

6 PRIORITIES FOR OUR URBAN FUTURE

Committees for Capital Cities Policy Agenda for
Productivity, Resilience and Liveability



ACKNOWLEDGEMENT OF COUNTRY

The Committees for Capital Cities acknowledge the Traditional Owners and Custodians of Country throughout Australia and acknowledge their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the Elders past, present and emerging.





ABOUT THE COMMITTEES FOR CAPITAL CITIES:

SHAPING THE FUTURE OF AUSTRALIA'S CAPITAL CITIES

WHO WE ARE:

We are a coalition of the Committees for Capital cities, representing:

- Committee for Adelaide
- Committee for Brisbane
- Committee for Greater Hobart
- Committee for Melbourne
- Committee for Perth
- Committee for Sydney

A collection of not-for-profits, advocacy groups and think tanks that advocate for policy and investment outcomes that shape the future of our respective cities. We are non-government entities, largely funded by members drawn from across many sectors.

OUR MISSION:

To share insights, advocate for collective action and influence policy for the benefit of Australia's capital cities, both now and into the future. As individual organisations and as a collective, we are committed to engaging with Federal parliamentarians and stakeholders on a broad range of issues and topics relating to Australia's urban policy landscape.



AUSTRALIA IS AT A PIVOTAL MOMENT IN ITS HISTORY.

The Federal Treasury's recent Economic Resilience and Productivity papers have underlined what many already know: Australia's long-term prosperity is not guaranteed. Weak productivity growth, global volatility, an ageing population, housing shortages and climate pressures are converging to create a set of urgent and complex challenges.

At the same time, our capital cities, home to more than two-thirds of the nation's people and nearly 70% of GDP, remain the engines where national ambition translates into local delivery. They are hubs of innovation, cultural exchange, and economic dynamism. Yet through scale, cities also magnify challenges of inequality, infrastructure shortfalls and environmental stress.

If we want a stronger, more resilient economy, the future of our capital cities must be at the heart of the reform agenda. This is not about cities versus regions, or state versus state. The prosperity of each fuels the prosperity of the others.

We need a whole-of-system approach, where reform is nationally consistent but locally executed, with States and Territories not competing with one another but where a collaborative Australia competes successfully with the world.

The risks are clear: trade and geopolitical tensions, housing affordability and supply shortages, transport congestion, stretched healthcare, an ageing population, skills and workforce challenges, climate-related disruptions, and growing insurability pressures on households and businesses.



CAPITAL CITIES ARE HOME TO TWO-THIRDS OF THE NATION'S POPULATION AND 2-IN-3 JOBS.



CAPITAL CITIES CONTRIBUTE APPROXIMATELY 70% OF AUSTRALIA'S GDP.

The opportunities are equally clear: to create and sustain places that are healthier, safer, more productive, resilient and better prepared for the future.

Leadership and collaboration is required from all levels of government, industry, academia, the not-for-profit sector and the community to embrace and address the social, environmental and economic challenges and opportunities before us.

The Committees for Capital Cities sets out a practical agenda for national urban policy, with six priorities that are grounded in place and designed to deliver the liveability, vibrancy and productivity Australia needs to thrive for generations to come.

6 PRIORITIES TO SHAPE THE FUTURE OF AUSTRALIA'S CAPITAL CITIES

The Committees for Capital Cities has identified six priority areas that will shape the future of Australia's capital cities. Addressing these six areas, through swift and united action from across government, industry and the community, will set the appropriate foundations for Australia's capital cities to thrive in the 21st century.

1. Housing as economic infrastructure

- **Agree a nationally consistent definition for social and affordable** housing and set a clear target
- **Accelerate National Housing Accord Performance Payments** to fund infrastructure
- **Increase opportunities for superannuation investment in institutional housing asset classes**, including build-to-rent and social and affordable housing
- **Create certainty in the MMC sector** through strategic use of government procurement and skill development

2. Transport that connects and competes globally

- **Require long-term integrated land-use and transport plans** in order to be eligible for Federal infrastructure funding.
- **Expand benefits criteria in federal transport funding** to capture health and community benefits to increase and prioritise public and active transport in federal budget funding allocations.
- **Commit to High-Speed Rail along the East Coast** through the subsequent phases of the HSRA business case and expand rail and other mobility networks and capacity in other cities.
- **Protect and enhance freight corridors, and trade gateways** and ensure surrounding land uses do not inhibit long-term operability and growth.

