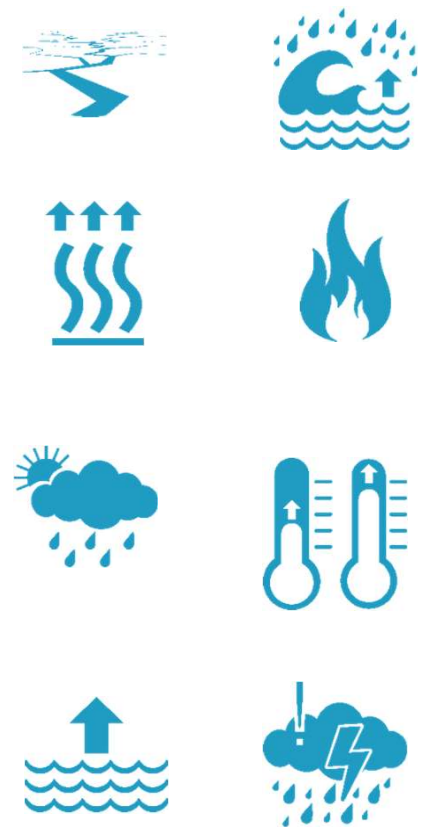
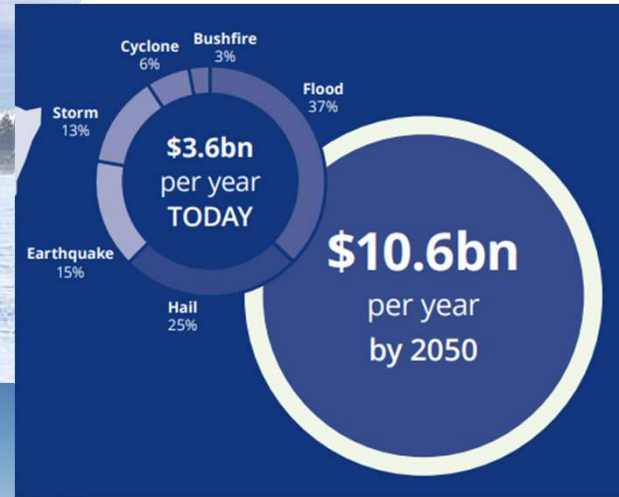
**Nerida Buckley**

Senior Project Officer Climate Change Adaptation, DPIE

**Suzanna Remmerswaal**

Principal Consultation, AECOM

# Climate change presents risks and opportunities for NSW



# Expectations have changed...

**Guy Debelle,**  
**RBA Deputy Governor-**  
**March 2019**

“Both the physical impact of climate change and the transition are likely to have first-order economic effects”

**NSW Minister for Energy & Environment**

“...We have a responsibility to the NSW people to make this transition as painless as possible. ”

**Mark Carney,**  
**Governor of Bank of**  
**England – Oct 2019**

“...(firms) that fail to adapt will cease to exist. ”

**APRA Executive**  
**Member – Nov 2017**

“...Australia’s financial sector can expect to see more emphasis on disclosure around climate risk exposure and management”

**Centre for Policy Development & MinterEllison – Jan 2019**

“public authorities likely have duties of care and diligence to consider climate risk...which are **at least** as stringent as the duties of private corporation directors”

