

Climate Change Risks ARF015, ARF016, ARF018

Risk Status Progress Report June 2022

Prepared: 27/05/2022

Risk progress report for climate change risks:

- ARF015 Climate Change Organisation Transition Risk
- ARF016 Climate Change Community Transition Risk
- ARF018 Failure to understand and capture climate-related opportunities

Description of risks and impacts

These strategic risks were raised and accepted onto the organisational dashboard on the 01/12/2021. All these risks are considered “likely to happen”. The CEO is accountable for these risks with the GM SPP responsible. Table 1 describes the three climate change risks subject of this report.

Table1: Climate Change Risk statements

Risk ID	Inherent Risk	Risk Trend	Cause “Because of...”	Risk “There is a chance that...”	Effect “leading to...”
ARF015 Organisation Transition Risk	31	Stable	This is a wicked problem and we are a complex organisation. We need to transition our organisation to meet the requirements of a lower carbon, climate-resilient economy while ensuring prudent management, regulatory compliance and full disclosure to our communities of vulnerabilities to climate change.	Not understanding, or implementing, treatments.	Failure to comply with regulatory requirements; legal challenge resulting in fines and penalties; poor decision-making which negatively impacts our communities and Council; impact on our financial sustainability, and reputational damage.

Risk ID	Inherent Risk	Risk Trend	Cause “Because of...”	Risk “There is a chance that...”	Effect “leading to...”
ARF016 Community Transition Risk	39	Stable	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.
ARF018: Failure to understand and capture climate-related	29	Stable	Failing to identify and investigate opportunities such as resource efficiency, energy source, new economic opportunities, markets and resilience.	New opportunities for Council and our communities are not actioned.	Reduced Council and community growth and resilience. Increased pressure on Council long-term financial sustainability.

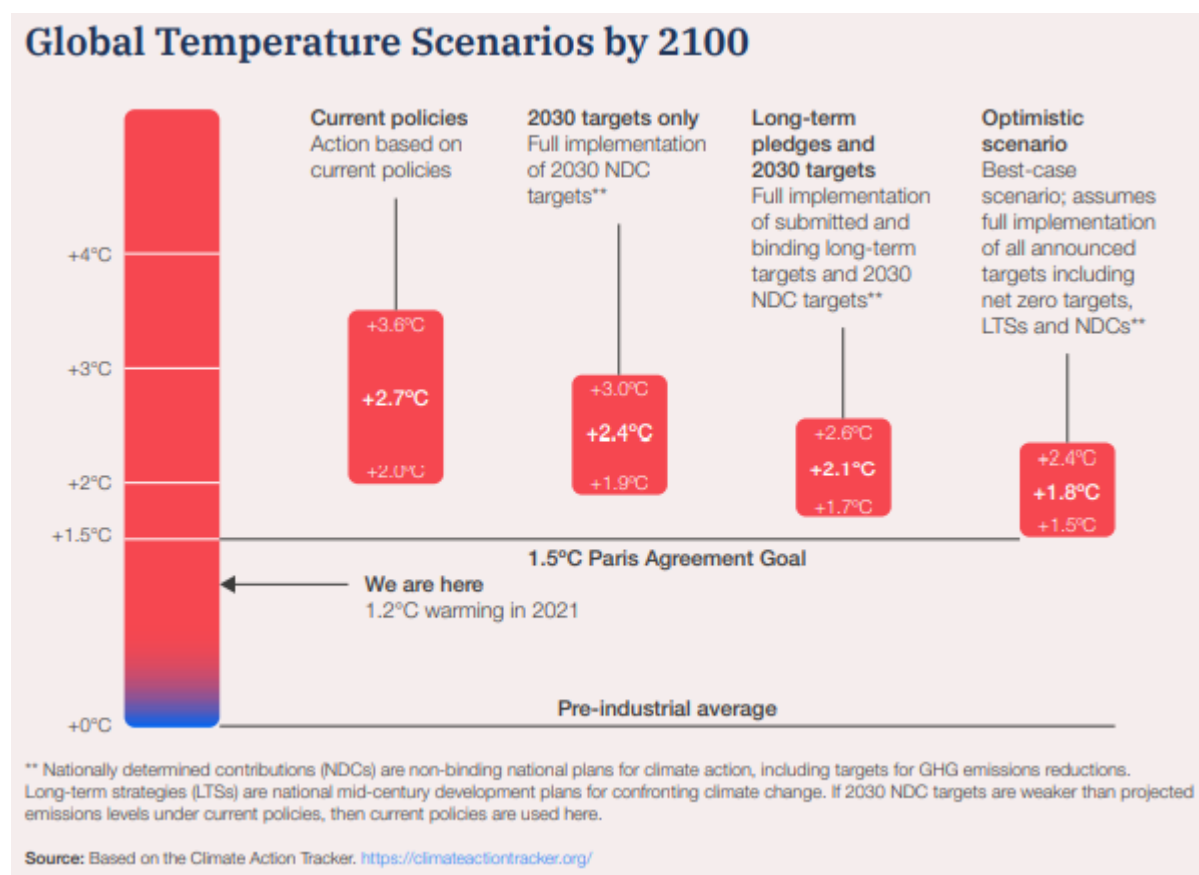
What are we doing?

