

Scenario planning to prepare for uncertain futures

2030 and beyond: Adaptation for our future

2 November 2022



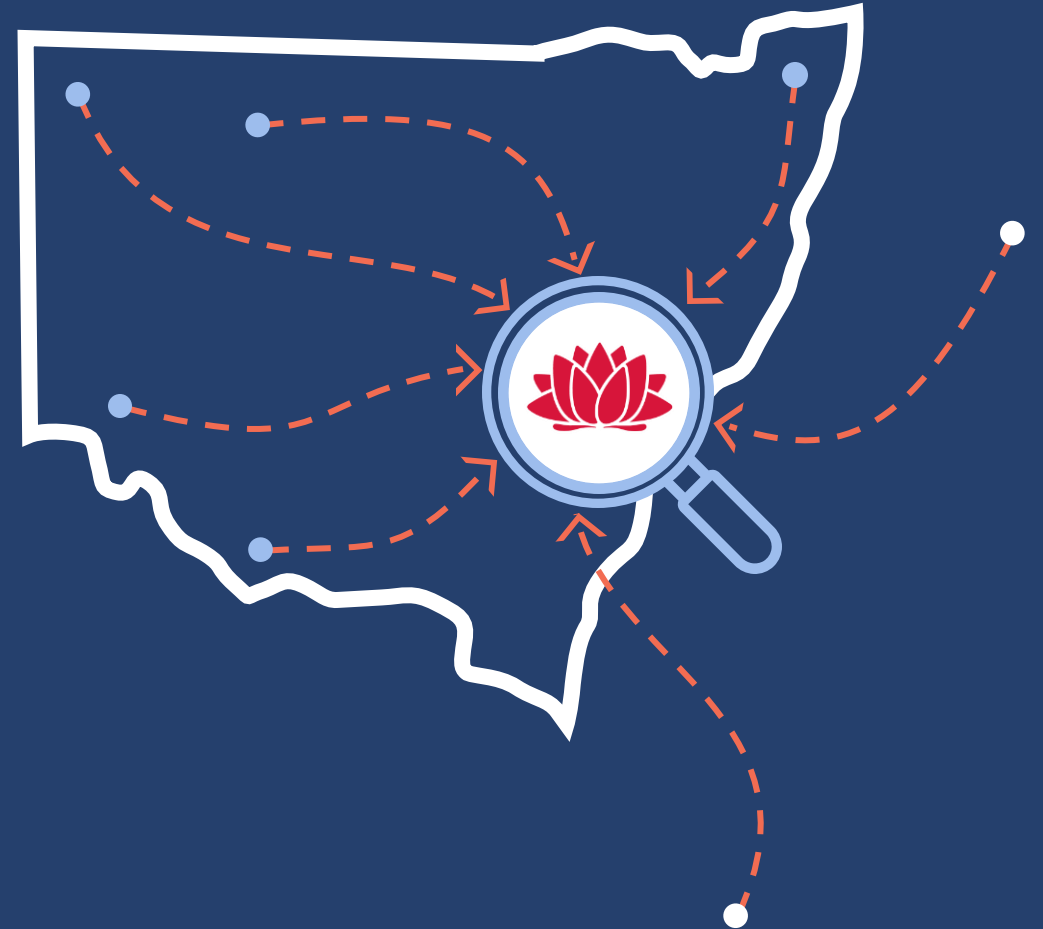
Premier
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SHAPING
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Who are we? **Shaping Futures.**

We are a strategic intelligence and foresight branch, based in the Department of Premier and Cabinet, that supports NSW Government.

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A sunset over a beach with tall grass in the foreground. The sky is a mix of blue, purple, and orange, with the sun low on the horizon. The grass is dark and silhouetted against the bright sky.

Strategic foresight is an organised, systematic way to look beyond the expected.

It helps us embrace complexity, manage uncertainty, explore disruption and bring external forces into a policy or strategy frame.

Working on complex system problems, we use multiple perspectives

Hindsight

What is the shape of the system today, and how did it get this way?

Insight

What should we do about it, and when?

Foresight

What signals of emerging change can we see, and how might they develop?

