



**CLIMATE
JOBS**

Local Government Climate Risk and Capability Series

Article 1

Building Capability for a Resilient Australia

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A Nation on the Frontline

Australia's climate is changing faster than our systems of governance. The last decade has brought record-breaking bushfires, floods, storms, and heatwaves that have tested every level of government. But while national and state agencies set policies and coordinate emergency responses, local governments are where climate change is felt most directly and where adaptation must ultimately succeed.

There are 537 councils across Australia managing around \$600 billion in community assets, including 75 per cent of the nation's roads. They deliver essential services, guide land-use planning, and are the first responders when disasters strike. Every community, urban or rural, coastal or inland, is already grappling with climate risk in some form. Councils therefore play a dual role: reducing emissions through local action and preparing communities for the realities of a warming world.

The release of the National Adaptation Plan (NAP) in 2025 marks a turning point. It sets a national vision to 2035 for a resilient economy and society, but it also makes clear that resilience will depend on local capacity. The question is no longer whether councils matter to adaptation it is whether they are equipped to lead.

Australia's climate risks ultimately play out in places, in streets, catchments, coastlines and communities. That is why local governments sit at the centre of adaptation. They manage the planning systems, infrastructure networks and community relationships that determine how climate risk is experienced and reduced on the ground.

Local Governments and Climate Mitigation

Local governments have been early movers in cutting emissions. Long before national policy coherence emerged, councils were setting net-zero targets, declaring climate emergencies, and implementing practical mitigation programs.

By 2024, around 90 per cent of councils had established or were developing emissions-reduction targets as part of climate action plans (ALGA, 2025). Most capital-city councils had achieved carbon-neutral operations, alongside several regional counterparts. Participation in initiatives such as the Cities Power Partnership and community renewable-energy programs has entrenched local leadership on mitigation.

Examples of effective action include:

- Renewable energy projects: rooftop solar and community solar farms powering council facilities and energy efficiency and electrification.
- Planning reforms: integrating sustainability into local planning schemes and encouraging active transport.
- Urban greening and waste management: tree-planting, circular-economy initiatives, and methane-recovery systems.

These measures not only cut emissions but deliver real financial benefits. Programs such as Cities for Climate Protection helped avoid more than 18 million tonnes of CO₂ while saving councils around \$95 million in energy costs. Yet mitigation is only one side of the climate equation. As hazards intensify, councils are increasingly focused on preparing communities and infrastructure for the impacts already unfolding.

The Adaptation Imperative

Yet the fiscal constraints remain stark. Local governments collectively raise less than 4 per cent of total national taxation revenue, one of the lowest local revenue shares in the OECD (Productivity Commission, 2023). Their responsibilities continue to expand without commensurate funding; from waste and planning to housing, emissions reduction, and disaster management. As the Climate Council observed, councils are *“being asked to do more, with less”* (Climate Council, 2024).

If mitigation is about prevention, adaptation is about endurance, and endurance begins locally. Councils manage critical infrastructure now exposed to escalating hazards: roads, bridges, stormwater systems, sea walls, community buildings, and open space.

Since 2019, four out of five local government areas have experienced at least one federally declared disaster (Australian Parliament Select Committee, 2024). Many have faced back-to-back events: fire, then flood, then heatwave. Smaller and rural councils, already resource-constrained, are often left rebuilding for years after emergency crews and media attention move on.

Despite decades of evidence that investment in resilience reduces long-term costs, the funding balance remains heavily skewed. The Productivity Commission identified as early as 2015 that only around 3 per cent of disaster funding was directed to mitigation. The 2024 Colvin Review indicates this has improved, but only modestly, with approximately 7 per cent now invested in resilience, leaving the vast majority still spent after disasters occur (National Emergency Management Agency, 2024). Councils know what resilience projects are needed, such as raising levees, reinforcing bridges and improving drainage systems, but securing upfront investment remains a persistent challenge.

