

Building Australia's Next Urban Chapter

World Cities Day 31 October 2026

Turning the **National Urban Policy** into practical outcomes for Australia's urban and regional cities

Who we are

We are a group of organisations from across the built environment sector, united by a shared commitment to better outcomes for Australian cities and towns.

Australia has momentum across housing, infrastructure, climate resilience and service delivery. The opportunity now is to bring these efforts together through stronger Australian Government urban leadership, maximising the value of existing investment and delivering greater productivity benefits for Australians.

Australian Institute of Architects, Australian Institute of Landscape Architects, Australian Sustainable Built Environment Council, Council of Capital City Lord Mayors, Committees for Capital Cities, National Shelter, Planning Institute of Australia, Property Council of Australia

What is Urban?

Throughout this report, the term urban is used in accordance with the definition adopted in the Australian Government's National Urban Policy 2024.

This defines urban areas as cities and towns with a population of more than 1,000 people. We support this definition as it recognises that the opportunities and challenges of urban growth extend beyond Australia's capital cities to regional cities and towns.

The priorities in this report are therefore intended to support better planning, housing, resilience and infrastructure outcomes across all urban communities in Australia.

Introduction

Australia's future prosperity will be shaped by the growth of our cities and towns.

With 73 per cent of Australians living in cities, how we plan, fund and shape our urban areas is fundamental to national productivity, affordability, quality of life, and building resilience to a changing climate.

The Commonwealth has played an important role in shaping Australia's urban areas over many decades. At key points, national leadership has helped align investment, infrastructure and growth across jurisdictions.

From the establishment of the Major Cities Unit and Infrastructure Australia in 2007, through to the Smart Cities Plan and City Deals from 2016, Commonwealth initiatives have supported more coordinated urban outcomes.

More recently, the Australian Government has renewed its focus on cities through the National Urban Policy, housing delivery initiatives and place-based investment programs that recognise the importance of better aligning growth.

The next challenge is to turn this momentum into practical delivery that improves outcomes for communities across Australia.

We are calling for a more coordinated and ambitious national urban delivery agenda that brings together housing, infrastructure, climate resilience, environmental outcomes and economic growth, focused on three actions:

1. Delivering **density done well** in well-located, resilient communities.
2. Building the **urban evidence** base to support better planning, resilience and investment decisions.
3. Making **investment work** harder by unlocking new sources of capital to deliver urban growth.

Together, these priorities will help improve housing affordability, lift productivity, reduce long-term disaster costs, and support more connected, resilient and prosperous communities.

Turning the National Urban Policy into Action

The National Urban Policy provides a national framework for better housing, infrastructure, productivity and place outcomes.

Delivering on its ambition requires coordinated action across all levels of government in partnership with industry.

The Australian Government should formally implement the National Urban Policy through a coordinated delivery framework, with clear responsibilities, investment alignment, measurable outcomes and regular reporting.

The priorities in this report focus on where Australian Government leadership can have the greatest impact, using its funding, institutions, investment settings and intergovernmental influence to drive better urban outcomes. It builds on state and local responsibilities with a focus on making better use of existing Commonwealth levers to turn national policy into practical outcomes for Australia's cities and towns.



Priorities

Action area 1: Accelerate Density Done Well	Action area 2: Better Evidence for Place-based Decisions	Action area 3: Make Investment Work Harder
Establish an Infill Acceleration Fund	Invest in National Housing Pipeline Data	Remove barriers to private capital participation in housing
Put housing-enabling infrastructure funding on a permanent footing	Expand and resource national reporting to include urban outcomes	Support stronger Community Housing Providers
Get more from existing Commonwealth urban investment	Develop national principles for well-located housing	Embed urban priorities in major Commonwealth investment decisions



Action Area 1: Accelerate Density Done Well

Accelerate safe, well-located and well-designed housing by unlocking density done well through enabling infrastructure and better planning.

The Challenge

Australia has a shortage of well-located homes close to jobs, transport, services and opportunity. The greatest affordability pressures are often experienced by households forced to trade lower housing costs for higher transport costs, longer commutes, and homes which have higher operating costs for heating and cooling.

Well-located housing must also be safe and resilient over the long term. Growth that increases exposure to flooding, bushfire, extreme heat, coastal hazards and other natural hazards that will be exacerbated by climate change can create significant ongoing costs.

Density done well also improves environmental performance, including through urban greening, canopy cover, biodiversity, water-sensitive design, energy efficiency and access to quality open space. Improving housing affordability therefore requires addressing the cost of location, not simply the cost of housing and expanding the diversity and quality of housing choices.

