Australian Government

Australian Government response to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport report:

Inquiry into the implications of severe weather events on the national regional, rural and remote road network

January 2026

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Overview

The Australian Government notes the report by the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport (the Committee) on the Inquiry into the implications of severe weather events on the national regional, rural and remote road network.

The response reflects the Australian Government's commitment to safeguarding Australia's critical road infrastructure against the growing threat of severe weather events. The number of Australian Government departments and agencies providing input to the response reflects the complexity of the issues considered by the Committee, and included:

- Austrade
- Australian Climate Service
- Bureau of Meteorology
- Commonwealth Scientific and Industrial Research Organisation
- Department of Climate Change, Energy, the Environment and Water
- Department of Employment and Workplace Relations
- Department of Foreign Affairs and Trade
- Department of Industry, Science and Resources
- Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
- Department of the Prime Minister and Cabinet
- Department of the Treasury
- Infrastructure Australia
- National Emergency Management Agency.

The response identifies the key strategies being used to strengthen the resilience of road infrastructure across regional and remote Australia, including increasing investment in infrastructure resilience in alignment with the Australian Government's Infrastructure Policy Statement, enhancing predictive weather modelling, integrating climate adaptation into road planning, and strengthening emergency management coordination.

These strategies have been informed by reviews such as Phase One of the Road and Rail Supply Chain Resilience Review and the Independent Review of the Australian Climate Service.

The response underscores the importance of collaboration and data sharing across all levels of government, and the need for continuous monitoring and assessment. The effective use of existing cross-government forums such as the Infrastructure and Transport Ministers' Meeting, the National Emergency Management Ministers' Meeting and the Local Government Ministers' Forum will enable all levels of government to work together to adapt to climate challenges to Australia's road infrastructure.

Australian Government response

The Australian Government's response to the Inquiry into the implications of severe weather events on the national regional, rural and remote road network is set out in detail below.

Recommendation 1:

2.66 The Committee recommends that the Commonwealth Scientific and Industrial Research Organisation's Transport Network Strategic Investment Tool be utilised by the Australian Climate Service to examine projected impacts on strategic road network routes

The Australian Government **supports** this recommendation.

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) Transport Network Strategic Investment Tool (TraNSIT) shows the impact from current road closures to freight and supply chains and provides a scenario planning tool that allows stakeholders and users to test future disruption scenarios of road closures.

The Government has provided $3.8m funding over 4 years from 2022-23 to 2025-26 to enhance TraNSIT with supply chain resilience modelling capabilities. This will improve reporting on disruptions, including the impacts to communities, along with scenario planning to identify future network pressures and improve evidence for investment decision-making.

The TraNSIT tool provided analysis to the Australian Climate Service (ACS) as part of the National Climate Risk Assessment evidence base. This analysis examined:

- How supply chains are at risk from climate change in 2050 and 2090 for different levels of global warming
  - how and where are they exposed
  - the most important vulnerabilities – both physical and in terms of critical points of network vulnerability
  - The extent to which the projected risks are being managed
- Which communities or sectors are likely to be most directly affected by impacts on future supply chains
- What Local Government Areas become more vulnerable to disasters due to extreme events and supply chain impacts in a different part of the country.

Recommendation 2:

2.68 The Committee recommends that clearer demarcation of climate data and sharing responsibilities between the Bureau of Meteorology and the Commonwealth Scientific and Industrial Research Organisation and state and territory and local governments be established to facilitate adequate warning and risk mitigation.

The Australian Government **notes** this recommendation.

The Australian Government supports improved climate data sharing between all relevant stakeholders.

Since 2022, the Department of Climate Change, Energy, the Environment and Water has established and served as the secretariat of the National Partnership for Climate Projections (NPCP). The partnership arrangement is designed to enhance federal to state collaboration on climate data and data sharing. It is a voluntary collaboration that aims to develop a consistent approach to deliver comparable, robust, fit-for purpose future climate information to assess climate risks and inform adaptation planning.

The ACS is supporting an uplift of natural climate and hazard data through the Bureau of Meteorology and CSIRO as partners in the ACS. The ACS supports national adaptation and disaster risk reduction by providing climate risk data, insights and resources to enable effective risk monitoring and adaptation across sectors.

In addition, whilst noting it would not be CSIRO's role to provide a warning system, CSIRO has developed a suite of decision support tools to support planning, preparation and response across multiple hazards that would impact on a road network. As well as TraNSIT, these include the National Bushfire Intelligence Capability and AQFx.

Recommendation 3:

3.186 The Committee recommends that the Australian Government propose that road asset infrastructure resilience planning and investment frameworks be made a standing item on the Infrastructure and Transport Senior Officials' Committee meeting agenda.

The Australian Government **agrees in principle** with this recommendation.

Infrastructure sustainability and resilience, including for road assets, is one of the three core strategic themes of the Infrastructure Policy Statement (IPS). The IPS sets out the Australian Government's intention to invest in projects that improve the resilience of critical road and rail corridors, including through upgrading existing assets that are vulnerable to risks; enhancing networks to achieve greater redundancy; as well as building and maintaining networks to a higher standard, where appropriate, to create more resilient infrastructure following extreme weather events.