3. A collaborative national innovation ecosystem

- **Develop a National Innovation and R&D Strategy** with a single, coordinated set of national research and innovation priorities.
- **Take a place-based approach to Innovation and R&D funding deployment** to understanding where nationally or internationally significant R&D and innovation clusters exist across Australia
- **Align government procurement with national industry and innovation policy** to incentivise government expenditure in priority sectors.

4. Healthy, vibrant and caring places are productive places

- **Include metrics that effectively value the role of care** in key Federal government reports
- **Increase capacity of public health systems through strategic investment in infrastructure, technology and workforce**, and expand access to community-based care and services including mental, preventive and allied health
- **Invest in the digital, creative and cultural economy by increasing funding and undertaking tax reform** that improves, maintains, enhances and creates new assets, events, festivals and infrastructure

5. Accelerating the Net Zero Transformation and Building Climate Resilience

- **Develop city-level Net Zero and Climate Resilience Roadmaps** aligned to national and state climate risk assessments and invest in climate mitigation and adaptation strategies.
- **Use Federal government initiatives or entities** to incentivise climate and natural hazard risk adaptation
- **Build energy security and increase energy affordability by encouraging creation of urban renewable energy zones** to maximise generation, storage and distribution at metropolitan, sub-regional or precinct level systems
- **Establish a 'national home insurance scheme'** to assist homeowners in areas with high climate-related hazard risk whose homes are uninsurable.

6. Skills, Migration and Inclusion

- Align migration, education and training systems with growth **industries and sectors where skill and talent gaps exist.**
- **Improve overseas qualifications assessment** to accelerate skill recognition and communication with skilled migrants
- **Remove caps on international student numbers.**

PRIORITY 1: HOUSING AS ECONOMIC INFRASTRUCTURE

Australia's housing crisis is no longer just a matter of social equity - it's a fundamental economic challenge.

- **Housing affordability is not just a social policy issue**, it is core to productivity, workforce participation, and economic resilience. Without sufficient, well-located housing, businesses cannot attract workers, and communities cannot thrive.
- **The systems that govern land supply, planning approvals and infrastructure delivery are fragmented and slow**, while private capital remains underutilised. At the same time, climate risks are increasing, threatening the insurability and long-term value of our housing stock.
- **We must build smarter, not just faster.** We must maintain quality, not just quantity. And we must make the most of our remaining urban land. Well-located, climate-resilient housing protects household wealth, keeps insurance costs manageable, and safeguards Australia's largest asset class.
- **Superannuation is disincentivised from investing in housing.** Regulatory and fiduciary requirements limit superannuation investment in housing as infrastructure and the size of individual housing projects rarely meet the scale of investment attractive to superannuation funds.
- **Modern methods of construction will drive productivity growth** in the construction sector and create new jobs across manufacturing and construction for communities across Australia, but the sector needs a coordinated approach to build scale and create certainty for business.



ACTIONS FOR AUSTRALIAN GOVERNMENT:

- **Agree a nationally consistent definition for social and affordable housing** and set a clear target for the percentage of all homes to be social and affordable by 2050 [i].
- **Accelerate National Housing Accord Performance Payments** to fund infrastructure and unlock supply [ii] [iii].
- **Increase opportunities for superannuation investment** in institutional housing asset classes, including build-to-rent and social and affordable housing [iv].
- **Create certainty in the Modern Methods of Construction sector** through strategic use of government procurement and skill development [v] [vi].

PRIORITY 2:

TRANSPORT THAT CONNECTS AND COMPETES GLOBALLY

Australia's cities are the beating heart of our economy but their productivity depends on how well people and goods can move.

- **Transport planning must factor in long term resilience**, ensuring critical links remain operational in the face of flooding, extreme heat, and bushfire risk. Climate-ready transport systems are not only safer but more reliable and cost-effective over the long term.
- **Federal investment continues to favour car-based infrastructure**, despite the growing need for sustainable, high-capacity public and active transport. In the 2025-26 budget, for every dollar the Federal Government has committed to public and active transport projects, they have committed over \$3 on road projects [vii].
- **Shift in priorities and planning** to mitigate congestion, rising emissions, and our cities will fall behind global competitors in liveability and economic performance. In Australia's cities, Federal Government funding should favour sustainable public and active transport infrastructure, that enhances liveability, productivity and connectivity.
- **Perceptions of public transport** vary across and within cities, yet highly functioning cities require comprehensive and accessible public transport networks that enable people to use it as the first option for trips.



