

Climate Change Risk Adaptation Action Plan Quarterly Report

Friday 12 April 2024
Audit and Risk Committee

Strategic Alignment - Our Environment

Public

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EXECUTIVE SUMMARY

This report provides a progress update on the implementation of the Climate Change Risk Adaptation Action Plan 2021-2026 for the third quarter of the 2023/24 financial year.

The Climate Change Risk Adaptation Action Plan will be replaced by an Integrated Climate Strategy from 1 July 2024. The final report on the Climate Change Risk Adaptation Action Plan will be presented in August 2024.

An internal audit of the Climate Change Risk Adaptation Action Plan was reported to the Audit and Risk Committee at its meeting on 16 February 2024. The report noted the completion of six agreed management actions (management actions). The remaining 14 management actions are in progress and on track to be completed by the due date(s) nominated in the Internal Audit Report.

There are 95 actions listed in the Climate Risk Adaptation Action Plan for the period 2021-2026, of which 22 actions (23%) are complete. Of the 33 actions scheduled for completion in 2023/24, nine are complete, 18 are in progress, two are not started and four are recommended to be amended or removed.

Progress highlights for the third quarter include:

- Energy efficiency and building thermal efficiency audit of Minor Works Building
- Extreme heat strategy development for Rundle Mall
- Climate requirements for large-scale Council-led building projects
- Expanded incentives in the Sustainability Incentives Scheme to encourage sustainable private development.

The final report on the current Climate Change Risk Adaptation Action Plan will be presented to the Audit and Risk Committee at its meeting in August 2024, noting transition of the Climate Risk Adaptation Action Plan 2021-2026 into the Integrated Climate Strategy 2030 and its associated Implementation Plan for implementation from 1 July 2024.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the progress in the review of the Climate Change Risk Adaptation Action Plan 2021-2026 as described in Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024.
 2. Notes the completion of six of twenty internal audit management actions as described in Item 6.1 on the Agenda for the meeting of the Audit and Risk Committee held on 12 April 2024.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Environment Outcome: Lead as a Low Carbon Emissions City
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	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	The City of Adelaide's exposure to corporate climate change governance, physical and transition risks were identified in the Climate Change Risk Assessment Report. Actioning the Climate Change Risk Adaptation Action Plan (Plan) 2021-2026 will reduce this exposure. An internal audit of the Plan is complete and management actions are scheduled for implementation.
Opportunities	Audit and Risk Committee requested the mid-point review of the Climate Change Risk Adaptation Action Plan 2021-2026 be brought forward to address matters such as the retiming of actions and budget implications of the plan. A draft Integrated Climate Strategy has undergone public consultation and will incorporate the City of Adelaide's priority climate change risks from 1 July 2024. The financial implications of implementing the Integrated Climate Strategy will be addressed through the City of Adelaide's Long Term Financial Plan.
23/24 Budget Allocation	\$200,000 is allocated to Climate Change Risk Adaptation Actions in 2023/24.
Proposed 24/25 Budget Allocation	The item that is the subject of this report is currently unfunded. Any required funding for this item is subject to, and needs to be considered in the context of, the prioritisation of projects, initiatives and service enhancements for the development of the 2024/25 budget, and within the parameters of the Long Term Financial Plan to ensure long-term financial sustainability.
Life of Project, Service, Initiative or (Expectancy of) Asset	The Climate Change Risk Adaptation Action Plan has been actioned from 2021 to 2024 with a mid-point review undertaken in 2023. The Climate Risk Adaptation Action Plan 2021-2026 will be integrated into the Integrated Climate Strategy 2030 and its associated Implementation Plan for implementation from 1 July 2024.
23/24 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. The Climate Change Risk Adaptation Action Plan will be replaced by an Integrated Climate Strategy from 1 July 2024. The final report on the Climate Change Risk Adaptation Action Plan will be presented in August 2024.
2. The draft Integrated Climate Strategy 2030 (the Strategy) is informed by recommendations and feedback from the Audit and Risk Committee at its meetings on 10 May 2023 ([Link 1](#)), 4 August 2023 ([Link 2](#)) and 10 November 2023 ([Link 3](#)) and includes a comprehensive review of all existing climate related plans and strategies.
3. Concurrent to Administration's review of the Climate Risk Adaptation Action Plan and development of the draft Integrated Climate Strategy, an internal audit of the Climate Change Risk Adaptation Action Plan was undertaken by KPMG. The audit findings were presented in Report Item 5.2 of the meeting of the Audit and Risk Committee on 16 February 2024 ([Link 4](#)).
 - 3.1. The report status of the Action Plan is inaccurate for some actions
 - 3.2. A supporting implementation plan linked to the City of Adelaide's Long Term Financial Plan is not in place
 - 3.3. Gaps identified in monitoring and reporting of the Action Plan
 - 3.4. Further communication and awareness in relation to the Action Plan is required
 - 3.5. Opportunity to refresh actions aligned to the City of Adelaide's current strategic priorities
 - 3.6. Consideration required for long-term integration of the Action Plan into a broader sustainability strategy and reporting.
4. The Internal Audit Report made several observations and recommendations and management actions were agreed upon with target dates set for their completion.
5. To date, six of the 20 agreed management actions have been completed, as follows:
 - 5.1. Improvement of the quality assurance processes to validate completion of actions
 - 5.2. Delivery of information sessions for the City of Adelaide's employees on the draft Integrated Climate Strategy
 - 5.3. Updates to the climate-related information on the City of Adelaide website
 - 5.4. Updates to the Project Risk section of the Project Request System (Project Management System) to include a field for "Climate Change Risk Assessment"
 - 5.5. Council endorsement of the City of Adelaide Housing Strategy, *Investing in our Housing Future*, which includes minimum environmental sustainability performance criteria for Council housing projects
 - 5.6. Council endorsement of a draft Integrated Climate Strategy and public consultation on the draft Strategy.
6. The remaining 14 agreed management actions are in the process of being actioned and, subject to Council endorsement of the Integrated Climate Strategy 2030, are on track to be completed by the due dates nominated within the Internal Audit Report.

