

Pre-Budget Submission 2026



The Council of Capital City Lord Mayors acknowledge the Ngunnawal people as traditional custodians of the Canberra region.

Overview

The Council of Capital City Lord Mayors (CCCLM) is a peak body that advocates for the interests of Australia's capital cities. Providing national leadership and a strong voice to advance the needs of our capital cities are key priorities.

The CCCLM comprises the Lord Mayors of Adelaide, Brisbane, Darwin, Hobart, Melbourne, Perth, Sydney and the ACT Chief Minister.

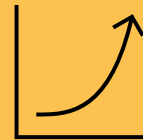
The CCCLM operates on a consensus basis and focuses on areas of shared interest across Australia's capitals. The 2026 Chair is the ACT Chief Minister, Andrew Barr MLA, a role which rotates annually.

Why our cities matter

73% of our total population



22.5% contribution to GDP



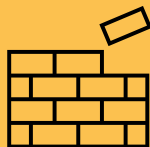
HQ for 74% of ASX companies



69.5% of Australia's workforce



Key population growth centres



Australia is an urban nation



Australia's economic engine room



Key global gateways



*including Capital City Local Government Areas and surrounding metropolitan zone.

Economic development and infrastructure investment

Our cities contribute an estimated 22.5 per cent of our GDP, from a small geographic footprint. They are also absorbing the lion's share of our population growth – placing pressure on infrastructure, housing and service delivery.

When Australia's cities do well, our national economy does well – and our society continues to grow. So as our population continues to increase, it's critically important that the Australian Government works alongside local governments and the states and territories to plan, fund and deliver the infrastructure our cities need.

Building on previous budgets, it is vital that federal infrastructure, urban precinct and economic development spending continues to increase. This will ensure the Australian Government continues to be an active partner in delivering the strategic projects our cities need.

Specific asks:

Infrastructure Investment Program

- Working alongside state and territory governments, continue funding major public transport projects in our cities.
- Support active travel projects in our cities, such as cycleways and improved pedestrian links, including through initiatives like the National Active Transport fund and the Thriving Suburbs Program.

Urban Precincts and Partnerships Program

- Triple the Urban Precincts and Partnerships Program to \$450 million over the forward estimates.
- Rescope the program to focus on its original intent – significant and strategic urban projects, in a manner that is proportionate to the size, capacity and resources of each capital city.

Urban Policy Forum and National Urban Policy Implementation

- Reconvene the Urban Policy Forum, as committed in the National Urban Policy – and again involve a member of the CCCLM in this new group.
- Adequately resource the Treasury's Cities Policy Unit, to deliver actions set out in the National Urban Policy, in particular:
 - completing the departmental review into cities funding; and
 - re-establishing the State of Australian Cities Report.

Housing and homelessness

The Australian Government's efforts to tackle the housing and homelessness crisis in our cities are welcome. However, the challenges are decades in the making and require continued policy intervention, funding and a genuine partnership across all three levels of government.

Some of the highest rates of homelessness in Australia are in cities. It is essential that the Australian Government invests in projects and initiatives that prevent and break the cycle of homelessness, including mental health services.

Housing affordability continues to remain a challenge – and our capital cities are at the frontline of the housing and homelessness crisis. The CCCLM urges the Government to accelerate the delivery of more supported social and affordable rental housing projects under the \$10-billion Housing Australia Future Fund – particularly to support essential worker housing.

As Councils have primary carriage for land use planning, it is critically important that the Australian and State and Territory Governments work in partnership to unlock housing supply and support coordinated land use planning in our cities. Cognisant of the significant housing supply challenges being experienced, our capital cities are some of the most proactive Councils nationally when it comes to development approvals and planning processes.

Specific asks:

Housing

- Deliver an additional \$500 million for more rounds of the Community Enabling Infrastructure Stream of the Housing Support Program (HSP) – prioritising projects in major cities and high growth metro Local Governments.
- Continue rolling-out Housing Australia Future Fund rounds, with a particular focus on social and affordable housing in our cities.
- Deliver an additional round of the Planning Capability Stream, with a focus on supporting Local Governments to strengthen planning and approvals processes.
- Deliver housing supply and planning initiatives in-line with the meeting of Treasurers on 28 November 2025, including work on nationally-led data dashboards and transparency around underutilised private and government land and buildings.