The IPS and its strategic theme of resilience is embedded in the Federation Funding Agreement Schedule for Land Transport Infrastructure Projects (2024-2029)(FFAS), and will guide decisions by the Australian Government regarding infrastructure planning and investment.

The Australian Government is committed to working in partnership with the states and territories to address critical resilience issues across roads in Australia. Given the importance of the issue, road resilience will continue to be an item which is regularly discussed and progressed at both the Infrastructure and Transport Senior Officials' Committee (ITSOC) and the Infrastructure and Transport Ministers' Meeting (ITMM).

Recommendation 4:

3.188 The Committee recommends that the Australian Government propose that the Infrastructure and Transport Senior Officials' Committee, in consultation with Austroads and other relevant stakeholders, progress the development of national road infrastructure resilience guidelines to inform asset management and project investment.

The Australian Government **agrees in principle** with this recommendation.

The Australian Government recognises the importance of incorporating risk management and disaster resilience in road infrastructure project design and asset management, in light of the increasing frequency of severe weather events. Significant work is already underway to develop and improve guidance and knowledge on road asset resilience in response to a changing climate.

The Australian Government has undertaken Australia's first National Climate Risk Assessment. This risk assessment provides a national picture of risks and includes analysis on infrastructure and the built environment.

Through Austroads, the Australian Government is also supporting several projects that will contribute towards more resilient asset management across all levels of government. This includes:

- *Climate Change and Natural Hazards Risk Assessment and Adaptation Planning*: This project developed a framework for undertaking climate change and natural hazard risk assessments and developing adaptation plans. The guidelines draw on leading practice within Austroads transport agencies and internationally. The guidelines were published in November 2024.
- *Incorporating climate change resilience in asset management:* The report provides practical guidance and user cases for asset managers within the transport sector to embed consideration of climate resilience into asset management. The report was published in November 2024.
- *Identify, Prioritise and Deploy Adaptation Actions:* This project will provide a detailed database of proven and potential prioritised adaptation actions, activities, and controls for the transport sector. The database will support prioritisation and rapid deployment of best value adaptation actions across transport projects and operations. The project commenced in October 2024.
- *Develop Climate Resilience and Adaptation Metrics for Transport Assets and Services:* This project will develop climate resilience and adaptation measurement metrics that can be used to monitor the performance of transport assets and services to climate-related hazards. The project commenced in February 2025.
- *Research Climate Resilience Needs and Guidance Approaches:* This project will examine the need for and nature of guidance for climate change resilience of transport assets, network management and operations, and plan for its development and approach to delivery. The project commenced in November 2024.

Separately, Infrastructure Australia provides resources for improving infrastructure resilience throughout the planning, delivery and operation of assets. Two advisory papers, released as part of the *A Pathway to Infrastructure Resilience* program, set out a whole-of-system, all-hazards approach to resilience planning:

- Advisory Paper 1: Opportunities for Systematic Change identifies long-term directions for transformational and systemic change in infrastructure planning to achieve infrastructure for resilience.

- Advisory Paper 2: Guidance for asset owners and operators in the short term outlines a series of short-term actions for asset owners and operators as the first steps towards this change.

Recommendation 5:

3.190 The Committee recommends that the Australian Government establish a review into the distribution formula of the Financial Assistance Grants road component.

The Australian Government **supports** this recommendation.

On 21 March 2024, the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport accepted the Australian Government's referral for an inquiry into the local government sector's sustainability. Among other issues, the Inquiry will consider the financial sustainability and funding of local government and the role of the Australian Government in addressing these issues.

The Australian Government welcomes the Inquiry as it will provide an opportunity for all perspectives on the issues affecting local government to be heard, and help inform how the Australian Government can strengthen councils' capacity to deliver better outcomes in our communities.

Recommendation 6:

3.192 The Committee recommends that the Australian Government review funding allocation to support road asset maintenance works under its Infrastructure Investment Program and consider other measures to incentivise increased investment in maintenance works.

The Australian Government **agrees in principle** with this recommendation.

The Australian Government is committed to exploring measures to address these challenges and ensure effective asset management across all regions.

As part of the FFAS, the Australian Government increased its funding to the states and territories for asset maintenance works on the National Land Transport Network (NLTN) from $350 million in 2023-24 to $460 million in 2024-25 (indexed at 2.5 per cent per annum). This reflects the importance the Australian Government places on maintaining critical road and rail infrastructure. This funding is in addition to other investments through the Infrastructure Investment Program (IIP), including subprograms.

In November 2023, the Australian Government announced improvements to a number of subprograms of the IIP that enhance the safety, resilience and connectivity of our road network. Regional Australia will directly benefit from the Australian Government increasing its annual commitment towards the Roads to Recovery Program, which is progressively increasing from $500.0 million to reach $1.0 billion per year from 2027-28. This funding benefits local governments and unincorporated areas responsible for local road infrastructure works.

The Road Safety Program will also continue to roll out lifesaving road treatments through to June 2026, many of which are in regional and remote areas.

Recommendation 7:

3.194 The Committee recommends that the Australian Government, as part of the development of a Federation Funding Agreements Schedule on transport infrastructure, assess options to improve the alignment and coordination of funding programs and application and approval processes with state and territory partner-funded bodies.

The Australian Government **notes** this recommendation.

The IPS acknowledges that state, territory and local governments are primarily responsible for land transport networks, and drive the planning, identification and delivery of infrastructure projects.

