

How might we account for the real costs of risks in financial systems and incentivise opportunities for risk reduction?

## BREAKOUT discussion

## Highlights

97% Investment in mitigation by 2030

Recognising Political & social challenges to overcome.

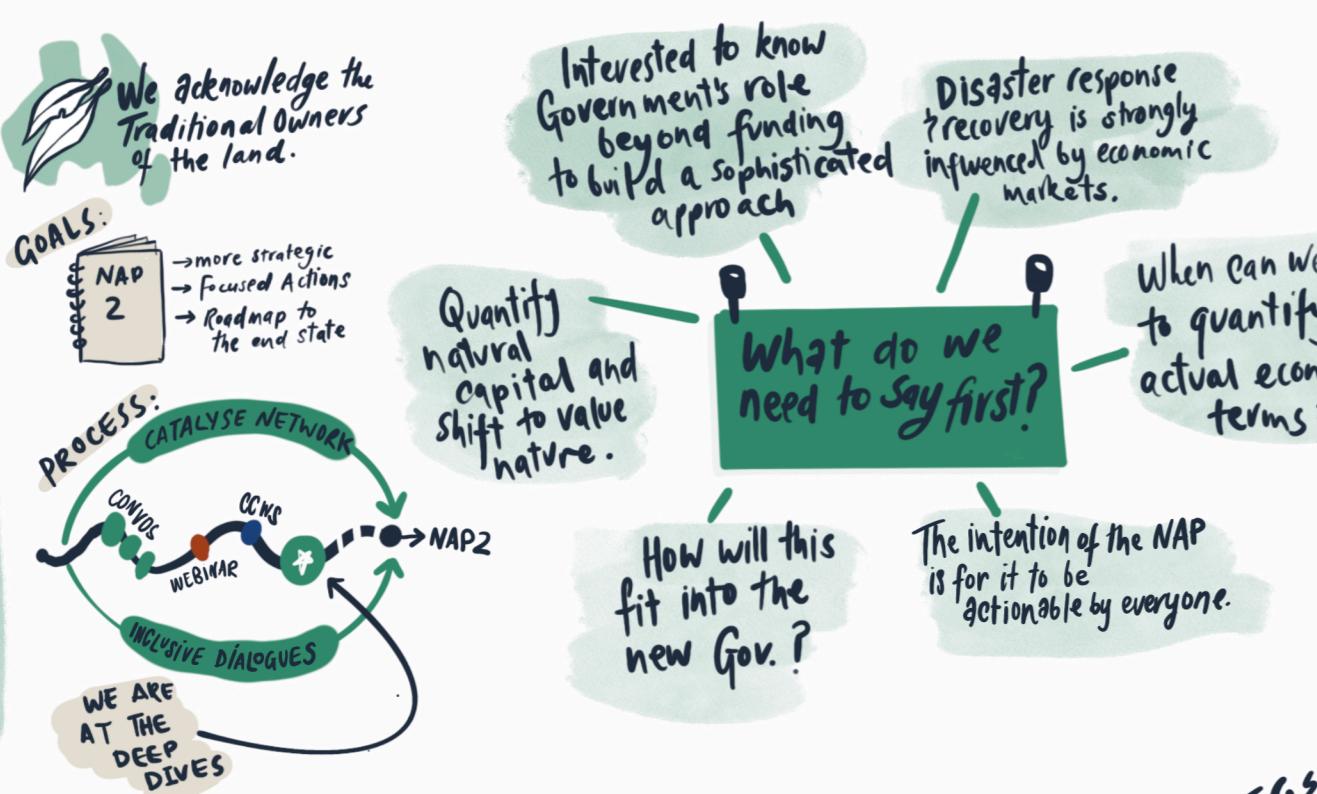
Build confidence while choice & options remain open.