The growing consensus is that incremental change is no longer sufficient. A more ambitious shift has been proposed, with several national bodies and experts advocating for at least 30 per cent of disaster-related funding to be directed to mitigation. The Australian Local Government Association has called for a dedicated annual fund of \$900 million to support local resilience and “build back better” initiatives. The Insurance Council of Australia has similarly argued that a substantial rebalancing toward permanent mitigation is essential to reduce insurance costs and protect communities. Academic and industry experts, including researchers from Monash University, warn that without reaching this level of pre-disaster investment, Australia risks locking in an unsustainable cycle of recovery spending, with federal disaster costs projected to reach \$9 billion annually.

This is not simply a funding challenge. It is a structural one. Successive reviews, from the Royal Commission into National Natural Disaster Arrangements (2020) to the Colvin and Glasser Reviews (2024), have consistently found that governance, funding mechanisms and institutional capability have not kept pace with the scale and complexity of climate risk. The shift required is not marginal. It is a fundamental reorientation toward anticipatory investment, clearer accountability and stronger local capability to manage risk before it becomes disaster.

A System Under Strain

The Colvin Review found that the nation's disaster frameworks are “*fragmented and confusing*,” with overlapping programs and inconsistent accountability. The Glasser Review echoed this, emphasising that resilience depends on a shared job across all levels of government.

Fragmentation matters because climate risks do not respect institutional boundaries. Floods, fires and heatwaves simultaneously affect land-use planning, infrastructure, insurance, health services and economic activity. Without coordinated governance, responsibility can fall between systems.

Local governments welcomed these findings. The Australian Local Government Association (ALGA) argued that councils should no longer be treated as junior partners but as equal participants in resilience governance. ALGA called for:

- A sustainable funding model including direct, non-competitive access to disaster-recovery and mitigation funds.
- Mandatory “betterment” provisions so reconstruction builds assets to a higher standard.
- Systematic consultation with councils in program design (ALGA, 2024).

These reforms would replace the current patchwork of competitive grants which often require local co-contributions smaller councils cannot afford with predictable, equitable funding streams.

The Case for Dedicated Adaptation Funding

ALGA's 2025 report ‘*Adapting Together: Local Government Leadership in a Changing Climate*’, prepared by Ricardo et. al, quantified both the scale of local investment and the benefits of expanding it. Councils already spend about \$400 million annually on adaptation, generating between \$2.2 and \$4.7 billion in avoided damages by 2030 (Ricardo, 2025). ALGA is advocating to for a new \$900M federal Climate Adaptation Fund providing support in creating local, place-based solutions.

The proposed fund would mirror the success of Roads to Recovery and Financial Assistance Grants by distributing resources formulaically rather than competitively. Such a model gives councils long-term certainty to plan and deliver resilience infrastructure at scale.

Economic analysis supports the case: the Productivity Commission (2023) and Insurance Council of Australia (2023) have both argued that proactive adaptation delivers returns of 2–4 times the investment through reduced losses and insured damages.

Beyond Funding: Building Local Capability

Money alone will not deliver resilience if councils lack the people, data, and systems to act effectively. Capability gaps are now well-documented. A 2025 CSIRO national survey found that only 23 per cent of councils have a standalone climate adaptation plan, and fewer than 10 per cent of rural councils do (CSIRO, 2025). The disparities are driven by limited staffing and access to technical expertise.

Councils report three consistent barriers: insufficient resources and skilled staff, limited access to down-scaled, actionable climate data, and unclear guidance or support from state and federal governments (CSIRO, 2025).

Capability is increasingly emerging as a national resilience issue. Even with strong policy frameworks and funding programs, adaptation will ultimately depend on the skills and systems within the organisations responsible for delivering it.

There are several opportunities available to address these deficits including:

1. Regional adaptation hubs that provide shared climate modelling, engineering advice, and project templates.
2. Targeted training for planners, engineers, and finance officers in climate-risk assessment and resilience investment.
3. Shared-service models whereby neighbouring councils pool staff and data systems.

Monash University's Green Lab has suggested establishing Climate Resilience Districts, regional clusters of councils and partners supported by national expertise, to coordinate adaptation planning (Monash University, 2025). The NAP itself supports this concept, calling for stronger regional collaboration and professional-development pathways across local government.

