



ALGA
Australian Local
Government Association

SUMMARY

Adapting Together: Local Government Leadership in a Changing Climate

June 2025



Research produced by:

**nation
partners**



What's in this report for you

- Information on how local government is adapting to a changing climate.
- Examples of how councils are acting to tackle the risks of climate change to their communities.
- Analysis of the avoided costs and benefits from local government action.



Want to learn more? ALGA is hosting a webinar on this research and an open discussion on climate adaptation by councils. Check the back of this brochure for details.

Introduction

Australia's municipalities will face escalating impacts from climate change. This includes more frequent and severe disaster events, as well as more heatwaves and rising sea levels.

While the challenges of climate impacts are different across Australia, local governments are similarly dedicated to ensuring communities are healthy, prosperous, and prepared. Consecutive Local Government Climate Reviews (2018¹, 2021², 2024³) have demonstrated local governments' continued commitment to climate change adaptation.

With their local knowledge, experience, connections and leadership roles in their communities, local governments play an indispensable role in addressing climate-related risks, seizing opportunities arising from new industries, and achieving national climate adaptation objectives.

Councils hold powerful levers to build the climate resilience of communities, including in emergency management, operating critical community services and facilities, and land use planning. Climate adaptation requires integrating climate considerations across everything that councils do, and how local governments make decisions. Not doing so exacerbates existing threats to the financial sustainability of local government and results in poorer community outcomes.

ALGA's new report, *Adapting Together: Local Government Leadership in a Changing Climate*, lays out the range of approaches councils are taking to climate change adaptation. It provides economic modelling for this national contribution.

ALGA has called for the Australian Government to establish an Adaptation Fund of \$400 million per year that provides dependable resources to councils to prepare their communities for the impacts of a changing climate.

ALGA represents local governments at the Energy and Climate Ministers Council and engages directly with the Department of Climate Change, Energy, Environment and Water on climate adaptation policy.

ALGA believes that the Australian Government must appropriately account for the significant and unique contribution that local government makes on a national scale.

The findings presented in this report point to the significant opportunities ahead for Australian communities when their local governments are supported to adapt into the long term.

¹ <https://www.ironbarksustainability.com.au/resources/articles/australian-local-government-climate-review-2018>

² <https://www.ironbarksustainability.com.au/resources/articles/launch-of-the-australian-local-government-climate-review>

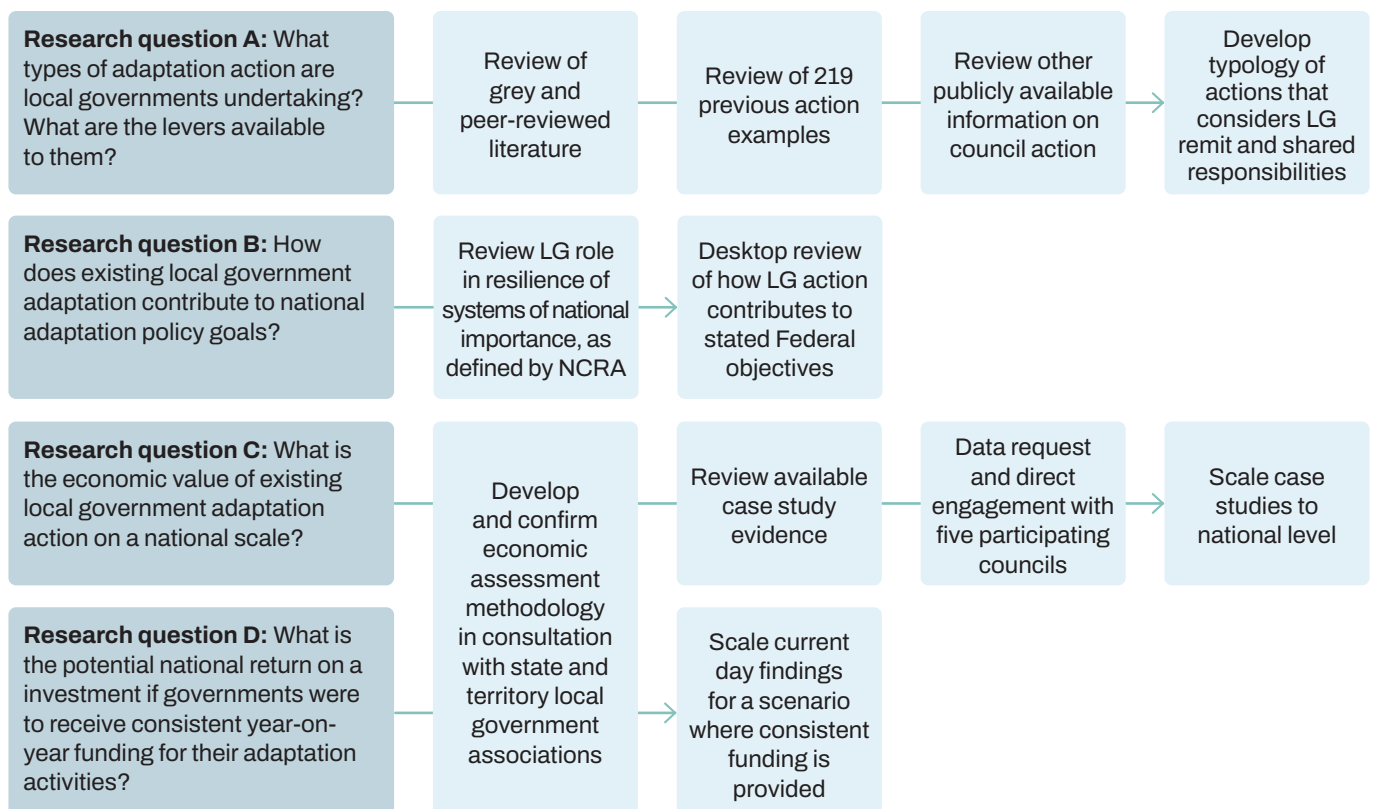
³ https://www.ironbarksustainability.com.au/fileadmin/public/downloads/2024/IRO_GEN_001_Local_Government_Climate_Review_2024_FA1.pdf

