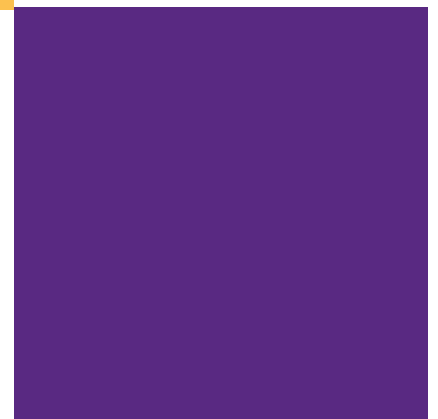




2024 - 2025 Pre-Budget Submission

25 JANUARY 2024



Introduction

The Council of Capital City Lord Mayors (CCCLM) is comprised of the Lord Mayors of Adelaide, Brisbane, Darwin, Hobart, Melbourne, Perth, and Sydney, and the ACT Chief Minister. We are pleased to present our proposals for consideration in the upcoming 2024-2025 budget process.

It is imperative that the Federal government engages in collaborative partnerships with capital cities to effectively meet Australia's climate commitments and tackle the challenges arising from population growth and economic dynamics.

Over the years, local government has been actively involved in responding to and contributing to the Federal Government's urban policy development. To achieve effective change, urban policies must be fully funded. Investment in specific programs would generate a valuable opportunity to measure success that can be replicated in major cities and regions across Australia.

Investing in action provides a valuable opportunity to foster our collective goals of creating and maintaining sustainable, productive and liveable urban environments.

With the necessary financial and policy support, our capital cities can make substantial contributions in key focus areas. These include efforts to reduce emissions, implement programs for sustainable food and waste management, and participate in circular economy trials. Additionally, capital cities can play a pivotal role in developing appropriate housing solutions. Housing solutions need to provide pathways out of homelessness and affordable social and affordable housing options for key workers, crucial for the functioning of our cities.

The CCCLM envisions capital cities partnering and fully participating in understanding and measuring cities. The CCCLM would welcome the opportunity to partner with the Federal Government in the development of relevant measurement of cities, particularly from an economic perspective, creating a valuable and useful framework leading to effective solutions that not only benefit our cities but also contribute to the well-being of the entire nation.

We welcome the opportunity for further discussions on the proposals outlined in our submission. The CCCLM is committed to collaborative efforts that will enhance the resilience and sustainability of our capital cities, paving the way for a brighter future for all Australians.

Kon Vatskalis
Lord Mayor of Darwin
CCCLM Chair 2024

Summary

The effectiveness of a dedicated national urban policy hinges on adequate funding.

The Council of Capital City Lord Mayors (CCCLM) is advocating for the establishment of a dedicated cities fund, with a proposed allocation of \$117 million over 5 years.

This fund aims to catalyse opportunities in critical areas such as energy efficiency, waste management, and housing within the urban environment. The envisioned fund seeks to address pressing urban challenges and promote sustainable development, with appropriate assessment and monitoring of success.

Theme	Description	Budget allocation
Emissions reductions		
Energy performance	Funding that would unlock the delivery of emission reduction activities at scale for the built environment.	\$7 million (over 5 years)
Waste management and circular economy		
Capital city waste management fund	<p>Funding capital cities to allocate resources to:</p> <ul style="list-style-type: none"> • enhance waste avoidance and recycling management practices; and • coordinate increased capacity and training for sharing, reuse, repair and refurbishment networks. <p>This initiative aims to support innovative solutions, technologies, and infrastructure projects that promote sustainable waste management practices that enable the transition to circularity and contribute to environmental conservation.</p>	\$50 million (over 5 years)
Housing and homelessness		
Affordable housing and adaptive reuse of existing buildings	<p>Conducting a thorough audit of capital cities to assess available land resources is crucial for informed urban planning and the delivery of affordable housing to meet the growing needs of key workers and community housing developments for the most vulnerable members of our communities.</p> <p>Fund initiatives that focus on the adaptive reuse of existing buildings. This strategy not only promotes sustainable urban development but also contributes to the preservation of architectural</p>	\$50 million (over 5 years)