Environmental context with which we are working

Governments, businesses, investors and communities are increasingly converging on the need for a quicker transition—each group setting higher expectations of the other. Green parties and green policies—such as a carbon border adjustment tax—have gained traction in many countries, regions, and industries, as have multilateral ideas like climate clubs. A plethora of climate risk disclosure frameworks and measurement standards are now being combined within a new International Sustainability Standards Board (ISSB) by the International Financial Reporting Standards (IFRS). This will help clarify what needs to be done, and by whom, to highlight and prevent greenwashing and stalling on climate action.

Governments, businesses, and societies are facing increasing pressure to transition to net-zero economies. An aggressive and rapid transition would alleviate long-term environmental consequences but could have severe short-term impacts, such as putting millions of carbon-intense industry workers out of jobs or triggering societal and geopolitical tensions. By contrast, a slower but more orderly

transition would prolong environmental degradation, structural fragilities, and global inequalities. Divergent trajectories across countries and sectors are creating more barriers to collaboration and cooperation in both scenarios.



Global Risks Perception Survey Ranks “Climate Action Failure” as Top Risk

Respondents to the Global Risks Perception Survey (GRPS) 2021–2022 rank “climate action failure” as the most critical threat to the world in both the medium term (2–5 years) and long term (5–10 years), with the highest potential to severely damage societies, economies and the planet. Most also believe too little is being done: 77% said international efforts to mitigate climate change have “not started” or are in “early development”.

Towards a more sequenced transition

Beyond the sheer scale, complexity and interdependency of the needed changes, the climate transition will be disorderly because decades of inaction and hesitant implementation of transition measures on local and global levels have steered the planet onto a path that will be difficult to change.

In a recovering yet diverging global economy, countries will need to transition at varying paces to prevent short-term disruptions from offsetting long-term gains, but the consequences of disparate transitions will be felt worldwide. The least disruptive climate transition measures will be those that holistically integrate the needs of individuals, societies, businesses and planet. Domestic and international collaboration should focus on educating the public about the value and need of climate action, including a change in consumer behaviour and demand-destruction for carbon intensive goods. Businesses of all sizes need to be incentivised to proactively factor in transition risks and move to circular economy models, while governments should be encouraged to take bold and immediate steps towards implementing robust legal frameworks that ensure a just transition.

Any transition of this scale will be disruptive. All stakeholders need to focus on actions that will drive an innovative, determined and inclusive transition in order to minimize the impacts of disorder, facilitate adaptation and maximize opportunities.

Progress on Treatments

Analysis has been completed to capture, and then organise into six themes based on the treatment opportunities. Table 2 explains the six themes which are directly aligned with four areas for action in the Te Tai Tokerau Climate Change Adaptation Strategy adopted by Council in March 2022.

Treatment progress is reported by theme (table 3) with a final table (table 4) is a treatment pipeline.

Table 2: Explanation of the six affinisation themes.

