



PSA-048-Risk of Flooding-AU

Join WFCRC

The World Federation for Coral Reef Conservation
Vic Ferguson Executive Director

281.971.7703
512.986.1902

P.O. Box 311117
vic.ferguson@wfcrc.org

Houston, TX 77231
info@wfcrc.org

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Physical Risks to Businesses from Coastal Inundation and Flooding Explained

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[Turlough Guerin PhD, GAICD](#)

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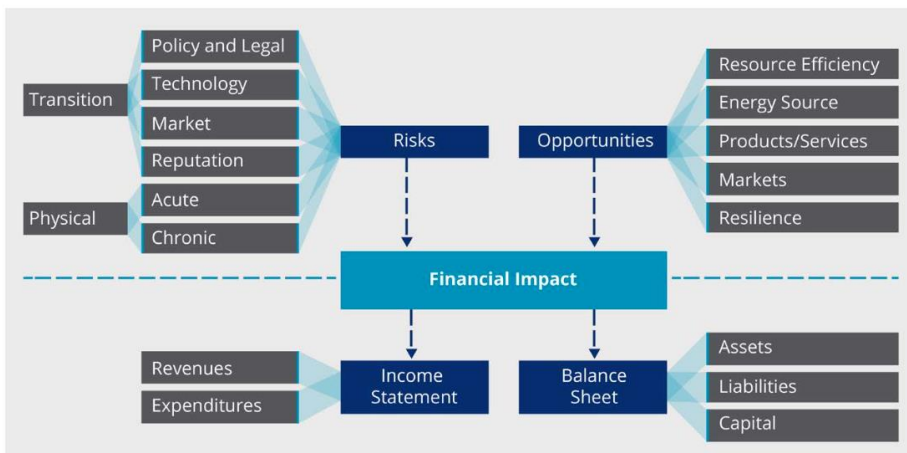
Board Member, Australian Institute of Agriculture, Bioregional Australia, LightFM89.9, Climate Alliance Advisory Council

Do you operate a business that is located near the sea? Does your business rely on imports or exports that are shipped by sea? Are you an investor in infrastructure that is located near the sea? If your business is exposed to coastal inundation then the upcoming "Resilience by the Sea" forum being held in Sydney and Melbourne this month should be in your diary.

Our minerals and most of our primary produce exports are dependent on timely and efficient shipping transportation. Our cities are heavily invested in infrastructure that is vulnerable to water damage during adverse weather conditions. Brisbane, Sydney and a number of regional cities have already suffered losses due to the impact of past storms.

How does one address the risks that current and future investments face? Where is good quality information available? What is the view of the insurance industry of this risk?

The links between climate risks - broadly those that are transitional and physical - and the profit and loss statement, and the balance sheet, are no longer in question.



[Climate Alliance](#) has arranged for expert speakers to address the business risks resulting from sea level rise and storm surge. Australian businesses and individuals have invested heavily in real estate and infrastructure near the sea.

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We will look at the science, the data available for decision makers and the perspective from the insurance industry. The seminar will be targeted at Chief Risk Officers, Business Continuity Managers, property investors and local councils that manage land near the sea.

What is the view of the insurance industry of this risk?



Our expert speakers are:

[Tom Kompier](#), First Secretary, Water and Climate, Dutch Government to explain why the Dutch have decided to increase dyke levels across The Netherlands.

Dr John Church, a global authority on the science of sea level rise. He will speak about the exactness of the sea level rise projections and the consequential best and worst cases.

Dr Nathan Quadros, Research Program Manager (Rapid Spatial Analytics), CRCSI will talk about the importance of good quality information on land elevation to assist in assessing the risk from sea level rise.

[Karl Sullivan](#), General Manager Risk, Insurance Council of Australia will outline the insurance industry's view of this risk.

Conference Details

Melbourne event: To make a booking for the **Melbourne** event **19 April** 2017, please go to [Event Brite and secure your seat](#).