Key findings

- **Local governments are indispensable in adapting to a changing climate.** They play a critical role in supporting the systems we value nationally, such as our infrastructure, health, natural environment, and emergency management.
- Climate change adaptation is the **ongoing process of evolving how we make decisions so that we can cope with the expected impacts of climate change.** This research takes a snapshot of actions to show how local governments are doing this to benefit their communities.
- Based on five project case studies, **conservative estimates of local government adaptation actions delivered benefits of between at least \$0.8 and \$3.1 per \$1 of investment.** Cost-benefit analysis in respect to climate adaptation refers to **avoided costs** and benefits gained, not financial return.
- When modelled at the national scale, continued local government spending on adaptation at these levels would equate to at least \$400 million per year, or **\$2 billion invested in the 5 years to 2030.** This \$2 billion investment is estimated to benefit local communities by between **\$2.2 and \$4.7 billion.**
- **These benefits are on top of those derived** from councils factoring climate considerations into core council decision making – which are difficult to quantify.
- There is **critical need for ongoing funding for local governments** to incorporate climate considerations across all council work with their communities.
- **Secure, ongoing funding for councils will generate the best national return on investment for adaptation expenditure.** Larger projects currently rely on short-term funding which is inefficient and undermines capacity building.

Approach

The research took a mixed qualitative and quantitative approach.

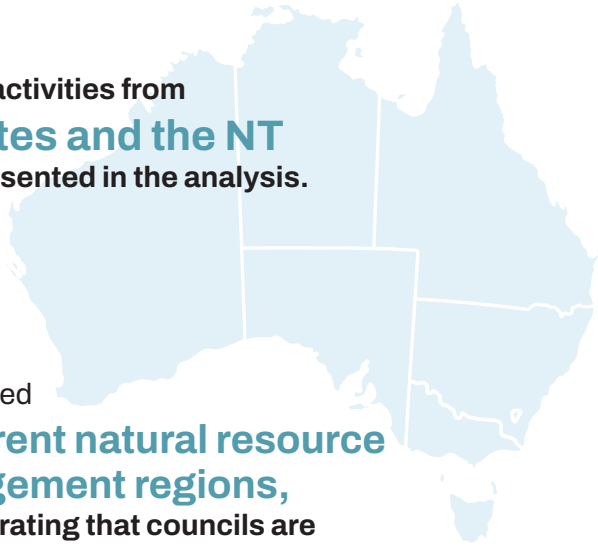


Our economic modelling followed several phases to understand the return on investment for five case studies and estimating the national contribution of local government adaptation.