Theme	Explanation of the theme
Grow Relationships	<p>We will face backlash whether climate action is slow or aggressive which could weaken support for action; conversely, slow action could trigger further radicalization from those who feel we did not act fast enough, with a potential increase in intergenerational friction and more fiscal drain due to increased recovery funding.</p> <p>Relationships will also be important due to the disruptive potential of the transition which could be amplified by disconnects between governments, businesses and households with respect to policy commitments, financial incentives, regulations and immediate needs.</p>
Build Capacity	The process by which we as individuals or our organisation, and other organisations we work with, obtain, improve or retain the skills, knowledge, tools, equipment or other resources to mitigate and adapt to climate change.
Improve knowledge + understanding	Educate our staff and communities about climate change so they understand the need for action, the sheer scale, complexity and interdependency of the needed changes.
Reduce Emissions	Achieve an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere Need to an agreed target e.g. net zero
Adapt to climate change impact	Adaptation is an ongoing process of adjusting to the actual and expected changes in the environment resulting from greenhouse gas emissions already released into the atmosphere and those that may be released in the future. Adaptation is an ongoing process as the climate will continue to change throughout this century and beyond. It is different from but linked to mitigation, which is about reducing greenhouse gas emissions to limit further climate change and increasing the ability of natural processes to absorb emissions, for example, by planting trees.
Regulate and Govern	<p>Regulatory stewardship is the monitoring and care of regulatory systems for which we have policy or operational responsibilities. Its goal is to ensure that regulatory systems remain fit for purpose over the long term.</p> <p>Govern: control and manage district and our people; control the way that things happen; control how we operate</p>

Table 3: Summary of in progress climate change risk treatments

(Treatments which are numbered have been lifted from the Te Tai Tokerau Climate Adaptation priority actions list)

Grow Relationships					
Treatment	Description	Status	Climate change Risk addressed	Due Date	Treatment on track?
Climate Change Risk Reference Group	Support the operationalisation of Council's climate change policy	Established	All four	Ongoing	Yes
Inter-council collaboration: Continue to develop collaborative inter-council programmes and shared services.	FNDC is an active participant in the Climate Change Te Tai Tokerau working group. This reports into a Joint Committee of Council formed under the LGA. Recent work has seen the endorsement of a Regional Climate Adaptation Strategy that has an action plan with assignments to FNDC and a Joint Submission on the National Adaptation Plan.	Established Staff are leading a review of the purpose of the working group now the Regional Strategy has been approved	All four	Ongoing	Yes
Te Tai Tokerau Regional Comms and engagement (CATT)	FNDC is an active participant in regional climate change work programmes.	Established	All four	Ongoing	Yes
Internal comms and Engagement Plan	Climate Change Engagement Strategies	Underway	All four	Ongoing	
Clarify funding responsibilities:	Clarify adaptation management and funding responsibilities between councils.	About to start	All four	Ongoing	
Advocacy	Promote Northland's voice in central government policy and legislation development. Ensure Northland has input into central government adaptation policy and legislation development.	Underway	All four	Ongoing	
Build Capacity					

Treatment	Description	Status	Risk addressed	Due Date	Treatment on track?
Solid waste strategy	<p>Council's Waste Management and Minimisation Plan (statutory solid waste strategy) is due for review before May 2023.</p> <p>Central Government is undertaking a major reform of waste recovery involving the development of a new Waste Strategy, changes to legislation, implementation of a several product stewardship schemes (e.g., phasing out certain plastics, changes to tyre recovery etc), proposals to mandate kerbside recycling and food scrap collections, proposal to implement a container return scheme.</p> <p>Process to develop the new WMMP (Solid Waste Strategy) will follow best practice policy development, and will be informed by the community. The WMMP will align with and be adaptive to both central government led reforms and community led and private sector led innovation.</p>	Proposed	All four	May 2023	Partial
Section 17A review (waste)	<p>A review based on the requirements of Section 17A of the LGA</p> <p>Will inform the solid waste strategy and bylaw amendments</p>	Underway	<p>ARF015 Climate Change Organisation Transition Risk</p> <p>ARF016 Climate Change Community Transition Risk</p>	Report planned to be with Council	Yes
Improve knowledge + understanding					
Treatment	Description	Status	Risk addressed	Due Date	Treatment on track?
Asset management system	<ul style="list-style-type: none"> Single source for asset data Asset criticality data 	Underway	All four.	?	No