ACTIONS FOR AUSTRALIAN GOVERNMENT:

- **Require States and Territories to produce long-term integrated land-use and transport plans** in order to be eligible for Federal infrastructure funding.
- **Expand benefits criteria in federal transport funding** to capture health and community benefits to increase and prioritise public and active transport in federal budget funding allocations [viii].
- **Commit to High-Speed Rail along the East Coast** through the subsequent phases of the HSRA business case **and expand rail and other mobility networks and capacity in other cities.**
- **Work with State and Territory governments to protect and enhance freight corridors and trade gateways** (such as ports and airports) and ensure surrounding land uses do not inhibit long-term operability and growth.

PRIORITY 3: **A COLLABORATIVE NATIONAL INNOVATION ECOSYSTEM**

**Innovation is a contact sport
and cities are where that
contact happens.**

- **Innovation thrives in well-connected urban precincts.** Cities bring together universities, research institutions, start-ups and industry clusters, creating fertile ground for talent and investment through metropolitan and regional innovation networks.
- **Lack of national coordination undermines innovation efforts.** While governments at all levels aim to grow the innovation economy, fragmented strategies and inter-state competition hinder Australia's ability to compete globally.
- **Excessive inter-state competition risks duplication and inefficiency.** Without a unified national approach, states may replicate industry programs and misallocate limited resources, weakening Australia's global economic positioning.
- **Government is key customer and de-risker.** Governments of all types can deploy their significant procurement capacity to create early markets and ensure demand certainty for businesses in growth sectors. Direct investment or strategic procurement can de-risk private sector investment in emerging industries by sending a signal to investors that there is confidence in the success of that sector.



ACTIONS FOR AUSTRALIAN GOVERNMENT:

- **Develop a National Innovation and R&D Strategy** with a coordinated set of national research and innovation priorities to improve investment facilitation at Commonwealth and State and Territory levels, supported by the formation of a single agency for research and innovation [ix].
- **Take a place-based approach to Innovation and R&D funding deployment** to understanding where nationally or internationally significant R&D and innovation clusters exist across Australia and, where aligned with national priorities, helps to direct R&D funding [x] [xi].
- **Align government procurement and taxation policy with national industry and innovation policy** to incentivise government expenditure in priority sectors [xii].

PRIORITY 4: **HEALTHY, VIBRANT AND CARING PLACES** **ARE PRODUCTIVE PLACES**

The health of our community is inseparable from the health of our economy.

- **Chronic disease, mental health challenges, and climate-related illnesses** are rising — and they're hitting productivity hard.
- **Cities must be designed to support wellbeing**, with access to care, green spaces, and cultural and digital infrastructure. But right now, many of the people who provide care — aged care workers, disability support staff, early childhood educators — can't afford to live in the cities they serve.
- **Healthy places also mean climate-resilient places.** Capital cities can reduce heat-related illness, respiratory disease from bushfire smoke, and other climate-linked health impacts through urban cooling, greening, and better integration of health and climate adaptation strategies in planning.
- **We don't adequately value healthy, caring societies in our measures of productivity.** The monetary value of unpaid care work in Australia has been estimated to be \$650.1 billion, the equivalent to 50.6% of GDP [xiii].
- **If our cities can't care for their carers, they can't care for themselves.** And cities that can't care for themselves will struggle to remain productive, prosperous, and liveable.



ACTIONS FOR AUSTRALIAN GOVERNMENT:

- **Include metrics that effectively value the role of care** in key reports such as the Measuring What Matters framework, Federal Budget, State of Australian Cities report & Intergenerational report.
- **Increase capacity of public health systems** through strategic investment in infrastructure, technology and workforce, and expand access to community-based care and services including mental, preventive and allied health.
- **Invest in the digital, creative and cultural economy** by increasing funding and undertaking tax reform that improves, maintains, enhances and creates new assets, events, festivals and infrastructure [xiv].

PRIORITY 5: **ACCELERATING THE NET ZERO TRANSFORMATION AND BUILDING CLIMATE RESILIENCE**

Australia's climate is changing, posing risks to key systems that underpin our way of life.