The FFAS incorporates reforms to funding proposal and approval processes, including the principle that the Australian Government's investment decisions are informed by strategic priorities and planning. This includes requirements for:

- projects to be subject to necessary due diligence processes, including as best as possible, ensuring Commonwealth funding for delivery is not committed until a business case has been completed and considered by all relevant parties
- proposals seeking Australian Government funding to demonstrate alignment to the IPS
- states and territories to submit an Annual Infrastructure Plan to enable the Australian Government to understand the strategic context for their funding proposals. These Plans will provide a long-term (10-year) view, including how projects will be sequenced and how the states and territories will respond to cost pressures and other related impacts, such as population growth, carbon emissions, regional development, and urban policy, including housing, and will reflect local government priorities where relevant.

Recommendation 8:

3.195 The Committee recommends that the Australian Government work with state and territory governments to establish consultation mechanisms with local governments to consider road infrastructure priorities at the local level.

The Australian Government **notes** this recommendation.

Under the FFAS, states and territories are required to develop and provide the Australian Government with an Annual Infrastructure Plan (Plan), which provides a long-term (10-year) strategic view of a state/territory's land transport infrastructure priorities. The Plans enable the Australian Government to understand the strategic context for the states and territories' project proposals and enable the Australian Government to identify issues of national importance. The FFAS notes the states and territories have the requisite knowledge and expertise to ensure the successful delivery of projects through effective planning and risk management projects. The Plans should, where relevant, reflect local government priorities within their jurisdiction.

The Australian Government, as well as state and territory governments, consult regularly with local governments about road infrastructure matters. Additionally, the Australian Council of Local Government (ACLG) enables local government representatives to engage directly with the Australian Government on a range of issues.

Recommendation 9:

3.197 The Committee recommends that the Australian Government review the funding approval timeframes as part of the joint Australian-State and Territory Government Disaster Recovery Funding Arrangements.

The Australian Government **notes** this recommendation.

In February 2023, the Australian Government appointed Mr Andrew Colvin AO APM to undertake an Independent Review of Commonwealth Disaster Funding (Colvin Review). The Colvin Review considered how the Australian Government's investment in disaster risk reduction, preparedness, response and recovery could make Australian communities safer and more resilient to future disasters.

Mr Colvin delivered his Final Report to the Australian Government on 30 April 2024. The Final Report was publicly released on 25 October 2024. The Australian Government is currently considering the findings and recommendations of the Colvin Review.

Recommendation 10:

3.199 The Committee recommends that the Australian Government implement options for greater flexibility for betterment funding for resilient infrastructure builds, where structural, economic or social benefits are identified, through Disaster Recovery Funding Arrangements eligibility criteria following natural disaster events.

The Australian Government **notes** this recommendation.

The Australian Government supports the use of betterment funding in principle to reduce the overall societal cost of responding to natural hazards and extreme events including those made more frequent or severe by climate change.

Under standard Disaster Recovery Funding Arrangements (DRFA) measures (Category B), states and territories can claim the cost of restoring damaged essential public assets to at least their pre-disaster function. To determine its pre-disaster function, states must consider the condition of the essential public asset and its level of functionality (or utility) prior to the disaster. The assistance also allows the adoption of alternative approaches to the reconstruction of damaged assets, including approaches to facilitate improvements in disaster resilience. This allows essential public assets to be rebuilt to a more resilient standard through:

- applying modern building, design, and construction standards
- using contemporary construction methodologies and building materials
- adopting a more appropriate type of asset, rather than a like-for-like replacement
- relocating damaged assets to a more suitable site.

States and territories are also able to request the Prime Minister's agreement to cost-share, under the DRFA, betterment works to essential public assets following major disasters as exceptional assistance (Category D). The Australian Government is committed to supporting jurisdictions to build back essential public assets to a more resilient condition, where this is appropriate, and has agreed to cost-share a number of betterment programs under Category C/D of the DRFA for Queensland, New South Wales, Victoria, South Australia and Western Australia. These programs are intended to support rebuilding and recovery, with a resilience component, with the goal to mitigate risk against future disaster events and their costs. An 'off-the-shelf' recovery package for infrastructure betterment has been developed to support state and territory governments in preparing and lodging a Category D betterment application.

Recommendation 11:

3.201 The Committee recommends that the Australian Government investigate options to include flexibility to fund preparedness measures through Disaster Recovery Funding Arrangements to assist in mitigating against future disaster events.

The Australian Government **notes** this recommendation.

The purpose of the DRFA is to support states and territories to assist with providing certain relief and recovery assistance measures to support impacted individuals and communities to recover from a disaster. While the DRFA is not specifically designed to fund preparedness, a central principle of the DRFA is that relief and recovery assistance should be used to complement and promote disaster resilience outcomes for affected individuals and communities.

In addition to improving the resilience and betterment of essential public asset reconstruction, as outlined in response to Recommendation 10, the DRFA also provides support with the costs of undertaking Counter Disaster Operations. These activities, undertaken either immediately prior, during or after a disaster to protect individuals and/or communities, may include search and rescue or evacuations of threatened/affected individuals, sandbagging or construction of temporary levees, fire suppression activities, rapid assessments, and establishing temporary access routes.

