

## ARF016 Climate Change Community Transition Risk

### Risk Status Progress Report March 2022

Prepared: 22/02/2022

#### Description of risk and impact

In accordance with our Risk Management Policy, adopted by Council August 2019, the “Climate Change Community Transition Risk” was adopted, as a top organisational risk ARF016, at the 01/12/2021 Assurance, Risk and Finance Committee meeting. This risk was scored and prioritised using Council’s bespoke IDEATE methodology. The risk is described below in Table 1.

Table1: Description of the Climate Change Community Transition Risk.

Group / SLT	Risk level	Inherent Risk	Risk description	Cause “Because of...”	Risk “There is a chance that...”	Effect “leading to...”
Strategic Planning & Policy	Organisational	39	Strategic	Not working with communities to identify vulnerabilities, to things of value in those communities, due to potential changes in the climate.	We do not work with communities to identify solutions to drive targeted action and investment in adaptation and mitigation.	Inequitable transition of our communities; and may worsen pre-existing inequities. We do not meet our community wellbeing obligations. Exposure of the community to rapid market disruption. We miss out on potential opportunities.

The Climate Change Risk Reference Group scored the inherent risk for the Climate Change Community Transition Risk. The risk was scored by identifying both the risk impact for five organisational areas (see Table 2) and the likelihood of the risk occurring (see Table 3). For each organisational area, the risk impact is given a score of “High to Intolerable”, “Medium” or “Low to None” and the likelihood is rated as either “Will happen”, “Probable” or “Unlikely” (see table 4) making this a high impact risk with a score of 39. The likelihood of the risk materialising is assessed as “will happen”.

Climate Change Community Transition Risk is classified as both organisational and strategic risk with the GM-SPP responsible for risk governance.

Table 2: Description of risk impact for each organisation area

Organisation area	Description
Financial	Impact on Budget, Department or Team; and /or Impact on annual Council budget
Customer	Financial impact to customer due to loss of a provision of essential service, or essential piece of infrastructure
Reputational	The impact on FNDC's reputation
Compliance/Legal	The legal impact on FNDC's legal adherence / regulatory compliance
Health and Safety	The impact to people(s) health & safety arising from FNDC operations or a situation where FNDC are liable

Table 3: Description of likelihood

Likelihood	Description
Will happen	The risk is likely to occur. There is frequent exposure to the risk. There are external influences that make managing this risk ineffective.
Probable	The risk will possibly occur e.g. once in every 2 year event There is an exposure to the risk. There are external influences that make managing this risk difficult.
Unlikely	The risk is unlikely to occur e.g. once in every 10 year event There is a low exposure to the risk.

Table 4: ARF016 Climate Change Community Transition Risk inherent risk impact score using the organisational risk impact and likelihood statements:

	Financial			Customer			Reputational			Compliance/Legal			Health and Safety		
High Intolerable		7				9			9						9
Medium											5				
Low- none															
	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen

Relationship of ARF016 Climate Change Community Transition Risk to organisational risks.

ARF016 Climate Change Community Transition Risk is one of four distinct organisational climate change risks. It exists together with:

- ARF015 Climate Change Organisation Transition Risk
- ARF017 Climate Change Direct Risk to Council Physical and Natural Assets
- ARF018 Failure to understand and capture climate-related opportunities

ARF016 Climate Change Community Transition Risk impacts, and is impacted by, a number of our top organisational risks (see table 5).

Table 5: Impact of ARF016 Climate Change Community Transition Risk on organisational risks.

ARF016 impacts:	ARF016 is impacted by:
ARF004 Asset Management Risks	ARF004 Asset Management Risks
ARF005 Affordability Risk	ARF005 Affordability Risk
ARF006 Project Priorities Deliveries Delays	ARF014 Programme Darwin
ARF007 Compliance NRC Abatements	
ARF012 Contract Management Risks	
ARF013 Drinking Water Resilience	

## Existing Treatments

The Climate Change Risk Reference Group is working to develop an understanding on how we will actively manage each risk. A number of treatments have been identified to mitigate this risk. These are identified in table 6. For each risk the treatments have been organised by progress:

1. Identify treatments in place
2. Identify treatments in progress
3. Identify treatments planned

Work continues to:

4. Identify links to Long Term Plan
5. Quantify impact of each treatment against risk
6. Analyse and sequence what is mission critical
7. Develop understanding of how the treatments are connected to each of the risk theme.

The regional strategy (subject to a separate report to the Strategy & Policy Committee) seeks to mitigate this risk through the following priority actions:

- Ensure widespread community awareness and interaction on adaptation issues
- Improve public access to adaptation planning processes, information and documents
- Ensure community adaptation plans are embedded in regulatory instruments
- Ensure community adaptation planning processes are aligned with council funding processes.
- Develop a programme of coastal adaptation planning projects aligned with community needs
- Improve community water resilience through water tank programmes

Table 6: High level treatment plans

Treatment	Link to Regional Strategy	Link to LTP	Notes
<b>Treatment in place</b>			
Northland Regional Council Hazard mapping			eLIMs to be up and running by Easter 2022 LIM – need to provide any public information District Plan
<b>Treatment in progress</b>			
Draft District Plan			Enabler across the organisation Current flood mapping is non-statutory Responsiveness to regulatory requirements
Apply Northland Regional Council Hazard mapping		No	Draft District Plan needs to be published Policy framework to support District Plan to be developed.
Climate Assessment Policy (master document stating our policy positions)			Major initiative which will guide the organisation
Climate Change Engagement Strategy			Align with CATT (regional) approach
Community Engagement Plans			
Dynamic Adaptive Planning Process Enabling-Coastal-Adaptation Biodiversity Cultural welfare			
Te Ao Maori decision-making framework Cultural welfare			Responsibility of one of our Northland Council partners.
Te Tai Tokerau Regional Comms and Engagement			Needs to align with FNDC approach. Brand identity for CATT part of the engagement to show unified approach.
Adoption of climate adaptation Te Tai Tokerau strategy and priority actions plan Technical appendix looking at risk across the community		Informs future LTPs	Need to tease out the action plans Need an execution plan Opportunity to workshop this with the Climate Change Risk Reference Group
Climate change risk assessment of assets NRC led FNDC led			
Coastal Erosion CAPEX Framework			
Asset spending prioritization matrix for CAPEX.			
Carbon Reduction Plan			Provide ideas for community use

Treatment	Link to Regional Strategy	Link to LTP	Notes
Spatial planning			
Programme Darwin		Linked	Subject to separate updates to Assurance, Risk and Finance Committee.
<b>Treatment planned / opportunity</b>			
1. Improved consideration of climate change in asset management plans and associated operational procedures			
2. In depth assessment of risk and consequence of natural hazards by asset			
3. Climate change risk assessment for new or renewal design and build then operation of assets for elected member decision making			
4. Scenario planning			
5. S-map		No	Inform land use planning

### Where are the gaps? / what more could we be doing?

Inherent Risk:	The risk trend is:	Residual Risk:	Accountable:	CEO	Date raised:	01/12/21	Report frequency:
	Stable		Responsible:	GM ISPP	Date accepted:	01/12/21	Three monthly