Cost-benefit analysis (CBA) of five case studies across Australia		
• Case studies were selected to ensure a broadly representative sample of the type and scale of action across Australia. • Each case study used a structured economic analysis that compared the base case (no adaptation) against the key actions undertaken as part of the program. • Each case study was tested through a range of assumptions and scenarios to understand the key drivers of value.	An assessment of the national value of adaptation	
	• Understanding the value of adaptation action required information on current council expenditure on adaptation. • Adaptation expenditure by councils was estimated through a limited survey of local councils and a review of annual expenditure reports for 30 councils. • The national value of adaptation was conservatively estimated based on case study benefit-cost ratios and expenditure.	Literature review and benchmarking • National and global studies were reviewed to validate case study results and ensure alignment with broader findings. • Additional literature was assessed to understand the additional value of ongoing funding for adaptation.

How councils have been engaged

Project co-developed and delivered by ALGA with all seven state and territory local government associations.



Council activities from all states and the NT are represented in the analysis.

These represented **8 different natural resource management regions, demonstrating that councils are undertaking action** across the nation and in response to diverse climatic drivers of change.



219 examples of local government adaptation action to assess the diversity of approaches and actions taken by councils which result from incorporating climate change considerations into their work.



Survey inviting 60 councils to provide information on adaptation expenditure. **14 accepted our invitation.**



Economic modelling of 5 in-depth case studies.

What we found

What types of adaptation actions are councils taking?

Local governments implement a variety of strategies to address the effects of climate change on their communities and operations. Local government approaches relate to considerations of the risk, their remit, and the most effective response.



Risk: *What are the problems and opportunities driven by a changing climate?*

This is influenced by the climate hazards in the area, how things we value are exposed to those hazards, and factors that make some people or things differently or disproportionately at risk.



Remit: *To what extent can local government address the risk or opportunity?*

How issues fall in spheres of local government control, influence or concern, as driven by statutory obligations, agreements, and the community's vision and needs.



Response: *What is the best use of local government strengths and resources to reduce the problems and seize the opportunities?*

The diverse actions that local governments take to respond and reduce climate risks and seize opportunities in support of their communities.

Councils often use a suite of connected capabilities and activities based on their resourcing, capacity, statutory requirements and community input.

For example, undertaking climate risk assessment and writing an adaptation strategy is intended to inform broader decision making across council work, such as changing how road infrastructure is designed and delivered to account for intensifying climate hazards.

44% of councils in the sample are incorporating climate considerations within their governance, such as conducting climate risk assessments. These kinds of assessments are designed to help councils make climate-considerate decisions which are difficult to quantify but make a deeply significant contribution to climate adaptation.	▶ Example: City of Onkaparinga (SA) - Climate change risk assessment and climate response plan. A dedicated climate change risk assessment to identify climate-related gaps in the council's strategic and governance structures, culminating in the development of the Climate Change Response Plan 2022-2027.
Physical, nature-based and technological measures (like building sea walls) comprise 29% of the sample but usually depend on one-time grant funding.	▶ Example: City of Cockburn (WA) - C.Y. O'Connor Artificial Reef This reef was installed to reduce coastal erosion has reduced wave force and wave height while providing new habitat for ocean life.
24% of activities involve knowledge-based, behavioural, and cultural change measures, primarily through education or targeted information provision, to improve the community's understanding and decisions around climate hazards.	▶ Example: Northern Rivers councils (NSW) - Tackling Mosquitos Together A coalition of Northern Rivers councils developed a behavioural change program aimed at reducing residents' risk of impact from mosquito carrying illnesses; risks which are exacerbated by a warming climate.
Regulatory, economic, and financial measures constitute the smallest portion of the activities analysed, accounting for 5%. This underrepresentation may stem from insufficient data or the challenges of implementing measures, such as amending planning to relocate assets away from risk, without broader support.	▶ Example: City of Darebin (VIC) - Solar Savers The council implemented a financing model using council rates to help low-income households access solar energy. This approach attracted private investment through bank partnerships and highlighted the benefits of shared services in reducing risks and resource burdens for participating councils.

What is the value of local government adaptation on a national scale?

The most important value that councils deliver for national adaptation is their knowledge of communities, uniquely positioning them to broker collaboration and support those most susceptible to impacts.

Conservative modelling of the quantifiable benefits of 5 selected projects shows that local government adaptation actions deliver significant public benefits of between **\$0.8 and \$3.1 per \$1 of investment** (in current day terms).