	<p>heritage. By encouraging innovative approaches to repurpose existing structures, the fund seeks to create opportunities for economic growth, community engagement, and the optimisation of urban spaces.</p> <p>To gauge the success of various initiatives, it is imperative to have a comprehensive understanding of homelessness trends across cities. To achieve this, the CCCLM advocates for an annual measurement through a census monitoring system dedicated to assessing homelessness. This systematic and regular assessment would provide valuable data, enabling a nuanced evaluation of the impact of initiatives on homelessness within the capital cities. Such annual measurements not only serve as a crucial feedback mechanism but also facilitate informed decision-making for future policies and interventions aimed at addressing homelessness effectively.</p>	
Urban research		
Economic benchmarking	<p>A strategic allocation of funding is essential for establishing a robust measurement framework including capital cities, major regional cities, and large metropolitan councils.</p> <p>This initiative would enhance the effectiveness of the State of the Cities report, building upon the ongoing efforts of the CCCLM and the NSW Government.</p>	\$10 million (over 5 years)
TOTAL		\$117 million (over 5 years)

Delivering emissions reductions - \$7 million

Collaborating with Capital City Councils on climate action is imperative for a unified and effective national strategy. Capital cities governments are crucial players in addressing climate challenges. By partnering with CCCLM's members, the Australian Government can tap into localised expertise, implement targeted initiatives, and foster community engagement, ensuring a comprehensive and impactful approach to climate action.

We are pleased to note the development of sector plans for the built environment and express our interest in participating in their creation. We believe city council representation is fundamental in developing these plans, given our cities' essential role in climate and energy reform.

Capital cities have a proven record in climate action, and it is imperative to establish the right policies and incentives for improving energy efficiency in both commercial and residential buildings. We are encouraged that the trajectory for low-energy buildings will serve as a foundation for the sector plan's development, and we fully support these efforts.

Capital city councils are actively implementing energy performance outcomes through a combination of regulation and funding, engaging tax and ratepayers who own buildings. Our cities possess expertise in co-design, delivery, and well-established governance arrangements. We can provide place-based engagement for all homes and tailored solutions for high-density apartments, leveraging existing public/private partnerships and networks for effective outcomes.

The CCCLM seeks federal government funding, either through a grant process or a specific funding program, to empower capital city councils in delivering emission reduction activities at scale for the built environment. This would encompass a comprehensive approach to achieve our shared national energy performance objectives as outlined below.

- Governance (for 5 years)
 - Coordination of expertise from Local Government in co design and delivery of innovative partnerships, programs and grants, for example strata decision-making and high-density residential building performance.
 - City councils can bring proven leadership in public/private collective.
- Residential
 - Coordination of delivery of electrification initiatives over 5 years. It is envisaged that this would include development of a national partnership to conduct consistent education and behaviour change programs using cities' existing trusted networks.
 - Pilot and deliver a metro-wide resilient campaign and develop a model for syndication to other relevant local governments over 3 years.
- Residential (apartment buildings)
 - Development of a five-year program that would inform a decarbonisation pathway for strata communities, and support transition to mandatory disclosure.
- Commercial buildings

- Deliver a five-year program that promotes the commercial retrofit of local businesses using existing and proven engagement programs to reduce energy use in the commercial sector.
- Invest in a two-year coordinated approach in the commercial sector through the expansion of the existing CitySwitch program to:
 - Explore business engagement and impacts and test policy drivers.
 - Co-design a sustainable investment model to scale CitySwitch.

The table below outlines the proposed investment opportunity over a five-year period:

	Year 1	Year 2	Year 3	Year 4	Year 5
Governance	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Residential (all)	\$250,000 \$250,000	\$250,000 \$250,000	\$250,000 \$250,000	\$250,000	\$250,000
Residential (strata)	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Commercial	\$250,000 \$110,000	\$250,000 \$250,000	\$250,000	\$250,000	\$250,000
Total	\$1,310,000	\$1,450,000	\$1,200,000	\$950,000	\$950,000

This collaborative approach will also have the potential to contribute to the Federal Government's commitment to the Coalition for High Ambition Multilevel Partnerships (CHAMP) for Climate Action¹.

¹ [Coalition for High Ambition Multilevel Partnerships \(CHAMP\) for Climate Action](#)

Effective waste management and the circular economy - \$50 million

Federal investment in infrastructure will advance capital cities' transition to a circular economy and minimise the impact of waste transportation.

The origin, transportation and disposal of waste currently cause significant greenhouse gas emissions and other environmental challenges. There are proactive steps that local governments can take to mitigate greenhouse gas emissions at each stage of waste management, but it requires a strong partnership with all levels of government.

