

Climate Change

Public Policy Statement

March 2025



Context

We are increasingly being affected by environmental and societal risks such as climate change and the loss of biodiversity. The ability of governments, communities and businesses to operate is inextricably linked to their interactions with society, the economy, and the natural environment. In this context, sustainability is the ability to maintain resources and relationships with, and manage its dependencies and impacts within, this whole ecosystem over the short, medium and long-term.

Foremost amongst sustainability risks is climate change. The Actuaries Institute ('the Institute') recognises that the world's climate is warming at the fastest rate in modern history and that greenhouse gas emissions from human activity are the main cause of this warming. Climate change is already having major environmental, economic and social impacts and these impacts are expected to increase over time.

Climate change, and inadequate responses to it, poses serious risks to communities, economies, and to the sectors that actuaries advise, including government, insurance, superannuation, investments, banking, data science and AI.

Climate change, and responses to it, also creates opportunities. For example, an orderly clean energy transition provides opportunities for the economy and community to benefit from increased investment, employment and quality of life.

Actuaries have considerable expertise in managing risks, opportunities and uncertainty. Working with other stakeholders and often in multidisciplinary teams, actuaries are well placed to assist in:

- Identifying and understanding the risks and the range of consequences of climate change in the short, medium and long-term, including the degree of confidence in future outcomes
- Developing policy options, strategies and opportunities to respond to these risks
- Developing and implementing frameworks and plans to manage risks over time.

This Statement highlights key public policy positions of the Institute relating to climate change.



Public Policy Position

The Actuaries Institute:

- 1 **Supports the key aim of the Paris Agreement and calls for urgent co-ordinated global action to limit temperature rises to the maximum practical extent**, given the unavoidable impacts, uncertainty of outcomes, and the significant risks associated with tipping points
- 2 **Advocates for an ambitious, orderly transition to net zero by 2050** to avoid the worst outcomes of climate change, protect water and food security, support biodiversity and manage transition risk
- 3 **Advocates for an increased focus on the protection and restoration of nature**, and the biodiversity it contains, to recognise its value and vital role in limiting emissions and adapting to climate impacts
- 4 **Advocates for a just transition that is fair and equitable for all**, acknowledging the different vulnerabilities across communities, regions and stakeholders, as well as the need to identify new opportunities for socio-economic development in affected regions
- 5 **Advocates for timely, co-ordinated and significant investment in adaptation and resilience**, given that significant additional warming, extreme weather and rising sea levels are inevitable, exposing Australia to increased risks, impacts and costs
- 6 **Advocates for Australia to lead by example and play its part on the world stage**, recognising Australia's influence, capabilities, vast access to renewables and exposure to natural perils
- 7 **Advocates for the proactive role that actuaries can play**, using their long-term, risk, financial and leadership skills to help businesses and society develop ambitious, just, orderly net zero transition plans, manage transition risks and opportunities, drive adaptation and increase resilience
- 8 **Actively supports actuaries in understanding and responding to climate risks and opportunities**, including where relevant educating and advocating for actuaries to make a difference
- 9 **Embed climate change within the Institute's decision making**, policy development and event planning, with a focus on minimising greenhouse gas emissions, where relevant and practical.

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