



5 September 2025

Senate Standing Committees on Environment and Communications  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Senate Standing Committees on Environment and Communications,

**Submission to inquiry on Climate Risk Assessment**

Thank you for the opportunity to make a submission regarding the National Climate Risk Assessment (the Risk Assessment).

This submission seeks to encourage the timely publication of the Risk Assessment, and its associated technical information and data. The publication of this information will be critically important for the Australian community broadly, and more specifically for companies preparing their first climate change disclosures under the recently legislated mandatory reporting regime.

Kincuri Consulting specialises in supporting companies to assess their climate risks, prepare climate-related strategies, including decarbonisation and transition plans, and to fulfil the obligations of voluntary and mandatory climate reporting regimes.

**The need to understand climate risks**

Science has established an indisputable link between global warming and an amplification of the climate perils that pose significant physical risks to homes, businesses and critical infrastructure – as well as the natural environment and ecosystems upon which we all depend. The Australian Academy of Science has already warned that worsening global warming poses an increased risk to vulnerable cohorts:

More frequent and intense weather events such as heatwaves, droughts, cyclones, bushfires and floods have direct and indirect impacts on human health, livelihoods and communities. The elderly, young, unwell, and those from lower socio-economic backgrounds are at increased risk.<sup>1</sup>

The Intergovernmental Panel on Climate Change (IPCC) Sixth Synthesis Report warned that rapid and substantial action is necessary to mitigate the projected risks created by global warming and

---

<sup>1</sup> Australian Academy of Science, *The Risk to Australia of a 3°C Warmer World* (Report, March 2021) 11.

that without action, significant impacts on the health and wellbeing of current and future generations are anticipated.

Without urgent, effective and equitable adaption and mitigation actions, climate change increasingly threatens the health and livelihoods of people around the globe, ecosystem health and biodiversity, with severe adverse consequences for current and future generations (high confidence).<sup>2</sup>

Understanding the future risks posed to Australians – vulnerable Australians, future generations and the Australian economy upon which lifestyles and livelihoods depends – is of utmost priority. As a comprehensive and granular assessment of Australia’s climate risks, the National Climate Risk Assessment is a critical step towards building that understanding.

At an individual company level, the Risk Assessment has the potential to enable better business strategy that builds resilience, provide investor information that enables fully informed decision-making and improved government policy to help businesses prepare and adapt to the anticipated impacts of climate change.

The policy imperative for the recent introduction of mandatory climate reporting in Australia – as a small component of the comprehensive response to climate change that is necessary - reflects the urgency and importance of detailed risk assessments.

### **A critical input for mandatory climate reporting**

The mandatory climate reporting regime will require hundreds of Australian companies to publish their first mandatory climate disclosures in 2026, with hundreds more companies expected to produce disclosures in subsequent years. Many companies have already begun the process of preparing their first mandatory climate reports. Amendments to the *Corporations Act 2001* (Cth) and the Australian Sustainability Reporting Standard S2 *Climate Related Disclosures* (AASB S2) each require entities producing mandatory climate disclosures to undertake assessments of their climate risk exposures and assess the potential impacts of those risks through scenario analysis. AASB S2 anticipates these assessments become increasingly quantitative in nature and of increasing sophistication – detailing the potential impacts on financial performance - as covered entities gain more experience in preparing mandatory climate disclosures.

In preparing these disclosures and building an understanding of the risks that climate change may pose to their future prospects, companies will be dependent on access to detailed and locally relevant data sources. Many companies will be publishing assessments of their climate-related risk exposures for the first time in 2026, and many will have limited experience or capacity to grapple with the technical demands of scenario analysis. Those companies that have previously prepared voluntary climate disclosures are also likely to face requirements to uplift the level of detail of their risk assessments as they transition into the mandatory regime.

Outputs from the first-pass National Climate Risk Assessment have been a critical source of early data on climate risks under key climate scenarios and have informed early corporate climate disclosures. The outputs have supported a more detailed assessment of Australian specific risks. A critical challenge for entities preparing climate disclosures is the availability of detailed, up-to-

---

<sup>2</sup> IPCC, ‘Synthesis Report of the IPCC Sixth Assessment Report’ (n 7) 56.

date and locally relevant climate data and it is expected that the National Climate Risk Assessment will help fill that data gap.

As described by the Australian Climate Service, it is anticipated that the second pass assessment will provide a ‘detailed quantitative analysis’ of Australian climate risks. More granular information, specific to the Australian context, would greatly assist the preparation of mandatory climate reports. Access to more detailed quantitative assessments, including “hazard, exposure and vulnerability information and insights”<sup>3</sup> would help underpin meaningful climate risk assessments for mandatory disclosures.

While there are a broad range of assessment of future climate risks on a global level, many of which provide ‘downscaled’ assessments that provide insights at a more local level, there is a desperate need for more comprehensive Australian-specific climate risk data. The availability of localised assessments would better enable governments, corporations and the wider community to understand their climate-related risks and inform the development of climate-related strategies and transition plans.

Likewise, information detailing the Australian Government’s response to identified climate risks is also critical information for companies seeking to understand which risks may be mitigated, or for which adaption measures are undertaken. This information would allow companies to determine what residual risks may prevail after adaptation measures.

From reports, the final stage of the National Climate Risk Assessment details the “dire”, “diabolical” and “extremely confronting” future risks posed by climate change.<sup>4</sup> Such details will be critical to the proper assessment of material climate risks posed both businesses and the broader Australian community. The release of that information to the public is imperative and should be done with urgency.

Any perceived delay in the publication of the Risk Assessment has the potential to undermine the quality of mandatory climate disclosures, leaving reporting entities, investors and stakeholders without a full understanding of emerging climate risks and their potential impacts over the short, medium and long-term.

On a more general level, the Australian government has an obligation to urgently inform the Australian public of any “dire” or “diabolical” risks that climate change may pose to their futures.

**Michael Mazengarb**

Principal

Kincuri Consulting

---

<sup>3</sup> Australian Climate Service, About the National Climate Risk Assessment, Online, <https://www.acs.gov.au/pages/ncra-about>

<sup>4</sup> Cropp, Ryan, Labor keeps ‘dire’ climate report under wraps, *The Australian Financial Review*, 12 August 2025.