Support green fleet for waste collection, including electric and hydrogen charging capabilities, and policy incentives for fleet transition.

CCCLM is encouraged by the Federal Government's commitment to delivering a \$500 million Driving the Nation Fund that will build a National Electric Vehicle (EV) Charging Network and invest in Hydrogen Highways for heavy transport.

Financial support from the Driving the Nation Fund within capital cities will enable councils to overcome technical and commercial barriers that prevent further uptake of electric fleets, particularly in waste management.

CCCLM welcomes any opportunity to partner with the Australian Renewable Energy Agency (ARENA) to ensure these funds do not duplicate efforts in our cities but enable quieter, greener, and economical waste collection.

Infrastructure to support capital cities engaged in expanding processing options for organic waste and recyclables.

CCCLM shares the Federal Government's desire to improve Australia's use of local recycled material. However, increasing the use of local recycled materials is also conditional on recycling infrastructure capacity.

Capital cities have the insight and influence with neighbouring councils to drive change in how waste is processed.

Innovative new recycling solutions are needed to achieve landfill diversion targets, particularly from households in densely populated areas. Capital cities understand their unique issues and with support from the Federal Government can deliver the changes needed.

CCCLM seeks \$50 million for capital cities from the Recycling Modernisation Fund to expand waste processing options for organic waste and recyclables. This will provide the jump start needed to generate market creation opportunities that accelerate the nation's transition to a circular economy. If Australia increased its recycling rate by 5% this would add an estimated \$1 billion to Australia's GDP.²

² ¹ CSIRO (2021) 'Circular economy roadmap for plastics, glass, paper and tyres', pg. 8 – website: <https://www.csiro.au/en/research/natural-environment/circular-economy>

Affordable housing and homelessness: Investing in innovative adaptive building reuse and fostering community capacity and support - \$50 million

The CCCLM expresses its appreciation for the recent initiatives undertaken by the Federal Government including initiatives such as the Housing Australia Future Fund, National Housing Accord Facility and the commencement of the development of the National Housing and Homelessness Plan. The CCCLM welcomes National Cabinet's agreement to build 1.2 million homes over five years to alleviate the national housing shortage.

Local Government, particularly capital city councils have a significant role to play in supporting the realisation of these targets. It is essential that Federal Government initiatives are directed to meet the most need. Australia is one of the most urbanised countries in the world, with the vast majority of Australia's population residing in major cities and surrounding metropolitan areas. Approximately 85-90% of Australians live in urban areas, with the majority residing in our capital cities. Sustained and urgent investment is required for social and affordable housing in our cities to cater for the growth in city populations while maintaining amenity and affordability.

A CCCLM hosted a Local Government Community of Practice³ event on housing and homelessness event held in August 2023 identified the following key actions:

1. Local government holds valuable insights, data and connections with community that Federal and State/Territory governments can draw upon to shape housing and homelessness policy and targeted place-based actions.
2. Local government has a specific role in preventing homelessness, which should be embedded in Federal and State/Territory government policy.
3. Social and affordable housing should be prioritised as essential infrastructure.
4. A clear mandate for State/Territory and Federal governments to deliver ongoing funding streams for local government to assist in their homelessness and housing response should be established.

To meet this growing need, and to assist in meeting the established targets whilst ensuring that delivery is conducted in places that can deliver maximum benefits and outcomes, the CCCLM proposes Federal government funding to facilitate collection of data that supports evidence-based decision-making in delivery of housing. This approach not only optimises existing resources but also contributes to sustainable urban development.

- A comprehensive land and building audit across inner cities to assess potential housing development availability. The insights gathered through these audits will be crucial in informing strategic decisions to address the pressing issues of affordable housing and homelessness; and
- Building on the findings of the audit, feasibility studies should then be conducted to prioritise the adaptive reuse of existing buildings, focusing on converting existing structures into social and affordable housing options.

³ [Local Government Community of Practice: Housing and Homelessness report – Council of Capital City Lord Mayors](#)

- Following this study, the fund would facilitate a national pilot program which would create a national blueprint for the design and development of adaptive reuse of inner-city buildings.

