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National Adaptation Policy Office  
Department of Climate Change, Energy, the Environment and Water  
Via [online form](#)

### **National Adaptation Plan Issues Paper**

The Australian Local Government Association (ALGA) welcomes the opportunity to make a submission on the National Adaptation Plan Issues Paper.

ALGA is the national voice of local government in Australia, representing 537 councils across the country. In structure, ALGA is a federation of state and territory local government associations. This submission should be read in conjunction with any separate submissions received from state and territory associations as well as individual councils.

### **Background**

Local governments and our communities are on the frontline of the impacts of climate change. Councils are the first port of call when our local communities are increasingly affected by bushfires, floods and storms. The recent bushfires and floods have shown the importance of councils' roles in preparing for, responding to and recovering from extreme events. Councils are increasingly required to invest in adaptation of local government assets and services, building community resilience and disaster preparedness, response and recovery.

Australia's 537 councils are responsible for a third of Australia's community infrastructure and assets valued at nearly half a trillion dollars, including land, buildings, and 75 percent of the nation's roads. Critical council infrastructure including roads, drainage, and coastal defences are being damaged by more frequent and severe extreme weather events. In addition, some local government areas are increasingly exposed to concurrent and successive climate hazards, and communities sometimes struggle to recover between events. The increasing burden of managing unbudgeted financial impacts from more frequent and intense climate events takes resourcing away from important community services that support liveability and productivity of our communities.

Local government raises less than 4% of taxation in Australia and often cannot independently raise our revenue base to address financial demands. This constrained financial environment, combined with competing priorities, skill shortages and changing community expectations all limit local government's ability to plan and adapt to the changing climate.

### **Roles and responsibilities for adaptation**

ALGA still supports the Roles and Responsibilities for Climate Change Adaptation in Australia that were agreed to by the then Council of Australian Governments' (COAG) Select Council on

Climate Change in 2012. For local government to effectively deliver on its instrumental role in adaptation, a more effective and fairer share of tax revenue is needed.

According to research from SGC Economics and Planning, investment in Australian local government is low by international standards. Allowing for the differing scope of local government around the world, by removing the provision of health, education and social services, Australian councils' share of GDP ranks amongst the very lowest of comparator nations.

The research also shows outlays per capita from the Commonwealth have risen sharply over this period, while those of state and territory governments have steadily grown. Essentially, Australian councils have been asked for years to do more with less, and many have subsequently become reliant on grant funding from other levels of government. Yet the SGS research also shows that local government climate mitigation and adaptation work supports increased productivity in the wider economy.

*Recommendation 1: clarify roles regarding transfer of funding for adaptation in the COAG framework.*

### **Foundations for a National Adaptation Plan**

ALGA supports the Plan's key objective of Australia's economy, society, and natural and built environments being managed and invested in, to reduce climate impacts and harness any opportunities now and into the future – by all levels of government, business and community.

Local government's experience has found regular updates of our climate change risk assessments and adaptation plans are resource intensive, taking staff across the organisation offline to undertake the process. ALGA supports regular 5-year reviews of the national adaptation plan. Regular reviews may allow councils to compare their plans against the national plan and assess if national developments require review or deeper consideration of local assessments and plans.

ALGA supports the draft principles for prioritising adaptation actions. However, pathways may not always be linear and should allow for iterative processes.

*Recommendation 2: an additional principle be adopted on adaptive management responses to test new approaches and ensure management actions are effective at achieving the national adaptation plan objectives, to avoid maladaptation.*

### **Climate risks and adaptation actions**

Local governments have adopted a place-based approach to adaptation, taking into account community views, socio-economics, geographical considerations and localised climate impacts. National conversations on climate risks and adaptation responses will assist local governments in enhancing existing place-based approaches with our communities.

Local governments have benefited from climate data provided by other levels of government. Analysis of climate data that relates to common national or regional climate impacts such as

flooding, sea level rise, extreme heat, for example, should be provided by the Australian or state and territory governments. In some jurisdictions, individual councils are required to source their own analysis of climate data where a more regional approach would be more consistent and cost effective.

