



ALGA
Australian Local
Government Association

Response to the Climate Change Authority's 2025 Issues Paper

September 2025





About ALGA

The Australian Local Government Association (ALGA) is the voice of local government in Australia, representing 537 councils across the nation.

ALGA is a federation of all state and territory local government associations.

ALGA was established in 1947 and throughout its history has been actively involved in issues of national significance affecting local government and local communities.

ALGA welcomes the opportunity to discuss practical opportunities for partnership to rapidly mitigate our emissions and adapt to a changing climate.



Over 1300 local government delegates attend ALGA's National General Assembly in 2025 to discuss local solutions to national priorities, including climate change and net zero transition.

Climate adaptation



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 (2018, 2021, 2024) 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.

ALGA’s report, *Adapting Together: Local Government Leadership in a Changing Climate* (2025), lays out the range of approaches councils are taking to climate change adaptation.

It provides economic modelling for this national contribution.



Nationally significant contribution of councils to adaptation

- Australia’s councils are at the frontline of climate adaptation. The climate of every community is different, and each council knows what their community needs to prepare and adapt.
- Modelling undertaken in *Adapting Together* demonstrates that through their climate adaptation initiatives, councils are already delivering **at least \$0.8 and \$3.1 per \$1 of investment**.
- 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**.
- The adaptation work that councils do directly reduces the pressure on budgets for other governments. For example, many councils are investing in solutions to reduce head stress on their residents which reduces the pressure on our hospital system across the nation.
- The case studies below demonstrate strong ROI, even when only considering benefits and avoided costs which are possible to model quantitatively:

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

Climate adaptation



Local government adaptation underpins the resilience of nationally systems
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.

Local government role in encouraging private investment in climate adaptation

- As the nation's largest assets and infrastructure manager and service delivery provider, the more that councils are enabled to manage climate risks, the better systemic resilience will be. Systemic resilience engenders confidence for private investment.
- As the [Investor Group for Climate Change \(2024\)](#) showed, systemic resilience makes Australia a more attractive place for private capital to invest – helping to stem capital flight that's already occurring (i.e. insurance unaffordability) and withdrawal in future as climate risks increase.
- Enabling councils to scale up their climate risk mitigation will support the viability of private financing in climate resilience and make Australia a more attractive place to invest.

We need a fit-for-purpose governance and funding model for climate adaptation

ALGA calls for the Australian Government to establish an Adaptation Fund of \$400 million per year, distributed on a formula basis, that provides dependable resources to councils to prepare their communities for the impacts of a changing climate.

Analysis of over 200 council climate initiatives for *Adapting Together* shows that a significant proportion of local governments have already completed climate risk assessments and adaptation plans.

Local government climate risk assessments and adaptation plans are robust bases for prioritising what needs to be implemented in in each place and community and are integrated with existing integrated strategic planning and reporting.

These can be used as a mechanism for pinpointing the most critical investments required at local level, while providing a systematic way for the Commonwealth to know what the Adaptation Fund is being used for.

The Commonwealth should ensure all councils have access to the tools and expertise to do this nationally significant work:

- Streamline and make it easier for local governments to undertake climate risk management. This should involve implementing a voluntary climate risk framework for local government which supports consistent climate risk assessment, reporting, decision making and expenditure.
- Develop, operate and maintain an information and data suite designed specifically for local government adaptation use (on an opt-in basis).
- With state and territory governments, establish harmonised guidance and standards (e.g. which climate scenarios to use) so councils can implement climate-risk informed planning consistently across Local Government Areas.
- Enable infrastructure betterment by aligning regulations, standards and funding, so that enabling and supporting infrastructure for housing is fit for the realities of a changed climate.

Renewables transition



Local governments play a vital role in community development and prosperity.

Councils are the democratically elected, are the first port of call for communities, and maintain deep local knowledge, serving communities in perpetuity.

They build relationships, elicit the community's vision and desires and turn it into reality through strategic planning, and deliver essential infrastructure and services that enable local economies to prosper.

These roles are critical in achieving net zero transition through the rollout of renewables. Local governments see the interconnecting economic, social, cultural and environmental elements from a strategic and cumulative point of view.

Where councils have the resources to do so, local governments are uniquely positioned to take their communities on the journey of what can be achieved by hosting projects, while understanding and working through complex discussions about barriers, problems and people's concerns.

When councils are engaged by other governments and the private sector as genuine partners, **councils can help communities define how they want to be better off from hosting renewables projects – and help deliver on these local decisions.**

The net zero transition can be a constructive process that delivers real outcomes for the communities and support a smoother renewables rollout on a national scale.



Renewables transition



What's the barrier?

1

There is a lack of system-wide accountability for all actors to play their part.

There is currently inconsistent and inadequate planning across the country. This leads to local governments bearing an inequitable burden for planning, engagement, community education and industry liaison without proper acknowledgement or commensurate resourcing. It creates confusion, degrades social license and slows the national transition to net zero.

2

Local government is inconsistently recognised as a critical enabling partner.

The criticality of local governments is not consistently recognised, and local governments are often positioned as carrying out similar functions as community groups despite having formal responsibilities, liabilities, and being democratically elected. Depending on resourcing, some of the ways that councils are involved include:

- Undertaking land use, economic and regional planning which addresses risks and opportunities arising from renewables
- Negotiating how renewables projects will make communities better off with developers and other levels of government while incorporating community concerns into the process
- Convening delivery of benefits in the local government area and broader region
- Being a local and strategic advisor to developers and the local community on renewables projects and transition
- In some jurisdictions, stipulating conditions for project approvals

3

Capacity support is required to ensure local governments can meet the pace and scale of renewables.

