

Submission
No 30

INQUIRY INTO CLIMATE CHANGE (NET ZERO FUTURE) BILL 2023

Organisation: The Climate Risk Group

Date Received: 24 October 2023



Monday, 23 October

To whom it may concern,

RE Parliamentary inquiry to examine the Climate Change (Net Zero Future) Bill 2023 - Submission from The Climate Risk Group

I am writing from The Climate Risk Group - a group of companies committed to quantifying and communicating the costs of climate change. The Climate Risk Group consists of XDI (Cross Dependency Initiative) which provides physical climate risk analysis to governments, corporates and the finance sector around the world, and Climate Valuation, which provides professional investment-grade physical climate risk analysis to individual property owners.

As part of this inquiry, we would like to submit two of our reports for your consideration.

1. Gross Domestic Climate Risk: NSW in top 5% of states most at risk from extreme weather and climate change

XDI's Gross Domestic Climate Risk calculated the physical climate risk to the built environment in over 2,600 territories around the world. The analysis found that - thanks to increasing risks from river flooding, flash floods, coastal inundation and bushfires - NSW is one of the most vulnerable states in the world, ranking 75th in the global comparison of states most at risk by 2050, and placing it in the top 5% of highest risk states globally.

The analysis also identified a 56% increase in damage to property in NSW from 1990 to 2050.

2. Uninsurable Nation: Australia's most climate-vulnerable places

For this report, Climate Valuation provided physical climate risk data to the Climate Council. The report outlines the top 20 most at-risk federal electorates to climate change-related extreme weather events along with the most at-risk electorates for each state and territory, including NSW.

The report reveals numerous local communities in NSW at risk from extreme weather and climate change which will manifest as increasingly unaffordable and unavailable insurance. While in the short-term adaptation of property, municipal protective infrastructure and even property buy-backs will be needed, without strong emissions reductions the number of properties becoming uninsurable will double. NSW residents have much at stake when it comes to reducing emissions.

Our data analysis shows that NSW has some of the most to gain from rapid realisation of Net Zero, and some of the most to lose from any delays: the faster Net Zero is reached, the greater the reduction of damage to NSW property from climate change-related extreme weather events. For this reason, we suggest NSW should be at the leading edge – not the middle of the pack – when it comes to cutting emissions. If one of the most at-risk states in the world (where insurance availability is already starting to collapse) adopts a weak ambition, there is little or no mandate to ask other nations and states to establish Net Zero quickly.

Sincerely,

Dr Karl Mallon

Founder, The Climate Risk Group (XDI, Climate Valuation)