Governance and Representation

Australia's federal system gives states constitutional authority over local government. This structure has historically left councils under-represented in national policy forums, even though they are responsible for implementing many climate and disaster-management measures on the ground. Major decisions are often taken through National Cabinet or ministerial councils, where local government participation has traditionally been limited or indirect.

Recently we've seen progress with the 2025 National Climate Change Partnership formally recognising the need for greater collaboration across all levels of government. The National Adaptation Plan similarly acknowledges that resilience depends on coordinated action across the public sector and across systems. These developments mark a shift from the earlier COAG model, which identified roles and responsibilities but provided few mechanisms to drive alignment or accountability.

Yet structural tensions remain. Shared responsibility does not automatically translate into shared authority, resourcing or decision-making power. Councils continue to carry substantial implementation responsibility for land-use planning, infrastructure resilience and community preparedness, while funding and strategic levers are often controlled at state and federal levels. The risk is a delivery gap: national ambition rises, but local capacity is uneven and accountability is diffused.

Recent reviews have recognised this imbalance. The Glasser Review recommended stronger formal inclusion of local government representation in resilience governance, and the Senate's 2025 Inquiry into Australia's Disaster Resilience echoed calls for clearer integration of councils into federal decision-making processes. Formalising these arrangements would help ensure councils are not merely recipients of policy settings but active contributors to national adaptation strategy.

If adaptation is ultimately place-based, then governance must reflect that reality. Local government is where climate risk intersects with planning law, infrastructure investment, community wellbeing and economic development. Elevating councils within climate governance recognises that national resilience depends on effective local execution, and that effective execution requires voice, authority and stable resourcing.

A New Governance Compact: Applying the Subsidiarity Principle

The subsidiarity principle holds that decisions should be made at the lowest level of government competent to act and that competence includes adequate resourcing. For climate adaptation, this means:

- **Local governments lead locally:** integrating risk into planning, managing community assets, and engaging residents in resilience programs.
- **State and territory governments facilitate regionally:** setting planning frameworks, coordinating across boundaries, and providing technical support.
- **The Commonwealth integrates nationally:** supplying data, funding, and policy coherence.

The National Adaptation Plan articulates this layered approach but stops short of defining new funding pathways. Embedding subsidiarity in practice will require ongoing collaboration, shared metrics, and mutual accountability across levels of government.

The Way Forward: Principles for Reform

1. **Predictable and Equitable Funding:** Establish a multi-year national adaptation fund for councils, linked to measurable outcomes.
2. **Legislative Clarity:** Require climate-risk consideration in all state planning and infrastructure laws.
3. **Capability Building:** Launch a national local-government climate-capability framework to standardize competencies and professional development.
4. **Data and Tools:** Expand access to high-resolution climate projections through the Australian Climate Service and regional hubs.
5. **Partnerships and Co-Design:** Incentivise community-led adaptation and cross-sector collaboration.
6. **Performance and Accountability:** Track adaptation progress publicly, rewarding innovation and learning rather than penalising risk exposure.

These steps align directly with the NAP's implementation agenda and with growing calls from insurers, industry, and academia for coherent, locally delivered climate governance.

Conclusion: Local Leadership as National Leverage

Australia's climate resilience will be built in its towns, suburbs, and regions. Councils are already doing more than ever: cutting emissions, planning for climate hazards, rebuilding after disasters, and supporting communities in distress. But ambition without capacity breeds frustration.

Empowering local government is not duplication. It multiplies national effort. With clear mandates, predictable funding, and investment in workforce capability, councils can translate high-level strategy into the tangible outcomes that matter: safer roads, cooler cities, stronger communities, and reduced losses.

As the NAP moves from vision to delivery, the path forward is clear: building capability where climate risk is experienced; elevating councils from policy recipients and deliverers to strategic partners; and fund prevention as seriously as recovery.

Strengthening local government's capacity to lead on climate mitigation and adaptation is essential if national climate strategies are to translate into real-world resilience.

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About the Author

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This article is part of the Local Government Climate Risk and Capability thought leadership series.