AUTO
AWB



**"The objective is not to 'get the future right',
but to expand and reframe the range of
plausible developments that need to be
taken into consideration"**

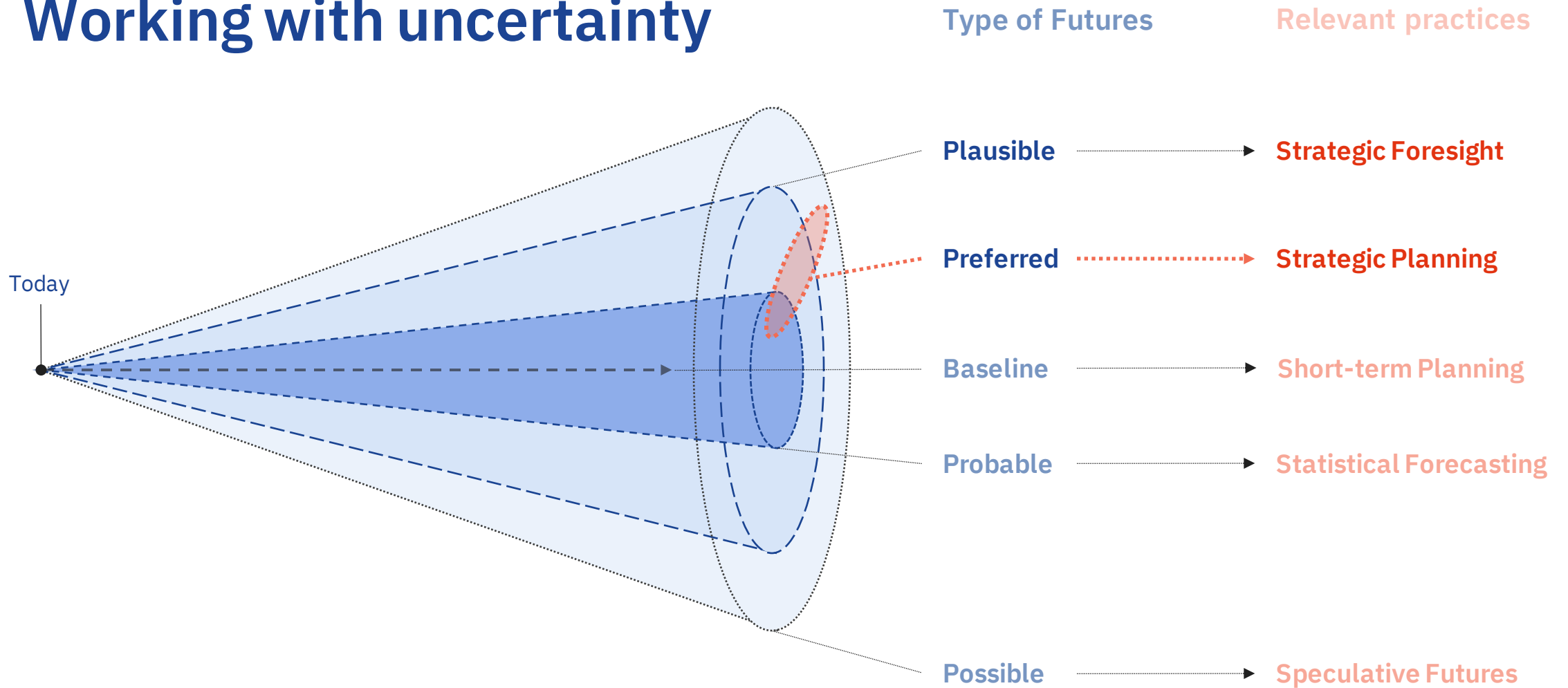
– [Strategic Foresight, OECD](#)