- **Climate-related events are increasing in frequency and severity**, with extreme heat, flooding, bushfires and coastal inundation threatening public health and lives, undermining productivity, and placing Australia's largest asset class - housing - at growing insurability risk.
- **Without action, more communities will face higher insurance premiums**, reduced property values, and in some cases, uninsurable homes and businesses.
- **Cities are uniquely positioned to lead the transition to net zero** through clean energy, sustainable buildings, and circular economy initiatives. But without coordinated planning and investment, we risk falling behind.
- **Climate resilience must be embedded into every aspect of urban design**, not just to protect communities, but to unlock new industries, attract investment, and ensure long-term prosperity.
- **Healthy, climate-resilient places are not only safer**, they are more productive, attracting and retaining residents, workers, and investors.



ACTIONS FOR AUSTRALIAN GOVERNMENT:

- **Develop city-level Net Zero and Climate Resilience Roadmaps** aligned to national and state climate risk assessments and invest in climate mitigation and adaptation strategies as part of the National Adaptation Plan to reduce future recovery costs and disruption. [xvi]
- **Use Federal government initiatives or entities** such as the Urban Precincts and Partnerships Program (UPPP) or Clean Energy Finance Corporation to incentivise climate and natural hazard risk adaptation [xvii] [xviii].
- **Build energy security and increase energy affordability** by encouraging creation of urban renewable energy zones to maximise generation, storage and distribution at metropolitan, sub-regional or precinct level systems [xix].
- **Establish a 'national home insurance scheme'** to assist homeowners in areas with high climate-related hazard risk whose homes are uninsurable.

PRIORITY 6: SKILLS, MIGRATION & INCLUSION

Our capital cities must be places where talent is welcomed, recognised, and nurtured.

- **Australia faces widespread skill shortages across multiple sectors**, driven by an ageing population, strong economic growth, and rapid technological change. Key areas affected include healthcare, construction, engineering, IT, and trades. These shortages limit productivity, constrain business growth, and increase competition for talent, highlighting the need for targeted training, migration, and workforce development strategies to meet current and future demand.
- **Australia's multicultural communities are one of our greatest economic assets**, yet we're not fully harnessing their potential. Skilled migrants often work below their qualification levels, and international students face barriers to long-term contribution. Meanwhile, industries across the country are grappling with workforce shortages.
- **Inclusion isn't just a social imperative**, it's a productivity strategy. If we fail to align education, migration, and employment systems, we risk leaving billions in economic value untapped and weakening our global competitiveness.



ACTIONS FOR AUSTRALIAN GOVERNMENT:

- **Align migration, education and training systems** with growth industries and sectors where skill and talent gaps exist [xx].
- **Speed up the skilled migration process and improve overseas qualifications assessment** to accelerate skill recognition and utilisation of international talent in Australia including enabling new migrants to elect to have their contact details shared with States & Territories, to assist in mobilising international talent and support employment pathways and industry growth.
- **Remove caps on international student numbers.**

MOVING FROM AMBITION TO ACTION.

Australia's capital cities are where our national ambition meets local strengths, where global capital looks for investment opportunities and where two in three Australians call home. Being clear on the role of cities in Australia's future is a must. If we get it right — by making them more liveable, innovative, inclusive, climate-ready, and resilient — the benefits will cascade across the nation for generations.

Our six policy priorities and their supporting actions are not abstract aspirations. They are practical and necessary levers to lift productivity, unlock private capital, strengthen resilience, and improve quality of life.

The Federal Government has a vital role in setting clear and ambitious targets that filter down into state and local government agenda setting, infrastructure planning and economic development. Many policy levers that shape cities sit with State and Territory Governments. Those that sit with the Federal Government – from taxation, to migration to infrastructure funding and national agenda setting – must be deployed with ambition, intention and precision.

Australia's reform agenda must be bold — but it must also be grounded in place. National policies on tax, climate, housing, and infrastructure need to reflect local realities. Capital cities are uniquely positioned to pilot and scale reforms, but they need the autonomy and support to do so.



The Federal Government has an important role in mobilising private capital and making it as efficient as possible to deploy. Investors need clear pathways, risk-sharing mechanisms, and confidence that their returns can align with public benefit. Without reform, we risk underinvestment in critical projects and missed opportunities to scale innovation.