Additionally, where a state or territory is claiming the costs of reconstructing a damaged essential public asset under Category B of the DRFA, cost efficiencies may be realised where the actual cost of reconstructing the essential public asset is less than the established estimated reconstruction cost. Where efficiencies are realised, the DRFA outlines that states and territories can redirect these efficiencies towards natural disaster mitigation projects in order to reduce or eliminate future risk from natural hazards. This may include projects that focus on:

- planning and regulations –assessing, documenting and communicating community risks, limiting or prohibiting development in high-risk areas, integrating hazard mitigation into planning
- infrastructure projects – protection of existing public infrastructure, post-disaster mitigation activities
- education and awareness – increased hazard and risk education awareness.

Separate to the DRFA, the Australian Government has established the Disaster Ready Fund (DRF) which will provide up to $200 million per year from 2023-24 to 2027-28 for disaster resilience and risk reduction initiatives across Australia. Both infrastructure and systemic risk reduction projects were eligible under Round One and Two of the DRF. Round One delivered $200 million in 2023-24 to 185 projects across Australia. Round Two delivered $200 million in 2024-25 for 171 projects across Australia. Round Three has a particular focus on larger infrastructure projects that deliver long-term risk reduction and resilience benefits through a dedicated funding stream. Round Three outcomes were announced on 17 November 2025. This provides an additional $200 million in funding through 2025-26 for 96 projects in every state and territory. Of the 96 projects, 41 are infrastructure projects. Round Four is currently in the design phase with program information and requirements expected to be released by mid 2026.

DRF project proposals have sought investment in grey infrastructure, green-blue infrastructure (including nature-based solutions), social infrastructure, natural hazard monitoring infrastructure, and development of infrastructure business cases and feasibility studies. Examples include, but are not limited to: the construction of flood levees, fire breaks or cyclone shelters, business cases to develop accessible infrastructure and investigation, planning and design of infrastructure to resolve emerging risks, sand nourishment on vulnerable coastlines, tsunami modelling, bushfire warning systems, construction of places for community support or to address community needs in time of disaster.

Recommendation 12:

3.202 The Committee recommends that the Australian Government's National Emergency Management Agency increase awareness and education around betterment options under Category B Disaster Recovery Funding Arrangements.

The Australian Government **agrees in principle** with this recommendation.

Together with states and territories, NEMA delivered a series of targeted outreach events throughout 2023 through a national DRFA Roadshow. The purpose of this engagement was to ensure local governments had a greater understanding of the application and requirements of the DRFA and to enhance partnerships across all levels of government. These sessions were tailored, reflecting that each jurisdiction has its own disaster recovery arrangements and capability maturity and relationships with local governments. The DRFA Roadshows covered:

- relief measures available, with a focus on roads and other essential public asset reconstruction (including betterment), and activation processes
- eligibility, evidentiary requirements, and the DRFA claims acquittal and assurance processes including through the use of practical case scenarios.

The Roadshows provided an opportunity for local councils to raise key concerns and ask questions of DRFA experts in both the Australian Government and relevant state government departments. The national DRFA Roadshow delivered 31 sessions across every jurisdiction, attended by more than 1100 participants from over 330 local governments and delivery agencies. The key themes that emerged throughout the Roadshow engagements were:

- the need for a timely flow of funding (including Australian Government DRFA funding) to councils to support recovery
- recognition of the need for increased funding to local governments, including the minimum funding required to maintain Australia's extensive road networks
- the need for additional engagement across all levels of government to enhance understanding of DRFA settings, roles and responsibilities
- increased investment in resilient infrastructure or betterment of existing infrastructure.

An evaluation of the DRFA Roadshow sessions demonstrated high levels of engagement by all stakeholders and recommendations for continued engagement and or tailored/targeted sessions. NEMA continues to engage with state and local governments to build and mature the understanding of the DRFA, including through identifying opportunities for targeted engagement, such as preparing for future high-risk weather seasons.

NEMA continues to engage with state and local governments to build and mature the understanding of the DRFA. Follow up Roadshow sessions were conducted with a number of states in 2024, and as requested by states in 2025. These sessions were tailored to the needs of the states and their local councils. Engagement with states continues on an ongoing basis.

Future outreach will also seek to address the outcomes of the multiple relevant reviews being undertaken, while also seeking to further strengthen stakeholder relationships and further aid the effective utilisation of the DRFA to support recovery (and resilience) activities.

Recommendation 13:

3.205 The Committee recommends that the National Emergency Management Ministers' Meeting include infrastructure resilience on its agenda to foster cross-agency collaboration and coordination across the Australian Government.

The Australian Government **notes** this recommendation.

Strengthening consideration of natural hazard risk reduction and resilience, including infrastructure resilience, is a key priority for members of the National Emergency Management Ministers' Meeting (NEMMM). However, it is recognised that primary portfolio responsibility for infrastructure resilience sits outside the portfolio responsibilities of NEMMM members in all jurisdictions, requiring engagement and cooperation with planning, building and infrastructure ministers.

Recommendation 14:

3.209 The Committee recommends that the Australian Government encourage its state and territory counterparts to work with local governments to facilitate local council collectives to deliver road asset management projects and to guide voluntary road user agreement negotiations with industry.

The Australian Government **notes** this recommendation.