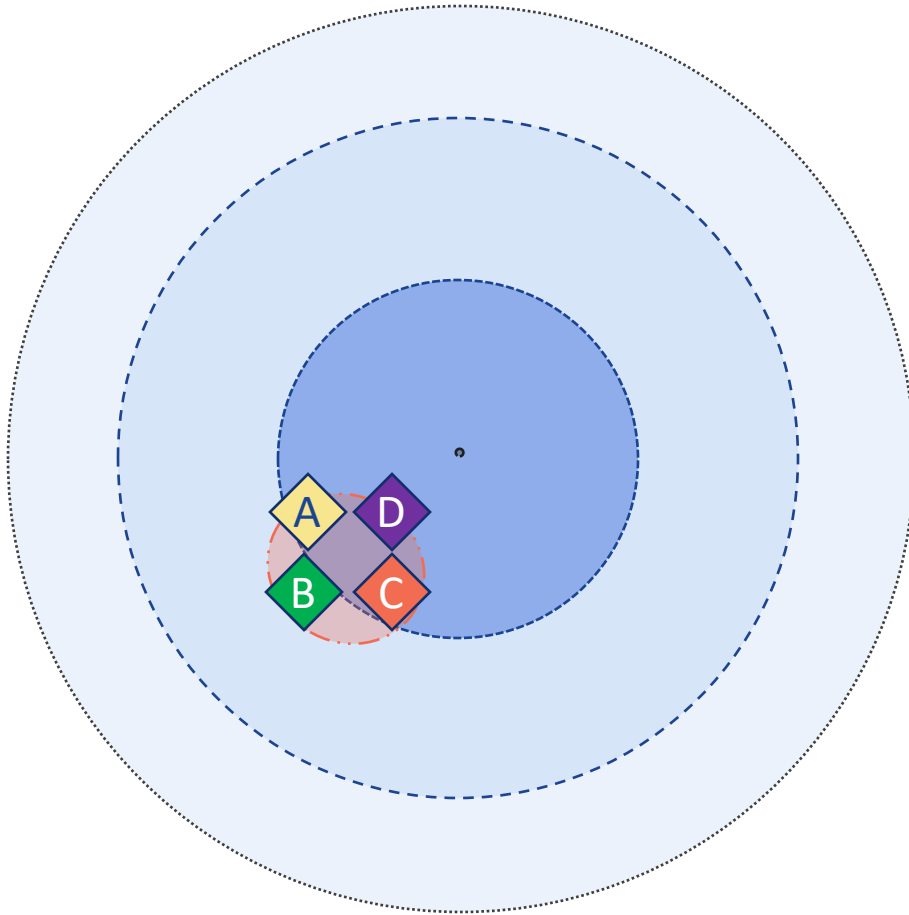
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Working with uncertainty



Scenarios make uncertainty manageable



Exploratory scenario planning uses

- A small number of divergent, plausible future scenarios
- No utopias or dystopias
- Designed around key questions a project is trying to understand
- Outside-in approach to look for implications of major external drivers

NSW2060 Scenario Development

Context and considerations

NSW2060 ITLU Scenarios

Framing our exploration of plausible divergent futures

What kind of questions do strategic infrastructure, transport, and land use planners need to answer?



Population and demographic profile

- How many people, with what demographic profile, could be living in NSW in 2060?