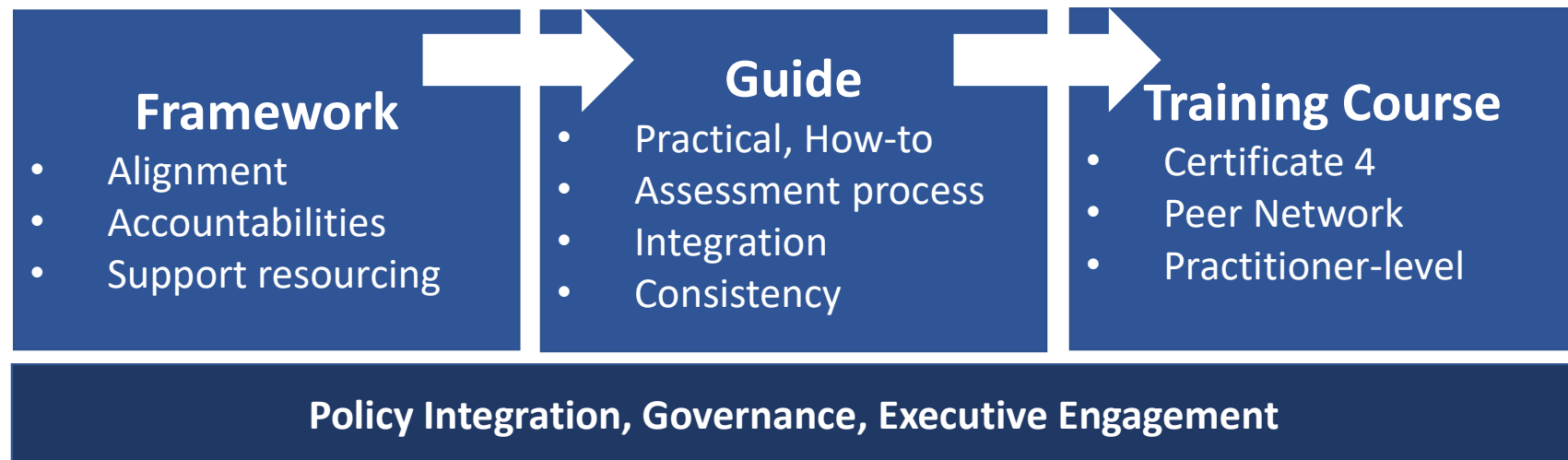


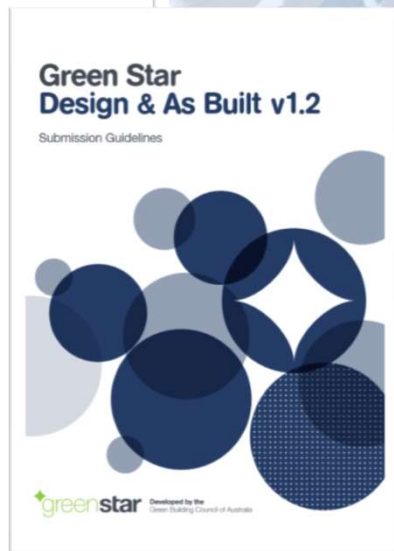
*Final Report: Recommendations of the Taskforce on Climate-related Financial Disclosures June 2017*

# How is NSW Government responding?

**Climate Risk Ready NSW:** improving the preparedness of NSW state agencies to respond to climate change

- Partnership with NSW Treasury, DPIE, AECOM and Western Sydney University





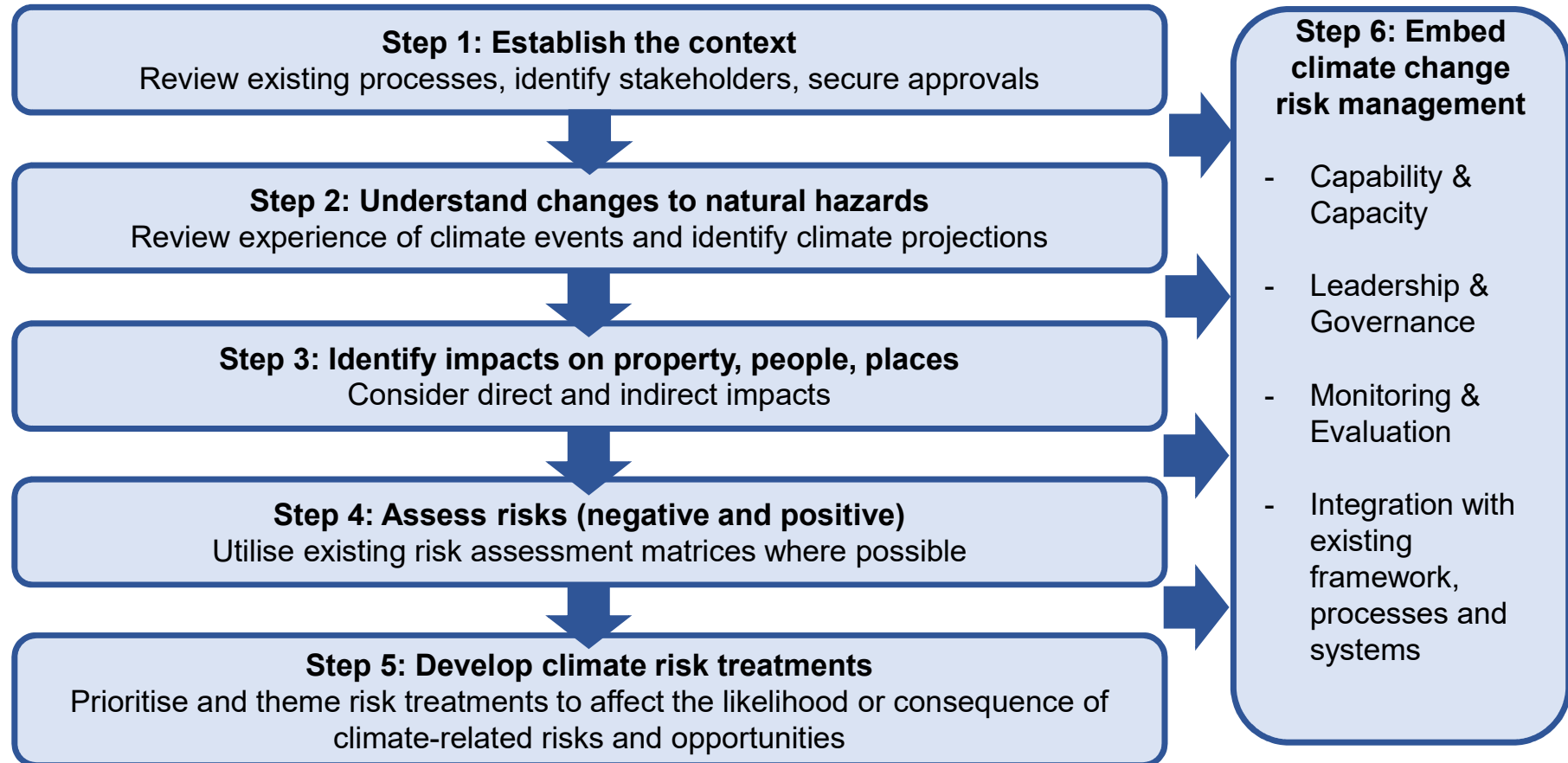
IS v2.0			
Governance	Economic	Environment	Social
Context	<b>Business Case</b>	Energy & Carbon	Stakeholder engagement
Leadership & Management	<b>Benefits Realisation</b>	<b>Green Infrastructure</b>	<b>Legacy</b>
Sustainable Procurement		Environmental Impacts	Heritage
<b>Resilience</b>		<b>Resources</b>	<b>Workforce Sustainability</b>
Innovation		Water	
		Ecology	
General update Major updates New categories			



