

Climate Change Risk Adaptation Action Plan

Friday, 10 November 2023

Audit and Risk Committee

Strategic Alignment - Environmental Leadership

Program Contact:

Associate Director Park Lands,
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Public

Approving Officer:

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Shaping

EXECUTIVE SUMMARY

At its meeting on the 10 May 2023 the Audit and Risk Committee recommended bringing forward the mid-point review of the Climate Change Risk Adaptation Action Plan.

At its meeting on 4 August 2023, the Audit and Risk Committee noted the internal audit review project proposed as part of the strategic internal audit plan in relation to strategic climate change impacts and commended the intention to integrate Council's Climate Change Risk Adaptation Action Plan 2021- 2026 and the City of Adelaide Climate Action Plan 2022-2025 by December 2023.

This report provides an update on the review and audit of the Climate Change Risk Adaption Action Plan 2021-2026 and progress on the Integrated Climate Strategy.

First quarter reporting on the Climate Change Risk Adaptation Action Plan for 2023/24 is contained in this report.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress in the review of the Climate Change Risk Adaptation Action Plan 2021-2026.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	<p>Strategic Alignment – Environmental Leadership</p> <p>City of Adelaide’s (CoA) 2020-2024 Strategic Plan includes an outcome to be a ‘climate ready organisation and community’.</p> <p>Note: Draft Strategic Plan 2024-2028</p> <p>Our Environment</p> <p>Our Objective is to: Be climate conscious and resilient</p> <p>Measure of Success: Evolve and implement our climate adaptation actions in response to the impacts of climate change</p>
Policy	The Climate Change Risk Adaptation Action Plan (Plan) 2021-2026 includes actions to integrate climate risk into governance documents and processes, facility planning and management and service provision so risks can be managed.
Consultation	The internal audit being conducted by KPMG includes a series of workshops with Administration across the City of Adelaide. These workshops have been completed.
Resource	Not as a result of this report
Risk / Legal / Legislative	City of Adelaide’s exposure to corporate climate change governance, physical and transition risks was identified in the Climate Change Risk Assessment Report. The Climate Change Risk Adaptation Action Plan 2021-2026 seeks to reduce this exposure.
Opportunities	Audit and Risk Committee has requested the mid-point review of the Change Risk Adaptation Action Plan 2021-2026 be brought forward to address matters such as the retiming of actions and budget implication of the plan.
22/23 Budget Allocation	\$200,000 is allocated to Climate Change Risk Adaptation Actions in 2023/24. The review is being funded from the Climate Change Action Initiative Fund (CCAIF).
Proposed 23/24 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	The Climate Change Risk Adaptation Action Plan has a five-year timeframe for implementation from 2021 to 2026. A mid-point review of the Climate Change Risk Adaptation Action Plan was scheduled in 2024 and final review of the Climate Change Risk Adaptation Action Plan in 2026. The mid-point review is being undertaken in 2023/24 and may change the overall timing of the Climate Change Risk Adaptation Action Plan.
22/23 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. On 10 May 2023, the Audit and Risk Committee considered a report item on the [Climate Change Risk Adaptation Action Plan \(Item 5.1\)](#) and recommended bringing forward the mid-point review of the Climate Change Risk Adaptation Action Plan (the Plan) and requested an update be provided to the October 2023 meeting of the Committee.
2. An update was presented to the Audit and Risk Committee on 4 August 2023, [Climate Change Risk Adaptation Action Plan \(Item 5.3\)](#), noted the internal audit review project proposed as part of the strategic internal audit plan in relation to strategic climate change impacts and commended the intention to integrate Council's Climate Change Risk Adaptation Action Plan 2021- 2026 and the City of Adelaide Climate Action Plan 2022-2025 by December 2023.
3. The 4 August 2023 report proposed a three-phase approach to the review, an update on each phase is provided below.

Phase 1 of the Review

4. Phase 1 of the review involved an assessment of the Climate Change Risk Adaptation Action Plan's achievements to date, objectives, strategies, and implementation methods, identifying both strengths and weaknesses of the existing action plan.
5. Administration has reviewed the Climate Change Risk Adaptation Action Plan 2021-2026 and the informing analysis contained in the Climate Change Risk Assessment Report prepared by Edge Environment dated 29 June 2020, and made preliminary observations as follows:
 - 5.1. The Climate Change Risk Assessment Report identified 283 individual risks to the City of Adelaide and noted over three quarters of these risk were associated with two climate variables:
 - 5.1.1. Temperature: including both average temperature changes as well as the increase frequency of very hot days and heatwaves.
 - 5.1.2. Rainfall: including changing rainfall patterns, extreme rainfall and flooding events.
 - 5.2. Council's key strategic climate risks include:
 - 5.2.1. Impacts of heat on people and the ability to deliver Council services, the desire for people to come to the city, whether for shopping or events during periods of extreme heat, and the ability for residents and people experiencing homelessness to access services.
 - 5.2.2. Impacts of heat and drier conditions (drought) on maintaining green infrastructure and trees, whether in the Adelaide Park Lands, open space areas, streetscapes, or the golf links.
 - 5.2.3. Impacts of increased rainfall intensity leading to greater localised flooding across the city, impacting buildings, infrastructure and service delivery.
 - 5.2.4. The need to consider acute climate change effects in new asset design.
 - 5.2.5. The unknown actual and potential impacts of climate change across the existing asset portfolio and strategic businesses.
 - 5.2.6. A lack of data collection across infrastructure assets to understand and proactively manage climate related impacts.
6. These risks all have potentially significant cost implications in the short term and and into the longer term . The Climate Change Risk Assessment Report identified several adaptation actions to address these risks, including:
 - 6.1. Foster innovative thinking to develop policies and position of Council to support the consideration of climate impacts in new asset design and explore opportunities to learn and share across council business units.
 - 6.2. Develop targets in long term financial plans related to climate change resilience that translates to actions in asset management plans.
 - 6.3. Improved intelligence in asset management and GIS services to allow predictive asset management strategies to be built out to manage key risks.
7. One of the key recommendations from the Climate Change Risk Assessment Report was the development of an adaptation roadmap to guide implementation of adaptation measures and communicate how the City of

Adelaide is building resilience to climate change. The Climate Change Risk Adaptation Action Plan delivers on that recommendation.