Sustainable Outcomes Framework					No
Reduce Emissions					
Treatment	Description	Status	Risk addressed	Due Date	Treatment on track?
Emission reduction action plan	<ul style="list-style-type: none"> Calculate operational emissions Set emissions reduction target (Science Based Targets) Identify long-list of actions (via workshops/interviews) Test actions to identify short-list (via MACC) Develop decarbonisation pathway 	Action plan drafted	ARF015 ARF018	Paper to 6 September 2022 Strategy and Policy Committee for recommendation to Council	Yes
Adapt to climate change Impact					
Treatment	Description	Status	Risk addressed	Due Date	Treatment on track?
Climate change adaptation planning	<p>FNDC has commenced its weighting and prioritisation process to commence the community climate adaptation programme for the Far North.</p> <p>This work will include Community Engagement Plans.</p>	Underway	All four	6 September 2022	Partial – will need to align with the notification of the Proposed District Plan out for consultation and guidance from MfE on adaptive planning that is due in September
Spatial planning	Kerikeri / Waipapa	Underway	All four	Draft foundation document to Sept 2022 to	

				SratPol Committee May 2023 for draft strategy out to consultation.	
Regulate and Govern					
Treatment	Description	Status	Risk addressed	Due Date	Treatment on track?
Climate change risk reporting	Reporting back the Audit, Finance and Risk Committee as per the approved reporting timeframes for all four climate change risks	Established	All four	On going	Yes
Te Ao Maori decision-making framework	Cultural welfare Better decision making Ensure tangata whenua are appropriately involved in adaptation decision-making.	Drafted	All four		Partial
Climate Change Policy (master document stating our policy positions)	On the back of an organisational governance assessment of FNDC Council has approved the development of a climate change policy. This will address: <ul style="list-style-type: none"> 37. Communication to elected members: Enable governance focus and oversight of climate change issues. 38. Joint climate change policy framework: Ensure consistent consideration of climate change issues across individual Councils. 39. Policy review and improvement plan: Embed climate change objectives across individual council policies, strategies, plans and processes Embed Māori values in council processes: Ensure Māori values and worldviews are included in council processes and decision-making relating to climate change. Included in policy work 	Underway First draft 06/09/2022	All four		Working across Councils to agree methodologies and metrics.

Legislative compliance framework	Meeting our obligations	On hold	ARF015	Aug 22	No
Draft District Plan	25. District plans: Avoid increasing risk from new development and redevelopment in areas exposed to projected hazards.	Drafted and out for consultation 6 June 2022 for 60 days.	All four	June 2024	On track to becoming an operative district plan.

Table 4: Treatment Pipeline (Treatments which are numbered have been lifted from the Te Tai Tokerau Climate Adaptation priority actions list)

Theme	Treatment
Grow relationships	<ul style="list-style-type: none"> Elected Member comms and engagement National partnerships: Develop partnerships and knowledge sharing with regional and sector groups. Community awareness: Ensure widespread community awareness and interaction on adaptation issues. 8. Public access to adaptation documentation: Improve public access to adaptation planning processes, information and documents.
Build capacity	<ul style="list-style-type: none"> District wide framework - how to manage/react to climate change across the district for each infrastructure Agree an environmental, social and governance (ESG) goals and framework 40. Climate risk disclosure: Ensure transparent monitoring and reporting of climate risks and responses. 41. Climate change in business cases: Embed climate change considerations in business cases and procurement policies 42. Alignment of adaptation plans: Ensure community adaptation planning processes are aligned with council funding processes. 43. Climate change teams: Establish appropriate portfolio, programme and project governance and management structures to build organisational capacities. 44. Staff resources: Ensure sufficient staff resourcing and capacity. 45. Adaptation funding: Identify and pursue adaptation funding avenues.
Improve knowledge + understanding	<ul style="list-style-type: none"> Collecting local Māori knowledge of risks and effects Internal Workshop – implementation of Climate Change Adaptation Te Tai Tokerau Strategy Adoption of climate adaptation Te Tai Tokerau strategy and priority actions plan Climate change risk assessment for new or renewal design and build then operation of assets for elected member decision making asset management plans 5. Infrastructure planning: Ensure consideration of climate change impacts in infrastructure planning: <ul style="list-style-type: none"> Improve knowledge of climate risk for council assets and infrastructure Improved consideration of climate change in asset management plans and associated operational procedures Coastal Erosion CAPEX Framework In depth assessment of risk and consequence of natural hazards by asset