The Australian Government is committed to working in partnership with local, state and territory governments to deliver services and build infrastructure that delivers benefits and supports jobs in local communities.

The Australian Government notes that while councils have responsibility for the majority of roads in Australia, they are constrained by limited resources. State and territory governments are best placed to assist local councils where necessary. The Australian Government will use mechanisms such as the FFAS and existing forums with states and territories to encourage closer cross-jurisdictional collaboration. It is expected the Annual Infrastructure Plans developed by the states and territories under the FFAS will reflect local government road asset priorities within their jurisdictions.

In November 2023, the Australian Government announced major funding increases and changes to local roads investment programs to benefit local governments. This funding will give councils the stability and funding certainty to establish and grow local resources to tackle the challenges of upgrading and maintaining regional road networks, which have been heavily impacted by severe weather in recent years. More funding for local roads will enhance safety and connectivity for communities, especially in regional Australia.

As referenced in the response to Recommendation 6, this funding included Roads to Recovery Program funding, which is increasing to $1 billion annually from 2027-28, supporting local governments and unincorporated areas responsible for local road infrastructure nationwide.

Since 2019 the Australian Government has also funded the Strategic Local Government Asset Assessment Project (SLGAAP) to assist local government road managers undertake capacity assessments of bridges and culverts on key routes for heavy vehicles. The initiative provides information on safe operating limits of road infrastructure and facilitates safe access for heavy vehicles, informing long-term asset management plans.

Recommendation 15:

4.155 The Committee recommends that the Australian Government collaborate with state and territory governments, the scientific community, and industry to revise national road infrastructure design and construction standards, allowing for:

- state and territory and place-based resilience requirements
- contemporary and adaptive engineering and design principles
- innovative and recycled technologies
- local government assistance to access innovative technologies and recycled materials
- consideration and identification of climate resilient corridors, including through the Australian Government's Bureau of Infrastructure and Transport and Research Economics' Road and Rail Supply Chain Resilience Review.

It is expected that the standards would be informed by Austroads Guides, National Transport Research Organisation research, Bureau of Meteorology and Commonwealth Scientific and Industrial Research Organisation research, and industry standards.

The Australian Government **agrees in principle** with this recommendation.

The Australian Government is collaborating with relevant stakeholders to include consideration of resilience, innovative technologies and greenhouse gas emissions in infrastructure investment.

In December 2022, the National Cabinet tasked Planning Ministers from all jurisdictions with developing a framework and guidance on nationally agreed principles for disaster and climate risk considerations in land use planning. This work is ongoing.

The Australian Government partnered with Engineers Australia to update the climate change considerations chapter of the Australian Rainfall and Runoff (ARR) Guidelines. The updated chapter, released in August 2024, will assist stakeholders to identify and manage flood risks to infrastructure, including roads, based on the latest climate science.

The Australian Government supports the use of recycled products in major infrastructure projects, such as road construction and maintenance, complementing the Australian Government's circular economy and net zero goals. For example, the Tyre Product Stewardship Scheme is an Australian Government accredited, industry-led voluntary scheme, managed by Tyre Stewardship Australia. The scheme has delivered a range of projects - including research and trials - to identify practical applications for tyre derived products in roads.

The Austroads research program has also undertaken considerable research on use of recycled materials and innovative techniques, and the findings have been and will be incorporated into Austroads Guides so all road practitioners, including local government road practitioners, can be equipped with advice on applying these innovative techniques.

Additionally, Austroads has worked with RMIT University on a project with 10 local governments and supported by the Australian Research Council on incorporating recycled plastic from consumer and industrial waste, including stubborn soft plastics, into asphalt as a performance enhancer.

Phase One of the Road and Rail Supply Chain Resilience Review assessed the vulnerability of 65 critical road and rail freight routes. Phase One highlighted a number of potential opportunities to address gaps in data and build upon existing research, leverage infrastructure investment, and develop a nationally coordinated approach to road and rail resilience to risk. The refreshed National Freight and Supply Chain Strategy includes actions in response to the Phase One findings.

Infrastructure Australia released the Embodied Carbon Projections for Australian Infrastructure and Buildings report in July 2024, which identifies an opportunity to drive national alignment on low-carbon expectations through performance-based standards and specifications. The report was developed in consultation with state and territory governments, CSIRO and industry stakeholders.

All infrastructure proposals seeking more than $250 million in Australian Government funding being submitted to Infrastructure Australia must consider their impact on greenhouse gas emissions. Project cost benefit analyses must measure emissions and use the National Carbon Values to assess the impact of greenhouse gas emissions. Further detail is available in the Guide to assessing greenhouse gas emissions. Where practical the National Carbon Values are also expected to be applied to projects with a government contribution exceeding $100 million, regardless of jurisdiction. The FFAS includes Key Performance Indicators on decarbonisation, which will provide data on business cases using the National Carbon Values.

Recommendation 16:

4.157 The Committee recommends that the Australian Government strengthen procurement requirements under the new Federation Funding Agreement Schedule on transport infrastructure for state and territory government co-funded project proposals to incorporate resilience design, minimum road construction requirements, and performance specifications to enable sustainable long-term resilience over an asset's lifecycle.

The Australian Government **supports** this recommendation.