Spatial distribution and land use

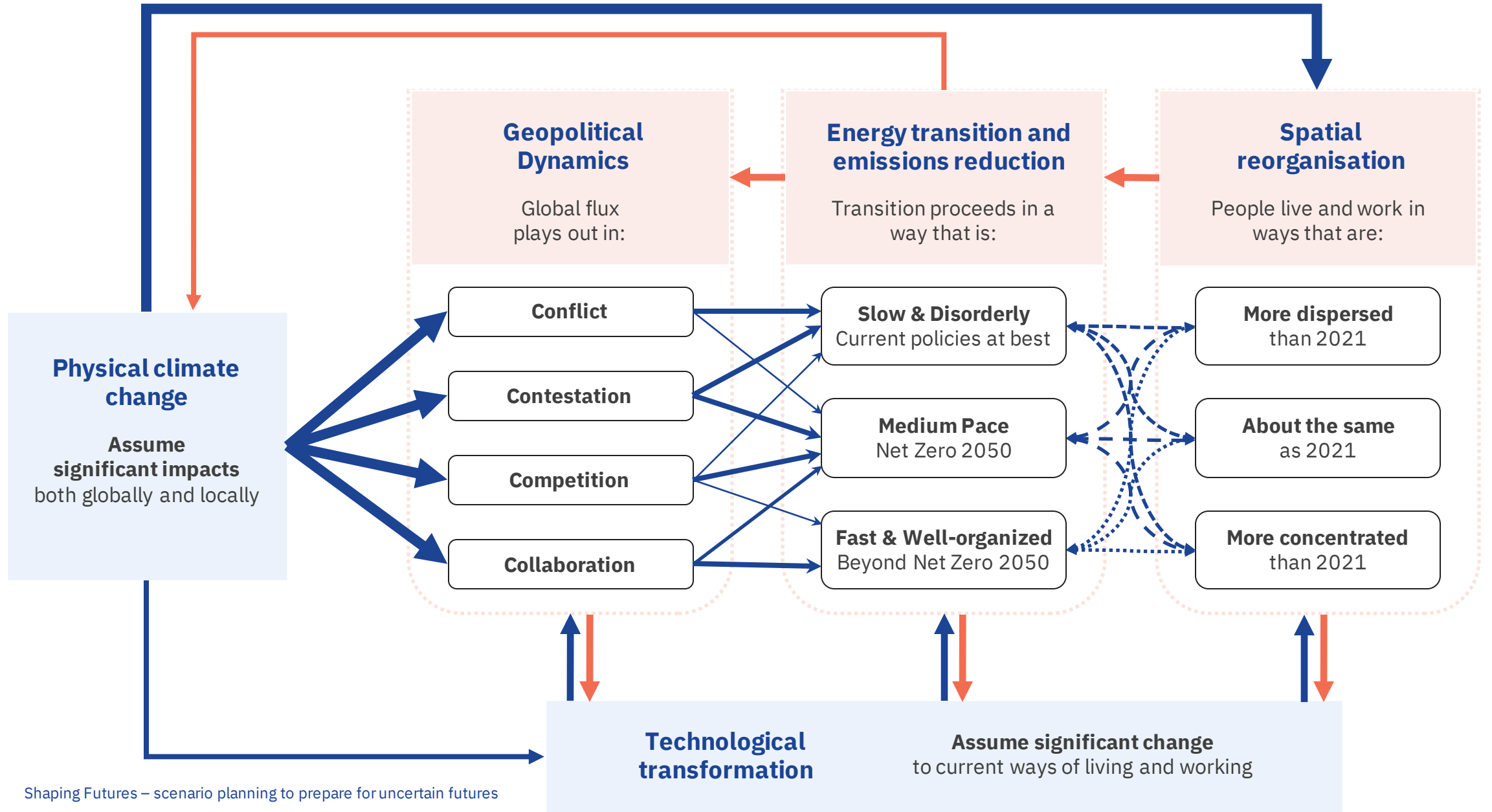
- How could spatial distribution of NSW population differ from today, and from current expectations about the future?



Economic development

- What could the economy of 2060 look like, in terms of industry diversity, economic complexity, comparative advantage, and types of (human) work?

Critical uncertainties and assumptions selected for NSW2060 scenarios



NSW2060 ITLU Scenarios

Driver combinations shaping scenario development

	Geopolitical dynamics	Energy transition and emissions reduction	Spatial reorganisation	Physical climate change	Technological transformation
Scenario A	Similar to 2021	Net Zero by 2050 (SSP 2-4.5)	More concentrated	+2C (1.6 – 2.5)	Major changes
Scenario B	Similar to 2021	Net Zero by 2050 (SSP 2-4.5)	More distributed	+2C (1.6 – 2.5)	Major changes
Scenario C	Highly contested	Slow and disorderly (SSP 3-7.0)	Similar to 2021	+2C (1.7 – 2.6)	Major changes
Scenario D	Highly cooperative	Fast and ambitious (SSP 1-2.6)	Similar to 2021	+2C (1.3 – 2.2)	Major changes

NSW2060 ITLU Scenarios

What if...? Four divergent future scenarios

Tales of the City

Growing pains persist as megacities and megaregions are home to the vast majority of humanity, buzzing with activity and offering relative safety and economic opportunity.

Seachange

Remotification accelerates and expands after the COVID-19 era experiments. Waves of dispersal fail to empty big cities, but they swamp smaller towns and centres.

Survivor

In a fragmented and highly contested global system, international relationships narrow and countries turn toward self-reliance. Trust is low and competition is high.

Better Homes and Gardens

After a series of major climate-driven disasters, people and institutions of the world collaborate on a social and economic transition that goes far beyond Net Zero emissions.

Seachange

Driver variables and speculative data points

Geopolitical dynamics	Energy and emissions	Spatial reorganisation	Climate change	Tech transformation
Similar to 2021	Net Zero by 2050	More distributed	+2C	Major changes
11.5 m NSW Population	Equal to projection Net migration (vis IGR projections)	Equal to projection Population age (vis IGR projections)	Fewer than 2021 Hours per worker	
Similar to 2021 Industry mix	Higher Trade volumes	Higher Trade balance (import to export ratio)	Similar to 2021 Foreign Direct Investment	
High Electrification and renewables	Medium Global GHG emissions	Less than 2021 Physical mobility (people and freight)	More distributed than 2021 Service demand distribution	



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