



Climate Risk

Commercial property exposures to climate change

Dr Karl Mallon,
TEC Workshop
Sydney, 18th March 18th 2008

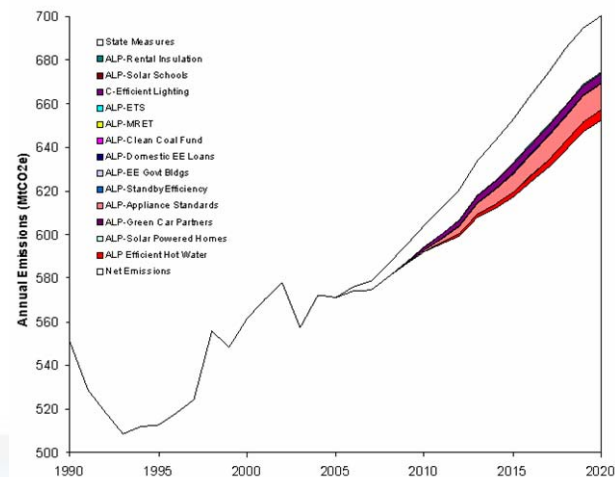


The climate is changing, are you?

Climate Risk provide specialist climate risk management services to business, government and community.

ARE THERE CLIMATE ISSUES YOU ARE IGNORING?

Climate change introduces new risks and liabilities for companies, local governments and major asset holders. At Climate Risk we have specialist planners who will work with you to manage your climate change risks and seek out strategic opportunities.
... ❖ climaterisk.com.au



High yield investment or stranded asset?

If you pride yourself on managing the financial risks to your investments, you need to understand how climate change impacts your physical assets today and over typical financial terms.

At Climate Risk we provide location-specific climate change impact projections that allow our clients to make informed investment decisions. We understand the science, so that you can understand the risks.



The View from big business

"Risk of climate change is real. It's here. It's affecting our business today,"

John Coomber, CEO Swiss Re.

"Forget the science debate, The regulations will change someday. And if we're not ready, we're in trouble."

James E. Rogers CEO Cinergy Corp

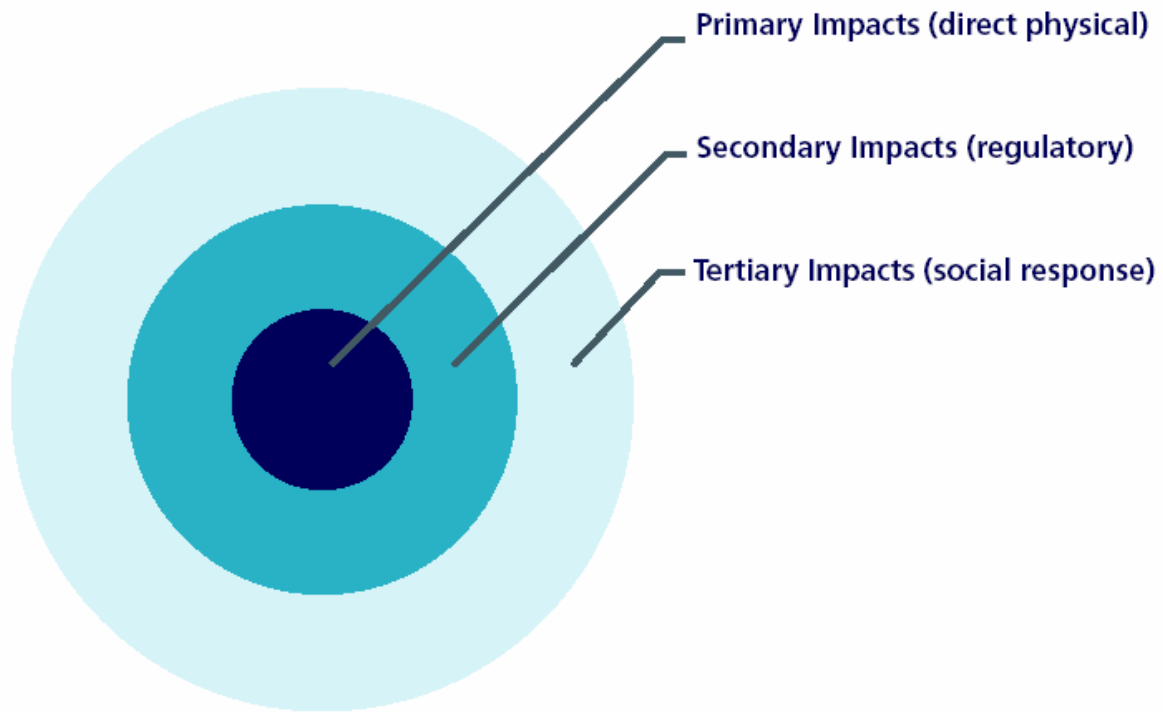


Figure 2.
Understanding the
interactions between
impacts.