Under the new FFAS, the Australian Government and states and territories share a responsibility to invest in the whole-of-life resilience of land transport infrastructure to mitigate climate and disaster risks, thereby improving freight and supply chain resilience. Projects funded under the FFAS will align with the parties' shared strategic themes, which include productivity and resilience; liveability; and sustainability. States and territories will also work towards optimising their procurement practices to deliver wider economic, social, and environmental benefits.

The FFAS and associated administrative guidelines also include a requirement for road projects funded under the agreement to be designed in accordance with relevant design guidelines as a minimum.

Recommendation 17:

4.159 The Committee recommends that the Australian Government strengthen procurement project specifications under the new Federation Funding Agreements Schedule for state and territory government co-funded project proposals to include minimum or preferred requirements for the use of innovative road asset technologies and recyclable materials and methodologies to enable sustainable long-term asset resilience and support a circular economy.

The Australian Government **supports** this recommendation.

In November 2023, Australia's environment ministers endorsed a national framework for recycled content traceability. This framework can support procurement officers involved in infrastructure projects such as roads to source genuine, fit-for-purpose recycled material for use. It can also support the tracking and reporting of recycled content used in infrastructure projects more generally.

Under the FFAS, states and territories will work towards optimising their procurement practices to enhance the recycled content in transport infrastructure to support Australia's transition to a circular economy by 2030, and reduce embodied carbon in transport infrastructure in line with Australia's net zero commitments. These procurement practices should also deliver value for money, and consider the opportunities and market capabilities in their respective jurisdictions.

Recommendation 18:

4.161 The Committee recommends that the Australian Government work with its state and territory counterparts and industry to raise awareness and education of innovative technologies and recyclable materials and construction methods to support road asset infrastructure sustainability and support a circular economy.

The Australian Government **supports** this recommendation.

The Australian Government has been working to raise awareness of the opportunities for use of recycled materials in infrastructure, by:

- producing videos that showcase Australian companies making products containing recycled materials
- partnering with the Infrastructure Sustainability Council to pilot a credit that will reward the use of recycled content under their Infrastructure Sustainability Rating Scheme
- delivering through Infrastructure Australia the 2022 Replacement Materials Report which highlights opportunities to use recycled materials in road infrastructure
- delivering through Infrastructure Australia the 2024 Embodied Carbon Projections for Australian Infrastructure and Buildings report, which identifies opportunities and practical decarbonisation strategies including recycled and low carbon materials
- engaging the Australian Roads Research Board to develop best practice advice on recycled material use in road and rail projects.

The Australian Government is also developing a verified brand for recycled content products, 'ReMade in Australia'. The brand will be implemented as a certification trade mark and administered by a third-party licencing body. While the rules for the scheme are still being developed, it is expected that construction projects (that meet the eligibility requirements) will be able to participate with the brand.

The Recycling Modernisation Fund (RMF) is a national initiative that is expanding Australia's capacity to sort, process and remanufacture glass, plastic, tyres, paper and cardboard. The Australian Government is investing $250 million in new and upgraded recycling infrastructure through the RMF. As part of this investment, the RMF has provided funding to projects which would enable the construction of roads from recycled materials.

Recommendation 19:

4.164 The Committee recommends all levels of Government to undertake a proactive approach to build and strengthen their data skills and capabilities to inform better decisions, particularly on road conditions and accidents.

The Australian Government **supports** this recommendation.

The Australian Government is improving the sharing, transparency and consistency of national road safety data through the following measures:

- A Data Sharing Agreement (DSA) for the exchange of road safety data was agreed by all governments on 12 April 2024 to help inform a comprehensive view of where and when fatalities and serious injuries are occurring.
- The Australian Government will also work to improve data sharing with the state and territory governments through the FFAS.
- The 2024-25 Budget included an investment of $21 million in the National Road Safety Data Hub (the Hub). This investment will ensure that the Hub can be used effectively by everyone, including decision makers, and will continue the work of harmonising the important data provided by state and territories. A clear picture, underpinned by data, about where best to target road safety funding will save lives and ensure investment in projects which will make the biggest difference.
- Through the *National Road Safety Action Plan 2023-25*, the Australian Government committed to developing a National Data Collection and Reporting Framework (Framework) and National Road Safety Dataset (NRSD). The Framework and NRSD focus and prioritise data collection and reporting efforts nationally, to inform future planning and policy development for road safety in Australia for road safety practitioners, researchers and governments.

In addition to these measures, the Australian Government chairs the Road Safety Data Working Group (RSDWG), which provides a forum for Australian, state and territory government officials to collaborate and focus on the delivery of intergovernmental road safety data objectives and commitments, as articulated in the *National Road Safety Strategy 2021-30* and its accompanying Action Plans.

As referenced in the response to Recommendation 14, the Australian Government is also funding SLGAAP, which supports local government road managers understand the condition and capacity of their local bridge assets. SLGAAP phase three will focus on supporting the collection of bridge asset data towards the establishment of the National Automated Access System (NAAS). The NAAS is intended to improve productivity and enable safe access by significantly reducing case-by-case permits for heavy vehicle access.

Recommendation 20:

4.165 The Committee recommends that the Australian Government work with state, territory and local governments and road agencies, including Austroads and the National Transport Research Organisation, to address existing road asset data gaps by developing a comprehensive understanding of the road network condition and standardised road asset dataset, with agreement on the following:

- a common definition of road asset data
- a consistent format across road asset data collection and storage.