Link to critical existing activities TCFD + ISSB and goals to inform the NAP

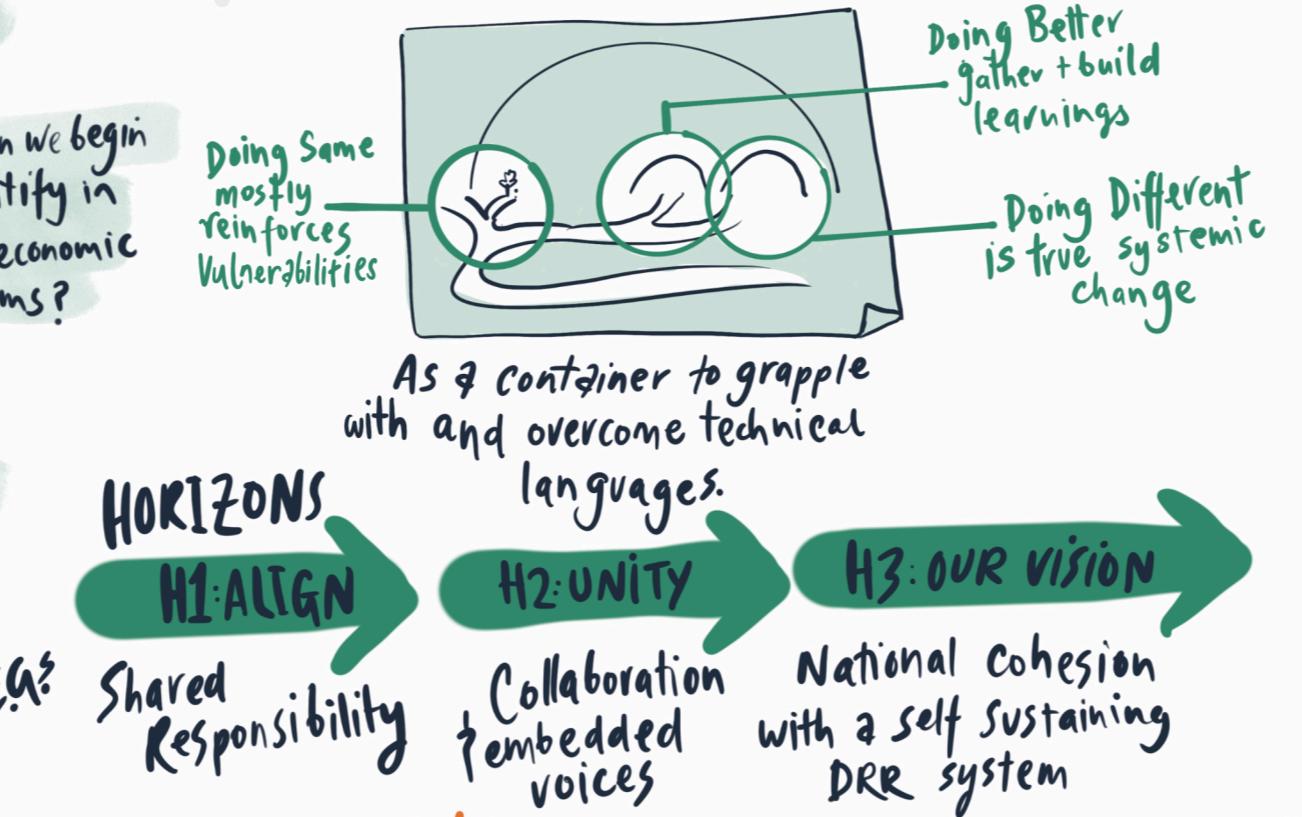
Challenge & opportunity to clarify important risks for action.

How do we plan, build & maintain assets in new ways?

## Kick-off



## Visual Narratives



## Today's Focus

How might we account for the real costs of risk in financial systems and incentivise opportunities for risk reduction.

HOW CAN WE BUILD ON ALIGN EXISTING WORK & METHODS?

CCRI  
TCFD  
ISSB

"These are explicitly linked."

"Returns to resilience investments need to consider wider (indirect) and delayed benefits attributable to the investments."

"Nationally accepted numbers."

Risk & economic assessments need to consider WHOLE LIFE of assets.

If we keep going the same way we will run out of high quality capital levy.

ENCOURAGE INSURERS / LENDERS TO RECOGNISE DRR  
BUILD COLLECTIVE + INDIVIDUAL COMPETENCIES TO ACHIEVE SOCIAL CAPITAL AND COHESION



We levy medicare, could we do the same for DRR?  
Currently we spend a lot in recovery now...

**Vulnerability Opens Views**

- Value is more than what we own/cost.
- Vulnerability is real while risk is potential.
- Vulnerability is a magnifier for risk.

"2050 seems too far away - we're feeling climate change now."

**FEDERAL GOV'S ROLE?**

- Need to embed policy & interventions through financial risk lens
- Market Intervention

OPPORTUNITY TO HAVE MODELS FOR CO-FUNDING THE DIFFERENT SYSTEM LEVERS.

INDUSTRY CHALLENGE

- is articulating costs beyond the short-term.

Robust consideration of the exposure to hazards

REFRAME -

REQUIRES PUBLIC + PRIVATE INVESTMENT

How Can we incentivise and enable a broadening of current 'risk-returns' approach driving financing decisions so that 'returns' consider wider sets of values and beneficiaries (not just \$/priced values to shareholders or asset owners) and 'risk' accounts for inherent uncertainties and systemic nature of the problem.

## Provocative Questions

How can we improve current systems so it generates investable projects (attractive to public/private sectors) that deliver resilience outcomes.

How do we create environments that enable collaboration of multiple organisations across private/public sectors and research (overcoming IP, confidential info, market competitiveness etc.)

How can we incentivise and enable a broadening of current 'risk-returns' approach driving financing decisions so that 'returns' consider wider sets of values and beneficiaries (not just \$/priced values to shareholders or asset owners) and 'risk' accounts for inherent uncertainties and systemic nature of the problem.