	<ul style="list-style-type: none"> ○ Asset spending prioritization matrix for CAPEX. ○ Available data sets are not feeding into planning through the organisation: Coastal Community Profiles and Northland Regional Council Hazard mapping ○ 11. Consistent infrastructure risk assessment criteria to improve consistency and quality of climate risk assessments • 4. Research participation: Improve local adaptation knowledge through local programmes and national and international research. • 8. River flood risk assessment: Improve understanding of river flood risk under climate change and plan future river flood management programmes. • 9. Māori adaptation impact assessment: Improve bi-cultural understanding of climate risks and consequences. • 10. Iwi/hapū-focused adaptation: Enable iwi/hapū-led adaptation planning at appropriate scales. • 14. Lifelines risk assessments: Improve understanding of long-term climate risks to lifelines infrastructure. Develop a lifelines utilities infrastructure risk assessment, working with Northland Lifelines Group <ul style="list-style-type: none"> ○ 31. Civil defence: Integrate civil defence and community adaptation planning objectives. • NRC led Climate change scenario and risk assessment: <ul style="list-style-type: none"> ○ 16. Biosecurity risk assessment Improve understanding of climate change-driven biosecurity threats and develop monitoring and response programmes. ○ 17. Ecosystem and biodiversity risk assessment: Improve understanding of climate change impacts on biodiversity and ecosystem function and develop monitoring and response programmes. ○ 19. Coastal hazards Improve understanding of coastal hazards under climate change scenarios. ○ 20. Land hazard data: Improve understanding of land hazards under climate change scenarios. ○ 21. Wildfire hazard data: Improve understanding of wildfire risk under climate change scenarios. ○ 22. Coastal aquifers: Improve understanding of the impacts of sea level rise on coastal aquifers. • 23. Community drought adaptation opportunities <ul style="list-style-type: none"> ○ Improve understanding of the impacts of drought on rural and community water supplies, and 2) identify opportunities to support community adaptation to drought.
Reduce Emissions	<ul style="list-style-type: none"> •
Adapt to climate change impact	<ul style="list-style-type: none"> • Region-wide coastal management policy • Dynamic Adaptive Planning Process <ul style="list-style-type: none"> ○ Enabling-Coastal-Adaptation ○ Biodiversity ○ Cultural welfare • Spatial planning district wide <ul style="list-style-type: none"> ○ 26. Spatial planning: Embed climate change risks and adaptation planning into strategic spatial plans. • Soil maps • 29. Coastal adaptation programme: Develop a programme of coastal adaptation planning projects aligned with community needs structure planning - staged implementation of infrastructure roll out/reaction to climate change • 30. Coastal adaptation planning projects: Enable flexible, planned adaptation responses to coastal hazards by co-developing adaptation plans with communities. • 32. Nature-based solutions: Promote nature-based solutions as interim hazard-reduction options for coastal impacts. • 33. River flood management: Reduce flooding risk to communities through river management. • 34. Coordinated flood risk management: Improve coordination between the District and Regional Councils in pluvial and fluvial flood management.

	<ul style="list-style-type: none"> • 35. Water tank assistance: Improve community water resilience through water tank programmes. • 36. Water resilience funding coordination: Improve coordination between agencies/organisations to improve water resilience outcomes
Regulate and govern	<ul style="list-style-type: none"> • 27. Region-wide coastal management policy: Ensure integrated coastal management and adaptation objectives are met in region-wide policy. • 28. Embed community adaptation plans: Ensure community adaptation plans are embedded in regulatory instruments. • Council wide target picture (e.g. reduce emissions by / reduce cost by) • Environmental / Social / Governance Framework.