Most local governments do not have in-house capability to undertake more detailed hazard analysis on how particular assets or services might be impacted. Councils tend to go to the market to source climate intelligence. The efficacy of these products is not in doubt; however, it is generally not peer reviewed or quality assured. Each consultant will often source their own methodology adding to the costs and preventing the data from being collated.

*Recommendation 3: developing consistent methodologies for climate hazard analysis and collating data to show national trends and reduce costs to local government.*

Mainstreaming of adaptation will require a workforce with appropriate skills. Development of an adaptation services market to provide specialist skills as well as general workforce upskilling to embed climate change consideration into existing professions is needed support to progress.

### **Economy, trade and financial system**

The distribution of goods and services is a key element of our economy. The local road network is not considered in the national climate risk assessment, but is still a vital role, with goods and services beginning and ending their journey on local roads. Many councils are located within agricultural, forestry, mining, and other industry areas, with local roads forming a critical part of the national transport network, providing connectivity between rural and regional areas and state and territory road networks.

The disclosure of climate risks by businesses that use the national transport network may not result in an adaptation action. State, territory and local governments own the assets. However, in local governments' case there is no mechanism to recoup user fees for local road infrastructure to maintain and improve assets. Councils are reliant on rates and funding transfers from other levels of government to maintain the local road network (75% of the total road network). ALGA's 2021 National State of the Assets Report indicates that council-managed roads have a replacement cost of over \$204 billion. Of this total road asset, \$17.8 billion was rated as being in poor condition, \$16 billion was rated as having poor function, and \$14.3 billion was rated as having poor capacity. Without appropriate funding, more frequent and intense climate events will increase local government's road infrastructure backlog.

Adaptation of road infrastructure is critical as demonstrated by the isolation of communities during recent flood events. Some communities were cut off for weeks while road pavement, culverts and bridge access were restored. Road infrastructure adaptation could be further assisted by improving the way the state and territories and the Australian governments apply betterment provisions of disaster recovery arrangements. ALGA has also separately made a submission to the federal parliamentary inquiry into The Implications of Severe Weather Events on the National, Regional, Rural and Remote Road Network that provides a set of recommendations relevant to developing a local road network more resilient to the impacts of climate change.

## **Insurance**

The Hazards Insurance Partnership is a key action to ensure the affordability of insurance products. However, collaboration across the whole insurance industry is needed. Recently councils in Queensland have been approached by concerned community members whose insurance premiums have increased substantially (up to \$10,000 per year)<sup>1</sup>. This is despite their property being encompassed by levees offering effective flood protection. Understanding and transparency around insurance premiums would allow households to make informed decisions and better guide local and state government investment in flood mitigation measures.

## **Infrastructure and built environment system**

ALGA welcomes measures to improve building and precinct resilience through land use planning processes. Significant work is required to ensure the nationally agreed principles achieve on ground outcomes that ALGA is willing to assist in. In jurisdictions where local governments implement the land use planning system, it is essential that councils have workforce skills and guidance to improve resilience.

Existing assets, especially residential housing, have been a focus for local government when developing community net zero plans. Existing residential housing makes up most of our communities and is challenging to upgrade. Retrofitting buildings to improve resilience and efficiency is more costly than including the same measure in a new building. This is why it's important that building codes use future climate scenarios for new builds and alterations ensure ongoing occupant safety over the life of the building.

*Recommendation 4: using future climate scenarios to underpin Nationwide House Energy Rating Scheme (NatHERS), National Australian Built Environment Rating System (NABERS) and the National Construction Code to ensure that buildings are safe for occupants under future climate impacts is a vital adaptation required immediately. Thermal safety of occupants should be considered in the thermal performance of the building without relying on the energy system to provide additional cooling capacity.*

With the national trend for more renters in the Australian housing market, upgrading rental properties to maintain the safety of occupants will be key. As councils are already experiencing net zero priorities, the financial split incentive to upgrade rental properties often leave tenants with limited ability to improve the resilience and comfort of their housing. Where a resident's home fails to provide heat refuge, local governments step in to support with community infrastructure places of cool refuge (e.g. local libraries.) Local governments have limited policy levers to improve existing housing and are relying on education to influence decision making.