Climate Change Risk Adaptation Action Plan – Quarter 3, 2023/24 Progress

7. 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, of which 22 actions (23%) are complete.
8. Of the 33 actions scheduled for 2023/24 financial year, nine are complete, 18 are in progress, two are not started and four are recommended to be amended or removed.
9. A summary table of the actions and their status is provided in [Link 5](#).
10. Key highlights for the quarter to 31 March 2024 include:
 - 10.1. Energy efficiency and building thermal efficiency audit of the Minor Works Building in response to action item "1.2: By June 2023, complete an audit of the key sites relating to energy efficiency and building thermal efficiency improvements, including active and passive cooling measures."

- 10.2. Development of an Extreme Heat Strategy for Rundle Mall in response to action item “2.4 By December 2023, develop a strategy to deal with extreme heat days separate to direct cooling (e.g. opening hours changed or extended to allow for night shopping)” and action item “2.5 By December 2023, engage with all Rundle Mall businesses to identify business risk during extreme weather conditions and appropriate messaging for shoppers.”
- 10.3. Climate requirements for large-scale Council-led building projects set through the City of Adelaide Housing Strategy, *Investing in our Housing Future*, in response to action item “1.10 By June 2023, agree on a process by which high-priority projects, especially new large-scale building projects, are subject to climate risk assessments prior to approval.”
- 10.4. Expanded incentives in the Sustainability Incentives Scheme to encourage sustainable private development through Climate Active Certification, Building Performance Rating and Business Sustainability Training Support in response to action item “7.8 By December 2023, investigate options for incentives scheme that encourages developers to incorporate additional green elements than what is required as standard practice (e.g. green walls/roofs)”.

Next Steps

11. The final report, closing out the Climate Change Risk Adaptation Action Plan will be presented to the Audit and Risk Committee at its meeting in August 2024.
12. A peer review of the draft Integrated Climate Strategy, including priorities and metrics, and the development of a risk and reporting structure for the delivery and monitoring of the Strategy is being undertaken.
13. The Integrated Climate Strategy is targeting presentation to the City Planning, Development and Business Affairs Committee in May 2024, following the conclusion of public consultation on the draft Strategy on 15 March 2024.

DATA AND SUPPORTING INFORMATION

Link 1 – [Audit and Risk Committee, Agenda Item 5.1, Wednesday 10 May 2023](#)

Link 2 – [Audit and Risk Committee, Agenda Item 5.3, Friday 4 August 2023](#)

Link 3 – [Audit and Risk Committee, Agenda Item 5.4, Friday 10 November 2023](#)

Link 4 – [Audit and Risk Committee, Agenda Item 5.3, Friday, 16 February 2024](#)

Link 5 – Summary table of the actions and their status

ATTACHMENTS

Nil