The Australian Government **agrees in principle** with this recommendation.

Under the FFAS, the Australian, state and territory governments will support a process of continuous improvement in setting outcomes-based performance indicators and reporting. Key Performance Indicators will enable the assessment of outcomes achieved in the areas of productivity and resilience, liveability and sustainability, with a focus on the NLTN. The states and territories will provide a Road Performance Data Report annually, including agreed data on road condition and usage, as well as associated maintenance expenditure.

The Road Asset Data Standard compiled by Austroads provides consistent definitions, formats and counting rules for key road asset condition, use and related financial information. The Austroads Road Asset Data Standards are intended to:

- help governments comparatively and consistently assess their road condition, including after severe weather events
- use terms that are already widely used by road agencies
- support more innovative data collection
- help support decision making on road investment and expenditure through consistent asset data.

Recommendation 21:

4.167 The Committee recommends that the Australian Government encourage state and territory governments to work with local governments to develop skills-based networks across council collectives to support asset management training and education to address workforce skills shortages across road construction and maintenance.

The Australian Government **notes** this recommendation.

Local Government Associations in each state and the Northern Territory have been established under a federation type structure for which the Australian Local Government Association (ALGA) represents local government at the national level.

Local government associations provide a voice for local government and leadership for the sector. They also provide a suite of resources, including training and support for asset management for member council employees within their jurisdictions.

ALGA is an ex-officio member of the Local Government Ministers Forum (LGMF), which provides a forum for Commonwealth, state and territory local government ministers to forge collaborative actions, underpinned by the shared understanding of challenges impacting local governments across the nation. Through the LGMF the Australian Government facilitates and encourages state and territory governments to work collaboratively with ALGA to identify and respond to issues affecting local government including challenges such as workforce skills shortages.

Australia's Vocational Education and Training (VET) system is designed to support a range of national needs and priorities. With strong industry leadership, Australia's VET sector has the scale and reach to respond to whole of economy challenges and opportunities and plays a critical role in supporting Australians to access secure, well-paid jobs.

The Australian Government has committed to delivering a collaborative, tripartite VET sector that brings employers, unions and Governments together to find solutions to skills and workforce challenges.

Jobs and Skills Councils (JSCs) have been established to provide industry with a stronger, more strategic voice to ensure Australia's VET sector delivers better outcomes for learners and employers. As a national network of industry owned and industry-led organisations, JSCs provide strategic leadership in addressing skills and workforce challenges for their sectors, map career pathways across education sectors, support collaboration between industry and training providers to improve training and assessment practice and develop contemporary VET training products. JSCs are a key element of the national VET system architecture.

There are 10 JSCs in the national network providing leadership to address skills and workforce challenges for their industries. Public Skills Australia (PSA) is the JSC responsible for the Government Sector including Federal, state and territory, and local government. PSA works collaboratively across all levels of government to address workforce and skills needs.

PSA also works collaboratively with other JSCs on cross-industry workforce challenges and skills needs. This cross-collaboration is important given the wide range of occupations and skills required in local government. BuildSkills Australia is the JSC responsible for the Building, Construction, Property and Water industries, which includes the civil construction sector.

Recommendation 22:

6.8 The Committee recommends that the Australian Government strengthen bilateral ties with New Zealand and Samoa, particularly in relation to disaster management and infrastructure issues.

The Australian Government **agrees in principle** with this recommendation.

The Australian Government engages regularly with New Zealand on disaster management issues, including through the Australia-New Zealand Emergency Management Committee (ANZEMC). The New Zealand National Emergency Management Agency is a permanent member of ANZEMC. ANZEMC provides nationwide and Trans-Tasman leadership on the management of all hazards through a natural hazard lens, identifying and responding to emerging issues and longer-term challenges likely to impact Australia and New Zealand's capacity to manage all hazards. Bilateral engagement is further strengthened through the NEMMM, with New Zealand holding a permanent observer position.

The Australian Government's National Emergency Management Agency and the New Zealand National Emergency Management Agency also signed a Memorandum of Cooperation on 19 September 2022, aimed at strengthening the capability of Australia and New Zealand to reduce risks and respond to disasters.

Australia and New Zealand are working together to build climate resilience in the Pacific region, including through co-financing the Weather Ready Pacific Initiative. This initiative will help the region to better forecast and disseminate severe weather warnings through the enhancement of critical early warning systems. Australia and New Zealand continue to explore joint opportunities to respond to the threat of climate change in the Pacific, as highlighted in the Australia-New Zealand Trans-Tasman Roadmap to 2035, and the 2050 Strategy for the Blue Pacific Continent, for which Australia and New Zealand are strong supporters.

The Australian Government, through NEMA, works with Samoa in multilateral fora including the Asia-Pacific Ministerial Conference on Disaster Risk Reduction and the annual Pacific Regional Disaster Managers Meeting.

Australia and New Zealand are working together alongside other major Pacific infrastructure financiers, including the World Bank and Asian Development Bank, to implement the Pacific Quality Infrastructure Principles. Implementing the principles ensures infrastructure projects generate lasting positive impacts for Pacific Island Countries including by strengthening their resilience to climate related disasters.