Risks and Adaptation

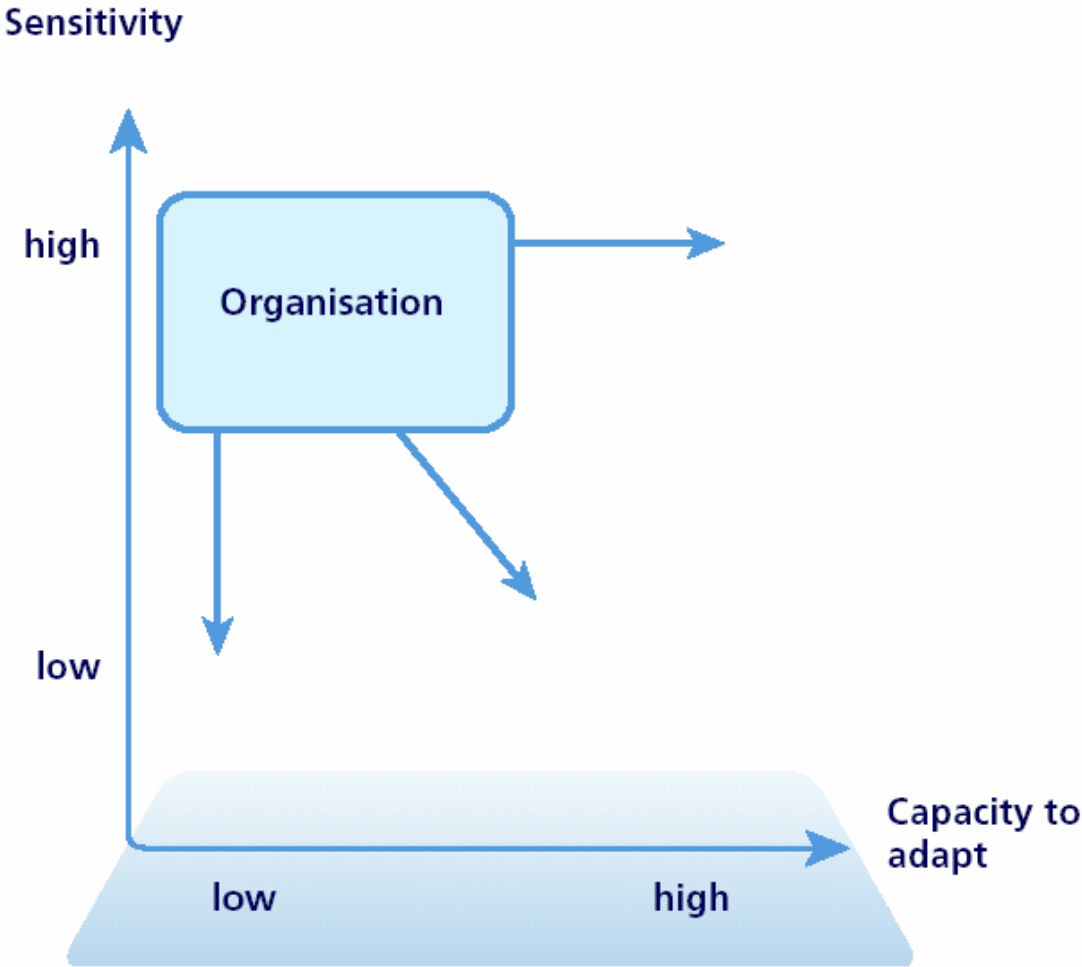
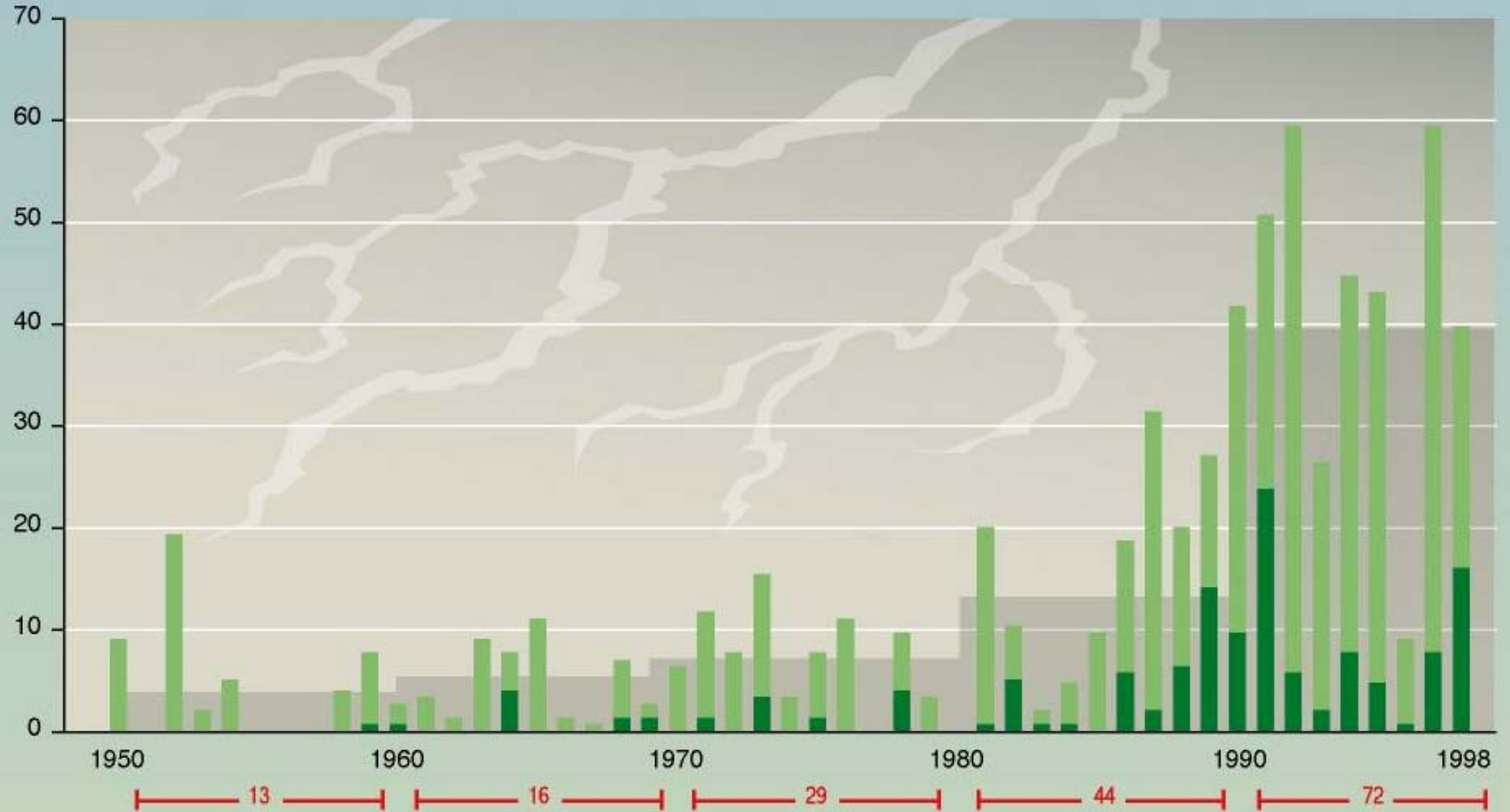


Table 1. Summary of extreme event impacts from climate change (Hennessy *et al.* 2006)

Risk	Changing climatic factor	Impact
Storms	2.2 °C mean temperature increase	Increase of 5 % - 10 % in cyclone speeds
Floods	25 % increase in 30 minute precipitation	Flooding return period reduced from 100 years to 17 years
Drought	1.3 °C maximum temperature increase and less cloud	25 % increase in evaporation leading to increased bushfire risk
Bushfires	1 °C mean summer temperature increase	17 - 28 % increase bushfires
Wind	25 % increase of peak wind speed above 40 - 50 knots	650 % increase in building damage

