



# JARDINE LLOYD THOMPSON

PRESS RELEASE

## **Climate risk management – how will Australian businesses cope this summer?**

3 December 2008, Sydney - **Businesses need a contingency risk plan for their employees and operations following the Bureau of Meteorology Australia's forecast of long, hot summer days ahead in Australia's the southern, northern and western states.**

Heat-related deaths usually occur in the hot summer months. By 2020 heat-related deaths in Adelaide, Melbourne, Sydney, Brisbane and Perth are expected to more than triple to an annual total of \*4300 to 6300. Ron Barnes, Jardine Lloyd Thompson Pty Ltd (JLT) Climate Risk Management Specialist said, "Although the elderly, the very young and people with chronic health problems are most at risk, healthy people can also fall victim to summer heat. To minimise potential employee health risks and its related interruption to business should employees fail to turn up to work due to extreme hot conditions, employers are advised to prepare for emergencies. This may include advising employees to:

- drink plenty of water or other non-alcoholic beverages;
- wear lightweight, loose-fitting clothing that is light in colour;
- reduce strenuous activities or do them during the cooler parts of the day.
- remain indoors where possible.

Severe droughts arising from routine climate variability can potentially cause businesses loss in production and revenue this summer. Businesses are advised to review the planning and day to day operations of their businesses if their market relies on food production, agriculture or water supplies, as these supplies are most at risk.

"Businesses face substantial financial losses if their supplies are temporarily cut this summer, as they were last year in South Australia, where businesses came to a halt due to temperatures of over 40 degrees for many consecutive days."

Apart from the impending risks associated with drought and heat related issues this summer,

businesses also need to deal with more acute challenges and risks caused by increased climate variability in the future.

In 2006-2007, the drought caused a reduction in wheat and barley production by over \*50 per cent and a fall in rice production by over 80 per cent on 2005–2006 levels. But just two decades from now, the frequency of drought is expected to increase by up to 20 per cent over most of Australia. By 2070, drought frequency is expected to increase by up to 40 per cent in south-east Australia and 80 per cent in south west Australia.

Some businesses will be significantly affected by climate change as their markets can potentially be totally destroyed, while others may not be affected at all. Businesses need to know where they are placed on that continuum. The best way they can ascertain their position, is to run a comprehensive risk assessment.

(\* Source: Australia Government Department of Climate Change [www.climatechange.gov.au](http://www.climatechange.gov.au))

**Note to the editor:**

Jardine Lloyd Thompson Pty Limited (JLT) Australia is a wholly owned subsidiary of Jardine Lloyd Thompson Group plc which is the largest European headquartered company providing risk management, insurance broking and consultancy services in more than 30 countries worldwide. JLT Australia operates out of more than 18 offices across all States and Territories and employs more than 800 risk professionals. Echelon Australia Pty Ltd (Echelon), another company in the JLT Group, has been at the forefront of Climate Change Risk Management and is presently a leader in climate risk management.

**Ron Barnes**, Echelon's General Manager is a veteran in the risk management industry with over 20 years of experience. Presently, he is a working Party Member with the Local Government Department of Environment, responsible for driving Australia's climate change risk management policies.

**Enquiries:**

Ron Barnes  
General Manager, Echelon Australia  
Tel: (02) 9320 2770  
E-mail: [barnr@jlta.com.au](mailto:barnr@jlta.com.au)

**Released by:**

Jardine Lloyd Thompson Pty Ltd ABN 69 009 098 864, AFS Licence 226827  
Level 11, 66 Clarence Street, Sydney NSW, 2000