Local government capacity is informed by the scale and needs of the local community, not for large scale industrial scale transformation. Local governments require additional capacity support which is commensurate with the scale of transformation that councils are working with. They also require a means of sharing knowledge, resources and know-how with one another so local leaders in councils can best represent their communities' needs through the transition.

What would help?

Energy and Climate Ministers, in collaboration with Planning Ministers, should:

- Establish a **Joint Ministerial Council Commitment for Renewables Transition**, which sets out the roles and responsibilities for all levels of government and the private sector in the renewables transition.
- Provide cumulative impact reports annually to maintain a collective understanding of key issues that need to be addressed as transition continues.

The Commonwealth, state and territory governments and the private sector should:

- **Recognise local government as a key enabling partner in net zero transition.**
- Properly resourced local governments should be offered the **opportunity to be the first point of call** for developers by default.

The Commonwealth, with state and territory governments should:

- Provide **capacity funding** for local governments to address context-specific gaps, such as planning, community engagement, engineering, and compliance.
- The Commonwealth and state/territory governments should jointly fund a **dedicated peer-to-peer knowledge sharing program** for local governments on renewables transition over the next 5 years.

Renewables transition



What's the barrier?

4

There isn't a trusted, single source of truth - at regional level - about how the transition is rolling out, the opportunities, the cumulative impacts and how these will be addressed.

Without a key strategic document, developed collaboratively across governments for each region, there isn't a single trusted source of information at community level that:

- Improves awareness of the process of renewables transition and what a community can expect in future.
- Identifies and facilitates a collaborative approach to land use conflicts that are often governed at several jurisdictional scales.
- Identifies the opportunities and cumulative impacts at regional, rather than project by project scale.
- Provides a trustworthy and up-to-date account of how the community is better off from renewables in their region.
- Provide a place to acknowledge and address how the negative impacts are experienced in different parts of the community/region and how these can be addressed collaboratively.

5

Absence of penalties for poor practice, which results in unrecovered impacts and costs to hosting communities and their local governments.

Lack of a national standard engagement and conduct standard and associated penalty means that there is no disincentive for developers which have no intention of improving their conduct through voluntary guides, codes of conduct or the incoming Developer Rating Scheme. These costs are worn by local governments (e.g. fixing roads, infrastructure, undertaking additional community engagement to remedy misinformation) and by their communities.

6

Absence of national approach to end-of-life renewables assets.

There are significant opportunities associated with repowering, recycling and decommissioning of renewables infrastructure. However, without a national product stewardship approach, these opportunities are missed, and landfills and landholders will be inequitably burdened by valuable assets going to landfill.

What would help?

The Commonwealth, with state and territory governments should:

- Collaborate to develop high level **regional renewables transition plans**. State and territory governments should be responsible for these, and incorporate local government and private sector input.
- State and territory governments should provide annual updates on the cumulative impacts in each region and how these will be addressed.
- Co-design national guidance on how local governments can consistently provide input on the cumulative benefits and impacts from renewables transition in their LGAs, and the legacy benefits that have been promised and delivered.
- Develop and maintain a national map demonstrating zoning for prospective and proposed renewable energy projects and transmission corridors.

The Commonwealth, with advice from state, territory and local governments should:

- **Establish a national minimum engagement and conduct standard** for the renewables industry that defined unacceptable conduct or local impacts. This could be implemented through the *Competition and Consumer Act 2010*.
- A national minimum engagement and conduct standard would also include a **mechanism for local government cost recovery** where demonstrably poor engagement or conduct leads to degradation of social license that councils rectify at their own cost, and/or, results in damage to community infrastructure that councils and ratepayers must pay to fix.

The Commonwealth, with state and territory governments should:

- Establish a **mandatory product stewardship scheme for renewables infrastructure**.
- Consider where gaps in renewables infrastructure circular supply chain requires government investment and incorporate these areas into Commonwealth investment vehicles.



Emissions reduction

Local governments also play a crucial role in supporting the national processes of emissions reduction at a place-based, local level.

Councils provide the most direct pathway to engage directly with communities and are an effective engagement and action partner. Local governments advocate for their communities' visions and needs through emissions reduction processes, provide critical infrastructure and services which enable the roll out of lower emissions technologies and industries, and understand and advocate for fair and equitable social and economic outcomes.

The [Australian Local Government Climate Review 2024](#) found 86 per cent of councils (of 120 council respondents) had an emissions inventory. While councils are committed to reducing emissions at a local level, more funding is needed so that costs aren't borne by ratepayers and allow communities to share in the savings and benefits of low emissions technologies quicker.



ALGA is asking the Commonwealth Government to:

- Establish a national, long-term approach to **engage with local governments, on an opt-in basis, as strategic delivery partners to reduce emissions** in small and medium enterprises and diffuse sectors—through targeted, place-based investments that complement national regulation of large emitters and unlock community and business innovation. Do this through:
 - Place-based emissions reduction plans developed with local governments.
 - Funding to implement measures in place-based emissions reduction plans.
- **Protect local government financial sustainability through net zero transition.** Ensure local governments are compensated where emissions reduction processes place additional pressure on services and infrastructure (e.g. heavier EV truck impact on maintenance/standards of roads/bridges).
- **Support all councils to establish and meet their emissions reduction targets.** This should include:
 - Funding for local government staffing capacity to scale up emissions reduction in ways which are contextually appropriate and responsive.
 - A specific set of supports for small, low-capacity councils.
 - A full suite of accessible and nationally harmonised tools to maintain pace with trends in emissions measurement and reporting in other sectors.
 - Increasing existing funding programs and make them formula based (rather than grants) which enable local governments to reduce their emissions.



Building Better
Communities.

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