*Recommendation 5: regulation and incentives to encourage property owners to provide efficient and resilience housing for tenants.*

Local governments are undertaking a range of adaptations including using community facilities as cool refuges, redesigning public spaces such as pedestrian thoroughfares and playgrounds to

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<sup>1</sup> [Communities behind flood walls smashed by insurance bills, not water – LGAQ](#)

include cooling interventions, investigating road surfaces that use less water and more resilient to drought and flood, developing tools for making housing more bushfire resilient, developing guides on more resilient material selection for public infrastructure.

### **First Nations' values and knowledge's system**

There is opportunity to integrate First Nations' perspectives into local government's role in adaptation as identified in the COAG agreement. The local government sector in the Northern Territory and Queensland is often the largest employer of Aboriginal people in remote and regional areas. Joint management provides opportunity for methods for Caring for Country to have positive effects on carbon capture and hazard reduction. Queensland councils such as Mapoon, Aurukun and Pormpuraaw Aboriginal Shire Councils<sup>2</sup> undertake burning of savanna land early in the dry season to avoid late-season bushfires. The wider local government sector has been investigating and adopting cultural burning practices after the 2019/2020 bushfire season to reduce bushfire risks.

### **Regional and remote communities system**

Around 55% of councils are located in regional, rural or remote areas. These councils are often providers of last resort of much needed services that are generally not part of local government's role. For example, providing medical centre premises, postal services, aged care facilities, mortuary services etc.

Mainstreaming adaptation in thin markets will require different approaches to metropolitan areas. One such example, is the health advice given on days of extreme heat or heat waves that suggests that people visit shopping centres, cinemas and other public places which operate air conditioning which isn't a viable option in many rural towns.

The capacity of regional and remote councils to address climate risks is limited by the existing systemic constraints of low rates base, ability to attract and retain a skilled workforce, increasing demand on councils to provide services and in some cases, poor digital connectivity. The Powering the Regions Program will assist in addressing some of these systemic issues, however the program would need expanding to be accessible and effective at embedding adaptation into local government operations and communities.

Local governments in regional areas have undertaken a range of adaptations including modelling domestic water supplies in a drying climate, trialling gravel roads surface which use less water, urban greening and other cool interventions in town centres, providing access to water storages to respond to drought and bushfire emergencies.

### **Natural environment system**

Biodiversity and the state of the natural environment is continuing to decline at global, national, and regional levels. This is exacerbated by the increasing impacts of climate change, putting increased pressure on ecosystems. The Australian Government's commitment to the Kunming-Montreal Global Biodiversity Framework is being addressed through the upcoming nature

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<sup>2</sup> [Indigenous groups paid to light fires to cut emissions \(afr.com\)](https://www.afr.com/news/politics-government/indigenous-groups-paid-to-light-fires-to-cut-emissions-20210511)

positive legislation, however further work to recognise climate impacts to biodiversity is recommended for state and territory legislation.

Collaboration between levels of governments and partnering with private property owners, could focus on identifying and protecting areas that can provide climate refuges, such as riparian areas and land at higher altitude. Corridors connecting existing habitats to these areas must be protected to allow the safe movement of species during extreme weather events, which will become more frequent under a changing climate. Species and ecological communities at the edge of their range should also be given additional protections.

Local governments are under pressure to rezone land to address a national shortage in housing. However, land releases don't guarantee housing supply and protection of the natural environment and providing for adaptation must be part of the land use planning decision making frameworks discussed in the infrastructure and built environment system.