Estimated Australian local government expenditure on adaptation activities is at least **\$400 million per annum, or \$2 billion over 5 years**. This \$2 billion investment is estimated to benefit local communities by between **\$2.2 and \$4.7 billion** in net present value terms.

It is also difficult to quantify the costs and benefits associated with building knowledge and skills to understand climate change's impact on council work, and mainstreaming climate knowledge into decision making.

Additional funding of \$400 million per year from the Australian Government would more than double the benefits of local government adaptation.

- Increased planning activities allowing better targeted actions and longer-term investment
- Increased council capability and skills
- Increased efficiencies and reduced costs of delivery
- Reduced risks to achieving project outcomes
- Increased likelihood of achieving higher benefit-cost ratios from investment

Here is a break down of benefits and avoided costs associated with case studies.

Case study	Category of action (see typology in report)	Dollar benefits per dollar of cost	Key public benefits
City of Darwin (NT): Urban Cooling	Physical and technological measures	\$1.3 - \$3.1 benefit per \$1 cost	  
Lockyer Valley Regional Council (Qld): Flood Management	Economic and financial measures	\$1.0 - \$1.5 benefit per \$1 cost	  
City of Hobart (Tas): Bushfire Resilience	Knowledge-based, behavioural and cultural change measures	\$0.8 - \$1.6 benefit per \$1 cost	   
Moyne Shire Council (Vic): Coastal Hazard Management	Regulatory measures	\$1.2 - \$2.7 benefit per \$1 cost	  
Buloke Shire Council (Vic): Urban Cooling	Physical and technological measures	\$1.1 - \$2.5 benefit per \$1 cost	 

 health and wellbeing  ecosystem services  recreation and amenity  avoided property damage  avoided emergency response costs

Case study: City of Darwin's Greening Darwin Strategy

The 2030 Greening Darwin Strategy⁴ includes actions to increase tree canopy coverage across heat-vulnerable and cyclone-prone areas. The strategy and planned tree planting program provides opportunities for the City to plant cyclone-resilient, climate-appropriate tree species in suburbs with low canopy cover and high vulnerability to heat.



Value of adaptation action

For every \$1 spent the local community will receive between **\$1.3 and \$3.1 in benefits**, of which:

-  **68-85%** of benefits are due to avoided fatalities and healthcare costs during heatwaves
-  **1-2%** of benefits from environmental benefits like increased carbon sequestration such as reduced air pollution, increased carbon sequestration, avoided stormwater runoff
-  **15-27%** of benefits are from the enhanced aesthetic and recreational value of public spaces

Value of adaptation planning activities

- Planting trees in the most vulnerable suburbs significantly reduces fatalities and healthcare costs, more than doubling the benefit per tree planted
- Planting cyclone resilient trees can reduce future tree planting and management costs following a cyclone event, reducing costs by up to 10% compared to planting non-resilient trees

How does local government adaptation contribute to national policy goals?

Local government adaptation is critical for protecting systems of national importance as identified by the First Pass National Climate Risk Assessment.

System of national importance	Examples of council contributions	Examples of national benefits
 Health and social support system	Providing safe community facilities where people can connect, seek relief and access services.	• Reduces demand on Australian Government and state/territory-funded healthcare and other support mechanisms (eg. Jobseeker) • Reduces underlying community vulnerability to disaster events.
 Infrastructure and built environment	Delivering and managing a significant proportion of Australia's critical infrastructure.	• Quality local roads and drainage improves flood resilience and reduce requests for support under Disaster Recovery Funding Arrangements (DRFA).
 Natural environment	Protecting and enhancing natural and culturally significant spaces to support human and ecological health outcomes.	• Protecting Matters of National Environmental Significance. • Supports healthier, more disaster resilient communities.
 Defence and national security	Delivering social and community development programs, as well as local emergency response and recovery.	• Social cohesion reduces underlying drivers of violent extremism. • Strong local emergency management reduces demands on Australian Government and Australian Defence Force.

⁴ https://www.darwin.nt.gov.au/sites/default/files/publications/attachments/1091987_CoD_GreeningDarwinStrategy_WEB.pdf

Download *Adapting Together: Local Government Leadership in a Changing Climate* from ALGA's website.



Join our webinar on Adapting Together

ALGA will host a free online webinar on **Wednesday 30 July from 2:30-3:30pm AEST** for councillors and local government staff to present the findings of this report and have an open discussion and share ideas.

More information and registration information are available on ALGA's website, under [Events](#).

Get in touch

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