**AECOM**

**ADAPTNSW: Adaptation in Action – Building Resilience in NSW**

# Climate risk management process



# (1) Identify the triggers for climate change risk assessment in your organisation

## *Understand your organisation's context*

- Extreme events are increasing
- Opportunities to capture benefits from planning and preparedness
- Market and Government drivers



## (2) Identify your internal stakeholders

### Sponsorship, champions and enablers



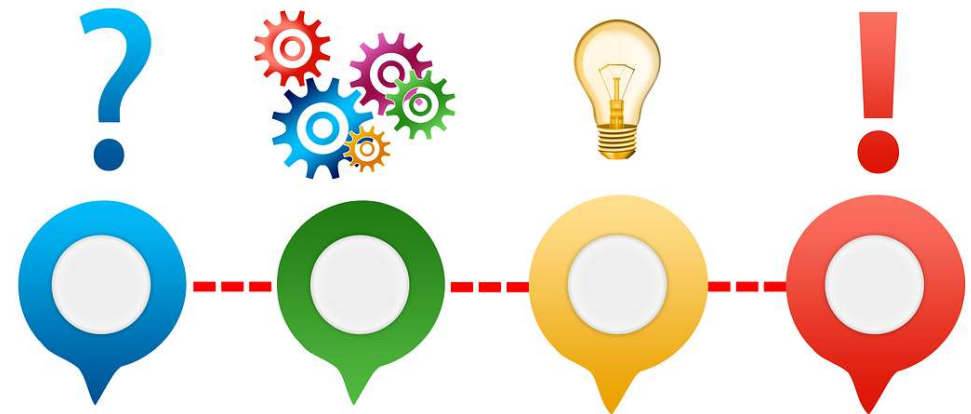
Fundamental		Repeatable		Systematic		Embedded		Advanced	
1.1. Is the leadership team aware of the need to assess risks and opportunities associated with climate change?	2	1.2. Has there been commitment by leadership to systematically assess risks, establishing governance arrangements for adaptation?	2	1.3. Is there a clearly defined strategy for achieving objectives been disclosed, including an outline of governance arrangements?	1	1.4.1 Have key points of intervention to include adaptation in plans, policies, and procedures been identified?	1	1.5. Has a standing item to review climate risks and treatments been added to quarterly executive committee meetings?	1



