



AUSTRALIAN LOCAL
GOVERNMENT ASSOCIATION

**Submission to the Senate Environment and Communications
References Committee on *Current and future impacts of
climate change on housing, buildings and infrastructure***

15 August 2017

Introduction and background

The Australian Local Government Association (ALGA) appreciates the opportunity to present this submission in response to the Review of climate change policies discussion 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. ALGA was established in 1947 and throughout its history has been closely involved in issues of national significance affecting the local government sector as a whole. ALGA has enjoyed a close, productive working relationship with the Commonwealth Government, illustrated by its current membership (through its President) of the Council of Australian Governments, and a number of other Commonwealth-State Ministerial Councils, both formal and informal, which consider different sets of complex policy issues across many sectors of the economy. In addition to its representative role on Commonwealth-State Ministerial forums, ALGA's key functions include participating in policy reviews, providing submissions to and appearing before Federal Parliamentary inquiries, and enhancing opportunities for local government to inform the development of national local government policies.

This submission has been developed in consultation with ALGA's member state and territory local government associations. It should, however, be read in conjunction with state and territory local government association and individual council submissions. For any specific issues related to state laws and regulations, please refer to those association and council submissions.

ALGA's engagement on matters relating to climate change is extensive and includes representation at the Meeting of Environment Ministers. ALGA recognises and appreciates the diverse nature of climate change as an issue as well as the multi-faceted approach required to address it.

Threats

Climate change has presented a number of specific challenges that communities, government and business will need to face and address, sooner rather than later. These threats will impact infrastructure, buildings and communities, including public health.

There has been significant focus in this process and more broadly on the threats in the coastal zone - these include sea-level rise and storm surges. However, the presence of climate change in non-coastal areas is of equal importance, with flooding, more wide-spread and prolonged droughts and bushfire risk needing to be considered and assessed. In addition to those more clearly observed threats, it is important to consider the impacts of warmer temperatures and how that affects local biodiversity put at risk by the ability of pest species to travel further on land and in water.

Adaptation

In recent years, the focus of local government has turned toward boosting the capacity of the sector to support communities deal with the impacts of climate change that cannot be avoided.

These include threats to valuable coastal infrastructure, such as roads, parks, harbours as well as residential and commercial land, due to the risk of increasing sea-levels and storm-surges from more powerful weather systems. As the level of government closest to communities and responsible for most local infrastructure, this is core business and fundamental due diligence.

Engagement

ALGA is represented on a number of groups that support national decision making, policy development and capacity building when it comes to climate adaptation, including supporting the development of information resources. These include the Adaptation Working Group, which serves as a national policy workshop between jurisdictions and a body to provide advice to the Meeting of Environment Ministers and committees that had oversight of the management of the National Climate Change Adaptation Research Facility (NCCARF). NCCARF was an important process, that brought together specialists and decision makers to develop tools and advice related to managing the adaptation agenda. Given the progress made and the rapid pace in which the quality of data evolves, it was disappointing that the Commonwealth chose not to continue the work of NCCARF. When it comes to the day to day work of councils across the country, they depend on the information they use to make decisions and that information needs to be the best available. ALGA would be concerned by any risk to the confidence that the sector has in the data and tools available.

Climate projections

The Terms of Reference of the Senate Committee Inquiry note climate projections. This is an issue of fundamental importance for local government. At present climate projections are being contested, there is no single authoritative source. Local government needs a source of information that is respected and trusted.

Local government infrastructure

While the impacts of climate change on the coastal zone have been the focus of considerable research it is important to note that it is not just an issue for coastal areas. However, ALGA appreciates that the tendency to focus on the coasts is driven primarily by the proportion of the population that lives on the coast, population density and capital value of coastal developments as well as the scale of infrastructure in place to service that population.

Local government owns and manages over 680,000km of roads in Australia and spends billions each year on their upkeep. A 2006 report by PricewaterhouseCoopers into the financial sustainability of the sector estimated a substantial infrastructure backlog of around \$14.5 billion and an under-spend on renewals in excess of \$2 billion per annum. A more recent report on the State of the Local Roads Assets prepared in 2011 estimated an underinvestment in local roads alone of around \$2.2 billion per annum. These studies demonstrate that local government is already under considerable pressure to manage and maintain existing non-financial assets within current budgetary constraints.

The impact of climate change and extreme weather events exacerbate these challenges.