Sydney event: To make a booking for the **Sydney** event on **20 April** 2017, please go to [Event Brite and secure your seat](#).

What do you think?

Here are some questions to trigger further thinking and discussion on a board's role in understanding the impacts of its business model on climate related risk:

- What is your board's posture toward climate and carbon related risk? Is there an openness at the board level to discuss the risks (and opportunities)?
- Does your company's risk appetite statement articulate in a clear manner what these risks are? [Does your organization have a risk policy and risk appetite statement?]
- From an investment perspective, what would increase your organization's resilience to future likely carbon- and climate-related risk?
- Is your board considering current and future investments in the light of emerging coastal and sea level rise risks?
- Has the board got access to high quality and relevant information on these potential risks?
- What will be the impacts of these risks on insurance premiums [and ability to insure] across your exposed operations?

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Please provide your feedback, comments, concerns or insights into this topic into the comments box below.

Further Information



- The work of the [Climate Alliance](#) and its awards program, has been to recognise more than 10 companies, executives and boards, for seizing business improvement opportunities and executing climate adaptation initiatives.
- One of the organisation's main activities is to acknowledge those individuals, organisations and their boards that are tackling the risks associated with a changing climate such as minimising the risks posed by the stranding of assets, their impacts on investment decisions, a wide range of other climate-related challenges. These exemplar organisations included the CEFC Board, Hydro Tasmania, Ergon Energy, NAB, Sydney Water, Pacific Hydro, AGL, Qenos, GE, Fujitsu, Origin, the University of Melbourne and Teachers Mutual Fund among others. For further information on all the past winners, please see the Climate Alliance [website](#). To make a nomination for 2017, go to the [nomination form](#) online.
- The [final report](#) of the Financial Stability Board's Task Force on Climate Disclosures has made it clear to the financial world that these risks need to be reported and taken into account globally - tall order - but work that needs to be done to ensure capital is allocated appropriately.

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- The Australian Prudential Regulator (APRA) recently made reference to climate risks in a major [speech](#) signalling a change in posture towards these risks.
- The recent article in [Digital Actuaries](#), published by the Actuaries Institute, echo APRA's concerns about the need for further disclosure of climate risks.
- See the [fact sheet](#) on extreme weather impacts that can be expected in Australia on the impacts of flooding and inundation and the IGCC's recent [report](#) on barriers to climate adaptation.
- The article by Karen Middleton in the [Saturday Paper](#) [may require subscription] explores the implications of the recent Cyclone "Debbie" on businesses on Australia's east coast i.e. the emerging notion of un-insurable risks

Overall, the corporate governance landscape is becoming increasingly regulated around high risk areas, and it is likely that climate risk will be regulated with greater focus in due course.



About the Author

Turlough Guerin is a senior leader in corporate environmental management, governance and sustainable development. He has environmental management and major project experience in the clean energy, communications technology and construction sectors. He has worked in the large resource sector corporates, Shell and Rio Tinto, and the technology leaders, Telstra and First Solar. He has a PhD from the

University of Sydney, is a Graduate Member of the Australian Institute of Company Directors, an Associate Fellow of the Australian Institute of Management, Science Editor and Non-Executive Director at the Australian Institute of Agriculture, and has held several local and state government supported community board roles. He is currently the Chair of the Board of Advisors at Climate Alliance Limited, a Non-Executive Director at Bioregional Australia Foundation, and is a member of the Governance and Risk Committee of Australia's largest community radio station.

Recent Articles by the Author

[*Risk Reward and Research in the Agrichemicals Sector*](#)

[*Are Boards Fumbling in the Dark When it Comes to Climate Risk?*](#)

[*Has Regulation Become a Risk to Australian Agriculture?*](#)

[*Deep and Misunderstood: Can we solve the Underlying Problems with our Groundwater?*](#)

[*Destroying the Myth that Profits and Sustainability are Mutually Exclusive*](#)

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