Global costs of extreme weather events (inflation-adjusted)

Annual losses, in thousand million U.S. dollars



■ Total economic losses

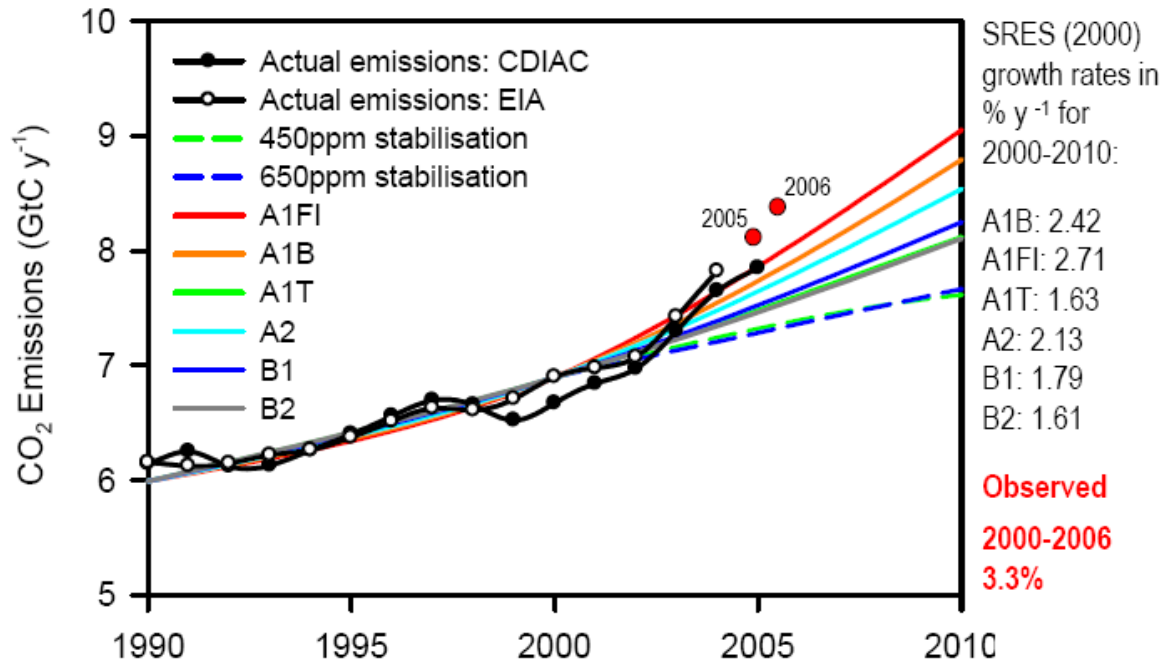
■ Insured losses

— 13 — Number of events

■ Decadal average

Global emissions and impacts observations are tracking above worst case scenario

Trajectory of Global Fossil Fuel Emissions



Raupach et al. 2007, PNAS

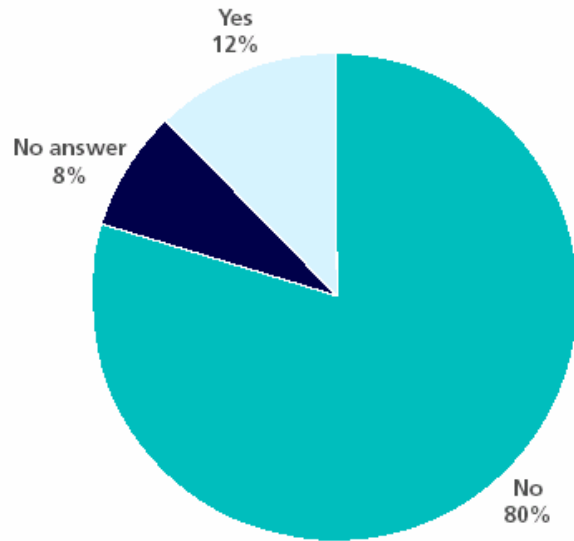


Figure 3. Percentage of councils who have undertaken any form of risk assessment relating to the impacts of climate change

Local Government and Climate Change Engagement Project

Regulation, Litigation and Adaptation







Climate Risk

Thank you



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