That vulnerability is not just recognised by local government. Almost all jurisdictions have highlighted the need to boost capacity to respond to issues relating to coastal threats. The Department of Defence has recognised the threat posed in the coastal zone and is actively seeking to ameliorate that risk, where possible.

Private organisations and land owners along the coast, including telecommunication providers, tourism operators and other local businesses are also considering the threats along the coastal zone seriously and building adaptation into their business plans. Beyond government, the market has built climate change broadly into its considerations and practices and policies have adjusted accordingly.

Extreme weather events

One of the many impacts of climate change being experienced is an increase in extreme weather events. This is being noticed internationally but in Australia, which is already vulnerable to these kinds of events, the risk is considerably greater. Fewer, but more intense cyclones driven by higher sea temperatures have hit the Northern coasts. Bushfires have impacted areas that have little history of such events and severe flooding has now been experienced across the country at unusually close intervals.

These events, such as Cyclone Debbie that struck Queensland in March, not only caused immediate damage where they crossed the coast, but slow progress down the coast saw extreme flooding as far south as the Hunter Valley of NSW. This led to billions of dollars in damage, including damage to local government infrastructure. ALGA has long supported the inclusion of Betterment Funding in the Natural Disaster Relief and Recovery Arrangements (NDRRA), whereby authorities, whether state, or local government, are able to re-build infrastructure to a condition that would withstand a disaster.

Local government's own data-gathering shows where areas of local vulnerability exist, many have been using their resources to reinforce and, in some cases, re-build infrastructure to suit risk projections. This, however, is not the universal experience. As noted previously, local government is resource constrained and when combined with

restraint on how NDRRA funding can be used, and increasing efforts by state governments to limit local government's ability to raise its own revenue through rate-capping/pegging, this is leaving key local infrastructure more vulnerable than would otherwise have been the case.

It is important to note that inland communities are also experiencing those weather events. Much of the flooding from Cyclone Debbie was experienced beyond the coastal zone. Regional communities are vulnerable to the economic shocks of agricultural downturns due to weather events such as flooding and prolonged drought and increased spread of pest species. This is in addition to the damage inflicted on transport and community infrastructure.

Policy consistency

There have been few policy areas over the last decade that have seen the degree of flux that climate policy has seen. This has led to local government reducing its engagement in Commonwealth climate change programs, either due to a lack of security of funding or, as is the case with the Emissions Reduction Fund, because the program design limits involvement.

In the absence of long-term consistency in policy and programs and security of funding streams, the capacity of local government to deal with emerging and current threats will remain weakened.

Linkage to mitigation

This inquiry is very much focused on issues related to infrastructure vulnerability and adaptation measures. However, it is impossible to address those issues without discussing the methods by which those impacts might be minimised, mitigation.

In its submission to the Commonwealth's *Review of Climate Change Policies*, ALGA made clear that the current methods being deployed to reduce emissions in Australia, the Emissions Reduction Fund (ERF) were insufficient. In order to deliver the reductions required to meet the Paris Agreement targets, ALGA highlighted the following issues that needed to be addressed.

1. The ERF's reverse auction mechanism favours short-term high-intensity reductions, which supports inefficient heavy-emitting industry, excluding many sectors.
2. The funding provided to local government to undertake community-based emissions reduction activities has largely disappeared, and current financial arrangements requires new funding to be linked to new projects, rather than supporting ongoing work. Given the nature of local government as an early-adopter of technology in this area, there are many projects that could be built into the Commonwealth's efforts.

3. ALGA has, from the beginning, argued for a sectoral approach to support expanding the footprint of emissions reduction activities across the economy and community. Expansion is the only viable way for Australia to meet its targets under the Paris Agreement.

ALGA believes that unless measures to bring down emissions across the economy are effective, the impacts of climate change will increase and the consequences for coastal and non-coastal communities, industries and infrastructures and funding required to address them, will only grow.

In order to respond to these challenges, ALGA recommends the following responses at the Commonwealth level.

- Support to ensure the quality and availability of nationally-consistent datasets and tools to enable decisions are based on best-available information.
- Ongoing recognition of the threat posed to coastal areas, through increased access to funding to protect vulnerable infrastructure.
- Recognition of the importance of managing climate vulnerability and the impacts of climate change beyond the coastal zone.
- Reforms to ensure that betterment is supported as an element of the NDRRA and a greater focus on disaster mitigation funding for councils.

Yours sincerely,

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