### (3) Consider priority barriers and enablers in your organisation

#### Common barriers

- Awareness and understanding
- Skills and technical ability
- Lack of ownership/governance
- Staff continuity
- Resourcing



#### Common enablers

- Awareness and understanding
- Skills and technical ability
- Executive leadership
- Extreme event impacts
- Risk management

(4) Make a short plan to engage your executive and secure an authorising environment

*Understand what success might look like for your organisation*

Guidelines for investment

Major infrastructure program

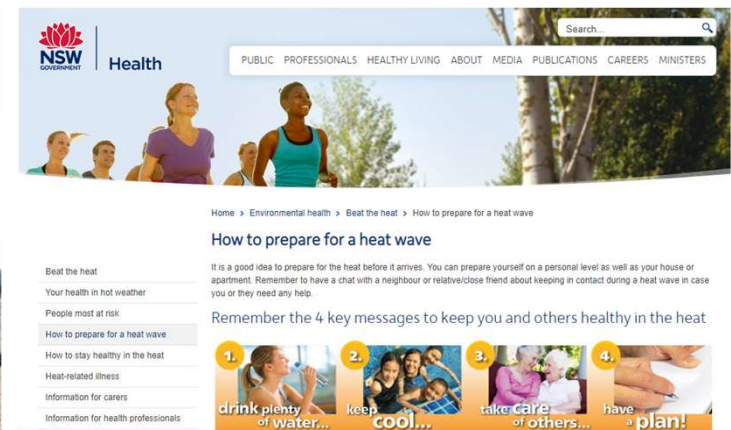
Agency preparedness and management plan



### TfNSW Climate Risk Assessment Guidelines

SD-081

Supporting Document – Applicable to Infrastructure and Place

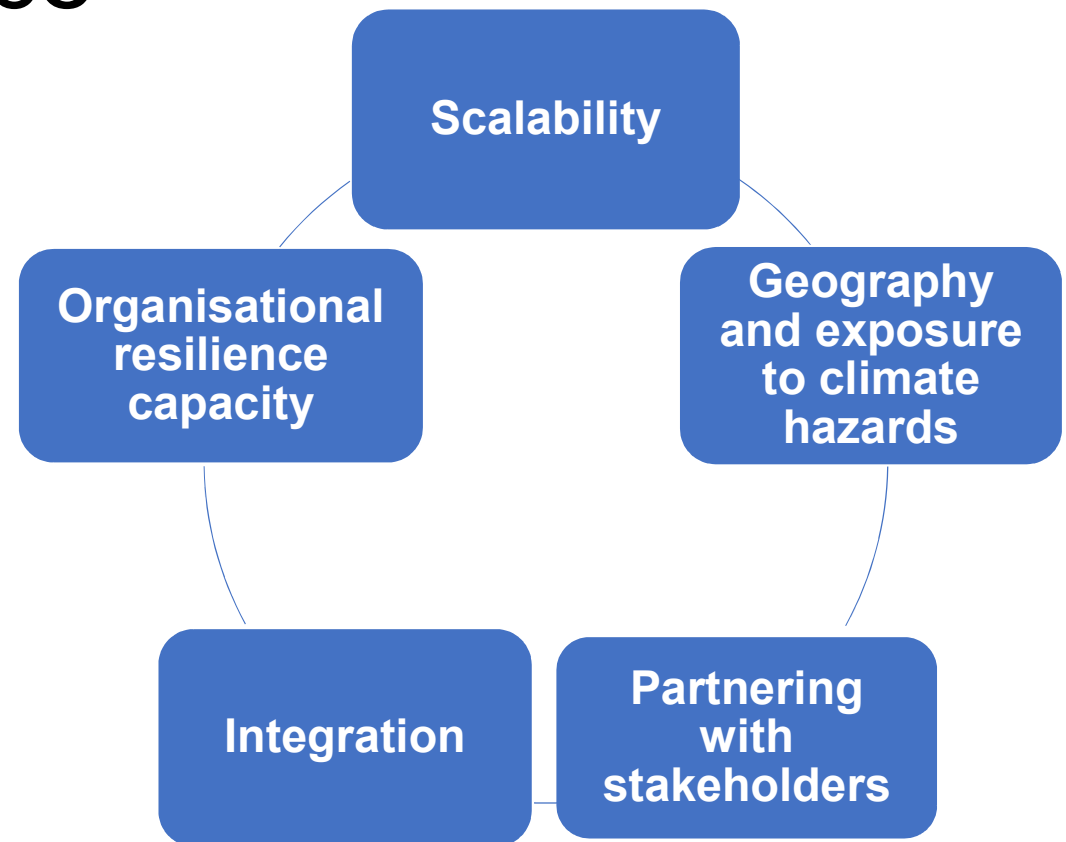


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# Emerging best practice