Recommendation 23:

6.9 The Committee recommends that the Australian Government highlight opportunities for Australian partnerships with Samoa through Austrade and communicate opportunities for joint ventures with Australian organisations.

The Australian Government **supports** this recommendation.

A core part of Austrade's role in the Pacific is to support Australian firms in delivering priority infrastructure across the region, including disaster management projects, and projects that support climate resilience. This work includes supporting Australian firms with introductions to joint venture partners as well as local subcontractors and suppliers. These partnerships have and will continue to prove important to the success of Australian firms in Samoa, with local experience and knowledge essential to managing conditions, relationships, and ongoing maintenance.

The Legislative Assembly Office project in Apia is proving a promising example of Australia-Samoa collaboration. Australian firm, Reeves International Pty Ltd, was awarded the construction contract following open tender with the support of Samoan firms. The new building will be climate resilient and exhibit best practice in green building technology. Construction commenced in July 2024 and is expected to be completed in the first half of 2026.

Recommendation 24:

6.10 The Committee recommends that the Australian Government consider development opportunities between the Australian Volunteers Program for Samoa and the Australian Engineers Association mentoring program and other relevant Australian mentoring programs.

The Australian Government **agrees in principle** with this recommendation.

Engineering has been identified as a skills gap in Samoa by Samoa's Public Service Commission, and is one of the priority skills areas for our Australia Awards scholarship program and volunteer program. The Australian Government takes advice from the Government of Samoa on priority roles to be supported through the volunteer program. Priority for placements is given to roles in targeted areas where there are identified skills gaps, that can facilitate transfer of skills and mentoring opportunities.

Recommendation 25:

6.13 The Committee recommends that the Australian Government consider options for a formal exchange program between the New Zealand National Emergency Management Agency and the Australian National Emergency Management Agency.

The Australian Government **supports** this recommendation.

The Memorandum of Cooperation between the Australian Government's National Emergency Management Agency and the New Zealand National Emergency Management Agency provides a formal framework for information sharing and regular knowledge exchange to foster cooperation in emergency management.

Recommendation 26:

6.20 The Committee recommends that the Australian Government develop legislation to provide for the introduction of measures to protect the rights of insured persons living in areas at risk of natural hazards, giving consideration to New Zealand's Natural Hazards Insurance Act 2023.

The Australian Government **notes** this recommendation.

The Australian Government is committed to building the resilience of Australian communities to natural disasters and putting downward pressure on insurance premiums.

The Australian Government established the Insurance Affordability and Natural Hazards Risk Reduction Taskforce as part of the 2024-25 Budget to develop an integrated, cross-government approach to minimising the impacts of disaster on the community and help address insurance costs driven by more frequent and intense weather events. The Government is currently considering the findings of the Taskforce.

The House of Representatives Standing Committee on Economics conducted an inquiry into insurers' responses to 2022 major flood claims (*Flood Failure to Future Fairness Report*). The final inquiry report was released on 18 October 2024, and contained 86 recommendations directed to insurers, industry bodies, regulators and various levels of government. Recommendations relate to matters such as claims management, performance reporting, and long-term strategies for flood preparation and resilience. The Senate Select Committee on the Impact of Climate Risk on Insurance Premiums and Availability also conducted an inquiry and delivered a report on 26 November 2024. The report made 8 recommendations. The Government is currently considering its response to the recommendations of both reports.

In New Zealand, the Toka Tū Ake – Natural Hazards Commission provides the first layer of natural disaster insurance for residential buildings and some residential land. Consumers' annual insurance premiums include a levy, which the Commission uses to cover claims. The *Natural Hazards Insurance Act 2023* introduced a Code of Insured Persons' Rights from 1 July 2024. Under the Code, insured persons have the right to have claims managed and settled in a fair and timely manner by the Commission and its agents.

In Australia, consumers take out insurance with private insurers, who are responsible for handling and settling claims. Since 1 January 2022, the handling and settling of insurance claims has been classified as a financial service. Providers must hold an Australian Financial Services (AFS) licence and are subject to regulatory oversight by the Australian Securities and Investments Commission (ASIC). As AFS licensees, providers of claims handling services must provide the services efficiently, honestly, and fairly, which includes resolving claims in a timely manner.

The majority of general insurers in Australia are also subject to the Insurance Council of Australia (ICA)'s voluntary General Insurance Code of Practice, which sets standards such as being open, fair and honest in the provision of services. The Code of Practice also sets timeframes for insurers to respond to claims, complaints and requests for information. The ICA is currently undertaking a process to review the Code of Practice, taking into consideration recommendations made in the *Flood Failure to Future Fairness Report*.

Further, as referenced in the response to Recommendation 11, the Australian Government is providing up to $200 million per year from 2023-24 to 2027-28 through the DRF to improve Australia's disaster readiness. The DRF will continue to deliver projects that improve Australia's resilience to natural hazards and reduce natural hazard risk. By reducing the risk of damage to communities, the DRF can also help to place downwards pressure on premiums.

In the October 2022-23 Budget, the Australian Government announced $22.6 million over four years to establish the Hazards Insurance Partnership (HIP) initiative to better target mitigation investment, reduce disaster risk, and improve insurance affordability and availability over time. The HIP is a collaborative partnership with the insurance industry to create a shared understanding of hazard risk and appropriate risk reduction measures across Australia.