Homelessness

- Provide additional funding for homelessness support services in our cities, with a particular focus on successful wrap-around facilities like the 'Common Ground' model.
- Continue working with the state and territory governments and local governments to deliver funding for more social and means-tested affordable rental housing in our cities.

The CCCLM supports the national peak body for local government, the Australian Local Government Association's (ALGA) call for an additional \$500 million per year for community infrastructure and assets that will help create more liveable communities.

Climate action and sustainability

About 75 per cent of emissions are generated by cities. Without urgent, coordinated and global action to reduce emissions in the next decade, Australia will continue to face increasing climate change impacts.

The CCCLM welcomes the National Climate Change Partnership, endorsed by Energy and Climate Ministers in late 2025, to strengthen cross-jurisdictional partnerships to reduce emissions and adapt to climate change. Acknowledging the important role Local Government can have in driving down emissions is also a welcome development.

The Australian Government clearly has a leadership role in responding to climate change. Programs and funding streams like the Community Energy Upgrades Fund need to continue to be rolled-out to support the transition to a decarbonised economy and meet our international obligations.

A 'pre-COP' hosted in our region is a once-in-a-generation opportunity to highlight our national government's commitment to global climate action, as well as highlight Australia's leadership role across the Pacific. The CCCLM would welcome additional funding to strengthen climate partnerships across our region. This could include local government capacity building support for renewables roll-outs, disaster mitigation and preparedness and friendship city partnerships.

Our capital city Local Governments continue to engage with state and territory governments to improve sustainability and liveability in our cities. The existing Urban Rivers and Catchments program is a positive initiative driving tangible environmental outcomes in our cities – and should be extended for an additional two rounds of projects.

Specific asks:

Responding to climate change

- Deliver an additional \$100 million to fund two more rounds of the popular Community Energy Upgrades Fund; prioritising these new rounds towards projects across Australia that yield the highest net emissions reductions.
- Additional budget allocation for super batteries and community batteries.
- Deliver more funding for EV charging infrastructure, including projects announced under the \$40 million committed on 20 September 2025.
- Task the Climate Change Authority with a report into the important role Local Government has in meeting the Australian Government's overarching Net Zero plan.

Urban Sustainability

- Deliver \$200 million for another two rounds of the Urban Rivers and Catchments Program, prioritising rehabilitation and decontamination projects.
- Additional funding for more projects under the Recycling Modernisation Fund, particularly for major projects in our capital cities.
- Adequately resourcing policy and regulatory functions overseeing the new industry-led soft plastics recycling scheme.

The CCCLM supports ALGA's call for an additional \$400 million local government climate adaptation fund, on top of the existing \$1 billion Disaster Ready Fund.

City Safety and community cohesion

Due to their nature as key activity centres, unfortunately our cities regularly encounter safety incidents. This is sadly highlighted by the abhorrent terrorist attack in Sydney's east in late 2025.

While law enforcement is primarily a state and territory responsibility, city local governments deliver various initiatives to strengthen community safety. These include managing CCTV networks, installing physical barriers like bollards, deploying city safety rangers and working with community groups, small businesses and other stakeholders to roll-out safety programs. Despite occasional state and territory and Australian Government grants, rarely are local governments directly resourced to fund these activities.

Increased efforts to counter extremism and foster community cohesion are welcome. As the leaders of Australia's eight capital cities, CCCLM members stand ready to support any additional initiatives to make our urban communities safer and more inclusive.

Specific asks:

City safety

- Deliver a new iteration of the Safer Communities Program with an annual grant pool of \$30 million, to support local government-led community safety initiatives.
- Deliver funding to respond to the recommendations made in the two Special Envoy reports published in 2025.
- Resourcing to deliver national leadership to tackle retail crime, including supporting innovation and technology-led approaches.

Community cohesion

- Deliver additional \$20 million funding for community cohesion projects, including grants for local governments to deliver community cohesion initiatives within their communities.