If we choose to invest in our cities as platforms that unlock national prosperity, we can build a future that is not only economically stronger, but also healthier, fairer, and more vibrant for every Australian.

ENDNOTES, REFERENCES AND ADDITIONAL POLICY DETAIL

Housing as economic infrastructure

- [i] Aligned with CfCC submissions to the National Urban Policy Framework - <https://sydney.org.au/wp-content/uploads/2024/08/CfS-NUPF-Submission-July-2024-1.pdf>
- [ii] Bringing forward federal performance payments to fund enabling infrastructure upfront.
- [iii] Shifting to milestone-based payments for planning, zoning and early construction—not just completions
- [iv] Enable essential worker-focused industry superannuation funds to invest in affordable housing for the benefit of their members, particularly build-to-rent models that provide both secure homes and long-term returns
- [v] Use government building contracts in sectors such as defence, health and education to incentivise the use of Modern Methods of Construction, help to create market demand and investment certainty for businesses.
- [vi] Develop nationally consistent skills programs, aligned with Jobs and Skills Australia and ensure coordinated skills recognition

Transport that Connects and Competes Globally

- [vii] Derived from 2025-26 Federal budget Papers. Road-only programs totalled approx. \$10.02B while Public transport (using rail as a proxy) totalled \$2.93B. Note - the rail investment component of the budget includes both passenger and freight rail. The budget papers do not publish a further split that separates out public transport alone.

Healthy, and Vibrant and Caring Places = Productive Places

- [viii] Workplace Gender Equality Agency (2016). Unpaid care work and the labour market
A Collaborative National Innovation Ecosystem
- [ix] This should be done through an expansion of the Strategic Examination in Research & Development (SERD) Review
- [x] This requires Federal coordination with States and Territories to strategically approach investment in and attraction of industries that align with regional comparative and competitive advantages
- [xi] Coordination requires a formalisation of federal and state/territory government agendas, with a national council of economic development, innovation and industry ministers

Accelerating the Net Zero Transformation and Building Climate Resilience

- [xii] Frontload the R&D Tax Incentive Program to organisations to incentivise R&D expenditure and acceleration, rather than it being a retrospective process at the end of the financial year.
 - [xiii] Health Care and Social Assistance jobs account for 15% of all employment in Australia but its value economically and socially is not fully captured in standard productivity or value-adding metrics and as such, is undervalued and under-invested in
 - [xiv] Cultural Tax reform can include:
 - Below-market leasing incentive
 - Expand R&D tax incentives to creative Intellectual Property
 - Tax-free status for prizes and grants
 - Superannuation donations to cultural organisations
 - Enhanced cultural donation deduction
 - Pre-production rebates for creative works
- More details available here: https://sydney.org.au/wp-content/uploads/2025/08/Committee-for-Sydney_Art-of-Tax-Reform-Submission_August-2025.pdf

[xv] Australian Government, 'Australia's National Climate Risk Assessment' 2025

- [xvi] Set national decarbonisation targets for cities, linked to federal funding to incentivise and accelerate action.
- [xvii] UPPP could include climate and natural hazard risk in assessment criteria for funding. Criteria could include:
 - Green and blue infrastructure provisions
 - Low-carbon or circular building innovations
 - Embedded renewable energy generation, storage and distribution networks
 - Walkable and cyclable neighbourhoods and infrastructure
 - Precincts and infrastructure to not be in areas of high natural hazard risk, or where future risk creates insurance risk and risk to life or health
- [xviii] Use the Clean Energy Finance Corporation as a vehicle to underwrite strata building conversions - offerings grants and low/ no interest loans to companies willing to work with strata bodies on electrification
- [xix] Committee for Sydney's '[Sydney as a Renewable Energy zone](#)' report has detailed recommendations, including:
 - Expand the Capacity Investment Scheme to include <30 MW metropolitan renewable energy projects
 - Support national bodies such as AEMO and AER to activate, support and learn from trials at multiple scales

Skills, Migration and Inclusion

- [xx] Reform the National Innovation Visa (subclass 858) to allow applications rather than by invitation only and support emerging talent rather than requiring an existing internationally recognised record of exceptional and outstanding achievement

SHAPING THE FUTURE OF AUSTRALIA'S CAPITAL CITIES

The Committees for Capital Cities looks forward to working with our members, industry partners and all levels and sides of Government to shape the future of Australia's capital cities for generations to come.