In addition, the CCCLM proposes funding to:

- develop and conduct annual homelessness counts nationally, building on methodology being currently developed by Homelessness Australia's *Homelessness Monitor*. A national measurement of homelessness is currently only available through the five-year census, which is not sufficient to monitor policy effectiveness. Local Government is well placed to support this opportunity and ensure that lived experience is central to the gathering of information.
- Deliver a comprehensive public awareness and community education program on housing and on homelessness. This program will deliver localised community engagement and educational programs to raise awareness about the complex factors contributing to homelessness and build social acceptance of the concept of affordable housing to shift public perceptions and celebrate achievements in affordable housing.

The CCCLM considers it of critical importance to conduct thorough land and building audits in inner cities to address the pressing issues of affordable housing and homelessness. These audits are instrumental in providing a foundation for evidence-based decision-making and shaping effective policies and allocation of appropriate funding necessary for sustainable urban development.

1. Assessing Availability and Utilisation

Land and building audits will provide comprehensive assessments of the availability of spaces within inner cities. By understanding the current utilisation of land and buildings, opportunities could be identified for repurposing existing structures for social and affordable housing with the potential to identify appropriate sites for development within the Housing Australia models of funding.

2. Alignment with National Urban Policy

The proposed audits will directly contribute to the National Urban Policy. By evaluating the current state of urban development, efforts can be aligned to the broader national framework, ensuring that initiatives are in harmony with the overarching goals of sustainable and inclusive city planning.

3. Informed Decision-Making

In-depth data obtained through audits will provide invaluable insights into the specific needs and challenges of each city. This information is crucial for making informed decisions on the allocation of resources, prioritising areas with the greatest need, and tailoring solutions to suit the unique characteristics of individual urban landscapes.

4. Fostering Collaboration

The audit process will foster collaboration among various stakeholders, including local governments, community organisations, and private entities. By engaging in a transparent and inclusive assessment of available resources, we can build consensus and cooperation, laying the groundwork for successful implementation of affordable housing and homelessness initiatives.

5. Strategic Resource Allocation

The data generated from these audits will serve as a basis for strategic resource allocation. It will help identify areas where targeted investments can have the most significant impact, maximising the effectiveness of our efforts in creating viable and sustainable housing solutions.

In conclusion, land and building audits are a foundational step in our commitment to evidence-based decision-making. They provide the necessary groundwork for developing and implementing policies that address the immediate challenges of affordable housing and homelessness while contributing to the long-term vision of vibrant, inclusive, and resilient cities.

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Land and building audits	\$5 million	\$3 million			
Feasibility study of adaptive reuse of buildings		\$ 8 million	\$5 million		
Blueprint for design and development of existing buildings following pilot program		\$4 million	\$10 million	\$10 million	
Conduct annual national homelessness census and community education	\$1 million	\$1 million	\$1 million	\$1 million	\$1 million
TOTAL	\$ 6 million	\$16 million	\$16 million	\$11 million	\$1 million

National Urban Policy: State of Australian Cities report - \$10 million

For the past decade, the CCCLM has diligently monitored Australia's night-time economy, amassing data from 88 local government areas. Amid the challenges posed by the COVID-19 pandemic, the CCCLM conducted research into the economic recovery of capital cities through its initiative, City Pulse. The production of this report ended due to the unavailability or decreased timeliness of key datasets.

In a dedicated effort to enhance our understanding of city economies, the CCCLM is presently engaged in identifying key indicators for capital cities. The overarching goal is to establish a benchmark for city economies, offering biannual updates on the economic performance of our urban centres.

Recognising the Federal Government's *State of Australian Cities* research, and efforts within the *Measuring what matters* dashboard, along with current initiatives by the NSW Government in measuring the 24-hour economy, the CCCLM acknowledges there are potential synergies in combining these initiatives to provide a comprehensive measurement of Australian cities.

To facilitate this collaboration, the CCCLM seeks Federal funding support obtaining the data and assist in consolidating endeavours, with the view of producing a comprehensive set of indicators encompassing Australia's capital cities, inner and regional cities.

It is noteworthy that capital cities are independently developing their online economic tools. In alignment with these local initiatives, the CCCLM has conducted a thorough review of available data. This review reveals a wealth of information that holds immense value for benchmarking policy outcomes and attracting crucial investments into our city centres.

The CCCLM emphasises the importance of measuring outcomes and policy effectiveness in our cities. Positioned at the forefront of driving urban policy excellence, the request for Federal funding is grounded in the aspiration to create a cohesive, high-quality, and practical set of indicators. This endeavour will not only benefit individual cities but also contribute to the broader national urban development agenda.