8. The actions within the Climate Change Risk Assessment Report are funded through the Climate Change Action Initiatives Fund (CCAIF) which was first established in the 2008 / 2009 budget. The CCAIF budget is currently determined based on one percent (1%) of rates income.
9. Reporting on the progress of Councils Climate Risk to date has been through quarterly reporting on the progress of individual actions. An aim of the review is to identify a roadmap and resourcing approach with an outcomes focused reporting framework that meets the needs of the Audit and Risk Committee.

Phase 2 of the Review

10. Phase 2 of the review involves comprehensive analysis of objectives, strategies and implementation, providing recommendations where applicable to enhance the Climate Change Risk Adaptation Action Plan's effectiveness and improve its capacity to address climate change risks.
11. An audit of the status of action in the Climate Change Risk Adaptation Action Plan 2021-2026 has commenced by KPMG as part of Council's internal audit review processes.
12. The objectives and outcomes of the KPMG Audit are to:
 - 12.1. Understand the integration of the Climate Change Risk Adaptation Action Plan with City of Adelaide systems, including governance, procurement, asset management and project management systems.
 - 12.2. Audit the development, prioritisation and funding of actions in the Climate Change Risk Adaptation Action Plan, including alignment with the City of Adelaide's Long-term Financial Plan.
 - 12.3. Audit the development of dates for completion of actions, including consideration of available funding and resources and interdependence of actions.
 - 12.4. Audit the adequacy of proposed monitoring and reporting processes to provide oversight of the Climate Change Risk Adaptation Action Plan.
13. The results and recommendations of the internal audit will be reported back to the Audit and Risk Committee in February 2024.

Phase 3 of the Review

14. Phase 3 - implementation of the recommendations identified in Phase 2 of the review, including (if required) target setting, metrics and measurement, Council's role(s), integration across the organisation, and roadmap for implementation.
15. Work has commenced on an Integrated Climate Strategy which proposes to consolidate a series of existing City of Adelaide action plans, as follows:
 - 15.1. Climate Action Plan 2022 – 2025
 - 15.2. Carbon Neutral Strategy 2015 – 2025
 - 15.3. Climate Risk Adaptation Plan 2021 – 2026
 - 15.4. Electric Vehicle (EV) Transition Roadmap
 - 15.5. Zero Emissions Vehicle Plan 2019 – 2030
 - 15.6. Water Sensitive City Plan
 - 15.7. Resource Recovery Strategy and Action Plan 2020 – 2028.
16. The Integrated Climate Strategy is being drafted with consideration of alignments with a suite of new plans being prepared by Council including the draft Strategic Plan 2024-2028, City Plan, Integrated Transport Strategy, Housing Strategy, and Economic Development Strategy.
17. Benefits to the organisation of a consolidated Integrated Climate Strategy include alignment with the draft Strategic Plan 2024-2028 and current Council term, simplification of existing environmental strategies, improved clarity of what the City of Adelaide intends to achieve, costed implementation approach, and efficiencies for reporting.
18. The Integrated Climate Strategy aims to support delivery of the Strategic Plan and simplify reporting of Council achievements through its Annual Report and will be presented to Council and to the Audit and Risk Committee early in 2024

Climate Change Risk Adaptation Action Plan – Quarter 1, 2023/24 Progress

19. In total there are 95 actions in the Climate Change Risk Adaptation Action Plan to be undertaken over the five year lifespan of the action plan.
20. A summary table of actions due to be completed by 30 June 2024 and their status is provided – [Link 3](#).
 - 20.1. Of the 32 actions due by 30 June 2024, 2 are complete; 21 are in progress; 5 are not started and 3 actions are recommended to be removed.
21. Key highlights for the Quarter to 30 September 2023 include:
 - 21.1. An energy efficiency and building envelope audit of community centres and libraries identifying options for saving energy and making buildings more comfortable for staff and community in our warming climate.
 - 21.2. A Building Climate Resilient Assessment was developed and piloted to ascertain asset condition and renewal issues in the face of a warming drying climate with more intense rainfall and storms.
 - 21.3. A Climate Adaptation and Development Assessment workshop was developed in house and attended by the Development Assessment Team.

Next Steps

22. The KPMG internal audit findings will be reported to Audit and Risk Committee in February 2024.
23. A draft Integrated Climate Strategy will be presented to the Committee in the second half of 2023/24, and is in development to inform the Annual Business Plan and Budget discussions for 2024/2025.

DATA AND SUPPORTING INFORMATION

Link 1 - Audit and Risk Committee, 10 May 2023, [Climate Change Risk Adaptation Action Plan \(Item 5.1\)](#)

Link 2 - Audit and Risk Committee, 4 August 2023, [Climate Change Risk Adaptation Action Plan \(Item 5.3\)](#)

Link 3 - Climate Change Risk Adaptation Action Plan 2021-2026 Q1, 2023-2024 Progress Update

ATTACHMENTS

Nil

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