Australian councils are generally quite advanced in urban greening and biodiversity but are increasingly using nature-based solutions as tool to develop greater urban resilience. This may include restoring natural water courses and wetlands to reduce flooding and improve water quality.

Councils, along with other jurisdictions, invest in urban greening to mitigate climate impacts such as heat, drought and flood. Councils have been investigating which street trees are more resilient to future climate scenarios in their local area to ensure ecosystems services are maintained.

### **Defence and national security system**

Local government in Australia makes a substantial contribution to disaster relief, recovery and management. This includes direct financial support as well as in-kind support and assistance. The roles and responsibilities undertaken by councils in emergency management vary between jurisdictions and between councils depending on their capacity and the natural disaster risks faced by their communities.

The recent series of disasters across Australia have had major impacts on 60% of councils. In 2022 there were 46 disasters declared, with 524 disaster support declarations across 316 local government areas. There is no doubt that councils need additional support to undertake the enormous task of better preparing their communities for climate disasters.

While state and territory government have primary responsibility for managing disasters, they delegate roles and responsibilities to local government. State and territory governments need to ensure that they have oversight and understanding of the capabilities and capacity of local government to perform these responsibilities, and to provide support as necessary.

In 2021, [Deloitte Access Economics](#) estimated natural disasters cost Australia \$38 billion per year, and this amount is expected to rise to \$73 billion per year by 2060, assuming a low-emissions scenario.

The Australian Government's Disaster Ready Fund is heavily oversubscribed, with funding mostly directed to recovery projects. For every additional dollar spent on mitigating the effects of climate-related natural disasters, it saves the government up to \$8 in the long term, according to DFAT analysis.

Ku-ring-gai Council in NSW has been building resilience in its community through their Climate Wise Communities program. The area is characterised by ridge top development and is very prone to bushfire risks. There is particular focus on working with vulnerable groups such as aged care centres. Council scenario tests bushfire emergency plans and offers advice on adapting properties to be more resilient to climate risks. Preparing communities for climate risks through encouraging individuals to implement their own adaptations and developing emergency plans is an effective tool for disaster mitigation when local government is funded to do so.

*Recommendation 6: that the Disaster Ready Fund to be increased by at least \$250 million per year to focus on disaster mitigation and adaptation.*

## **Conclusion**

Climate change has the potential to damage council assets, cause serious disruptions to the delivery of council services, generate unbudgeted financial impacts, and affect the overall wellbeing of the community – particularly those most vulnerable to weather extremes. Local government plays a key role in adaptation in not only our own assets and services but in our communities. National climate risks and adaptation priorities should be addressed through the subsidiarity principle; that authority should be exercised by the lowest level of government competent to do so. Noting that competency includes being sufficiently resourced to exercise that authority. While many climate risks and adaptations may not be nationally significant nor addressed through this process due to their impact being regional or local, the policy response may need to come from a higher level of government. ALGA looks forward to a continued dialogue with the Australian Government on adaptation issues.

Should you require any further information in relation to the matters raised in this submission, please contact Denise Anderson, Director Environment on 02 6122 9400 or [denisea@alga.asn.au](mailto:denisea@alga.asn.au).

## **Summary of recommendations**

- Clarify roles regarding transfer of funding for adaptation through a clear intergovernmental framework (as previously outlined in the 2012 COAG framework).
- Include an additional principle around adaptive management responses to test new approaches and ensure management actions are effective at achieving the national adaptation plan objectives, to avoid maladaptation.
- Develop consistent methodologies for climate hazard analysis and collating data to show national trends and reduce costs to local government.
- Use future climate scenarios to underpin Nationwide House Energy Rating Scheme (NatHERS), National Australian Built Environment Rating System (NABERS) and the National Construction Code to ensure that buildings are safe for occupants under future climate impacts.

- Regulate and incentivise property owners to provide efficient and resilient housing for tenants.
- Increase the Disaster Ready Fund by at least \$250 million per year to focus on disaster mitigation and adaptation.