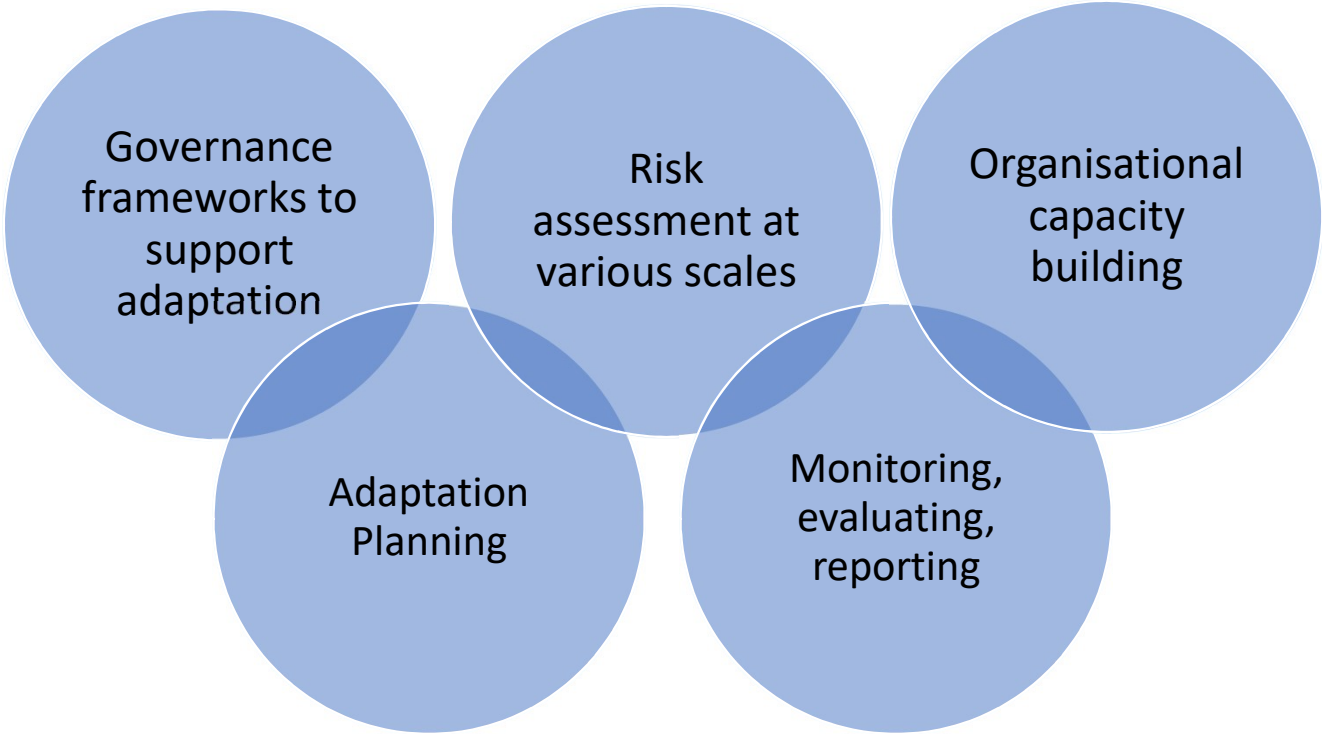
- Scenario analysis
- Moving beyond short term planning
- Diverse perspectives
- Managing shared risk



# What might best practice look like for NSW Government?

Climate Risk Management Maturity Level
Advanced
Embedded
<b>Systematic</b>
Repeatable
Fundamental

*Leadership + Agency + Awareness + Knowledge & Skills*



# Four next steps

....To start your climate risk management journey

(1) Identify the triggers for climate change risk assessment in your organisation

(3) Consider priority barriers and enablers in your organisation

(2) Identify your internal stakeholders

(4) Make a short plan to engage your executive and secure an authorising environment

# Thankyou

[Nerida.buckley@environment.nsw.gov.au](mailto:Nerida.buckley@environment.nsw.gov.au)

[Suzanna.Remmerswaal@aecom.com](mailto:Suzanna.Remmerswaal@aecom.com)