Missing middle housing, including duplexes, townhouses, terraces and low to mid-rise apartments in well-located established suburbs remain constrained by feasibility, infrastructure costs, planning settings, and delivery risk.

Advancing the National Urban Policy

Density done well directly delivers the National Urban Policy 2024 by increasing the supply of safe, well-located homes close to jobs, transport, services, public open space, and infrastructure.

It supports more productive and connected cities while directing growth towards locations capable of accommodating additional housing without creating unacceptable natural hazard or infrastructure risk.

It also provides an opportunity to better align housing growth with the transport, utilities, digital connectivity and community infrastructure required to support successful places.

Action Area 1 Priorities

Establish an Infill Acceleration Fund	Put housing-enabling infrastructure funding on a permanent footing	Get more from existing Commonwealth urban investment
Establish a dedicated funding program to support, pilot, de-risk and scale-up well-located, climate-resilient and diverse infill housing. Potential mechanisms include: • Grants • Concessional finance • Equity partnerships • Infrastructure contributions The objective is to reduce delivery risk and improve project feasibility of new housing typologies. Projects eligible for funding could include: • Pilot and de-risk: New infill housing typologies that face valuation and financing barriers. • Scale-up: Strategic plans which significantly increase well-planned, climate-resilient, feasible and infrastructure-ready growth. • Scale-up: Community education and awareness campaigns to improve the acceptance of density done well.	Establish an ongoing funding stream for housing-enabling infrastructure by building on existing Local Infrastructure Fund and Housing Support Program initiatives. Priority should be given to utility infrastructure, including water, wastewater, open space, and electricity network upgrades needed to support growth. This would help bring forward housing supply, and improve infrastructure sequencing.	The Australian Government should get more from its existing housing, infrastructure, and place-based investment by better aligning funding programs with the outcomes of the National Urban Policy. Establish a National Urban Coordination Unit within Treasury to lead the ongoing review and alignment of existing Commonwealth urban investment across government. The Unit should better align existing Commonwealth programs and funding agreements to support safe, well-located housing, integrated and resilient infrastructure, and high-quality urban places. Priority programs for review and alignment should include: • Housing Australia Future Fund • Urban and Regional Precincts and Partnership Programs • Infrastructure Australia's Infrastructure prioritisation and infrastructure funding to States and Territories. • Funding streams associated with social infrastructure, including open space, active transport, health, education and sport. • other major Commonwealth housing and infrastructure programs that influence urban growth.

Action Area 2:
Better Evidence for Place-based Decisions

Build a stronger national evidence base to guide housing and investment towards places that are safe, feasible and ready for growth.

The Challenge

Too often investment decisions are made without a shared understanding of growth patterns, housing capacity and infrastructure priorities.
Housing, infrastructure and economic development decisions are often made using fragmented data, inconsistent assumptions and short-term funding cycles.

The same fragmentation affects decisions about natural hazard risk and emerging infrastructure needs. We need better shared information about where growth can be accommodated safely, where infrastructure has capacity, and where investment will be required to support new economic activity. Rapid growth in digital services, cloud computing, data centres and artificial intelligence is creating new demands for electricity, transmission, telecommunications, water and appropriately located employment land that need to be considered alongside housing growth.

Without a shared evidence base and coordinated place-based planning, governments risk underinvesting in high-growth areas, duplicating infrastructure, or failing to unlock housing supply where it is needed most. Better national evidence would help governments distinguish between theoretical growth capacity and growth that is safe, feasible and infrastructure-ready.

Advancing the National Urban Policy

This directly supports the delivery of the National Urban Policy by improving how governments plan, prioritise and coordinate investment in growing communities.

It strengthens the shared national evidence base for housing and infrastructure decisions, aligns investment with place-based priorities, and establishes long-term partnerships across all levels of government to deliver more coordinated, productive and liveable cities and regions.

A stronger national evidence base should also enable governments to understand whether urban growth is improving climate resilience and protecting and enhancing natural systems. These outcomes should form part of how the Commonwealth evaluates urban investment.

Action Area 2 Priorities

Invest in National Housing Pipeline Data	Expand and resource national reporting to include urban outcomes	Develop national principles for well-located housing
Develop and fund critical national indicators including: • Zoned, feasible and infrastructure-ready residential capacity • Zoned capacity affected by current and future natural hazard exposure • Planning and building approvals • Housing commencements and completions • Better indicators and metrics for urban resilience and environmental performance, including emissions, open space, urban heat, canopy cover, biodiversity, and water-sensitive urban design. This would create a clearer picture of Australia's housing pipeline and help identify where additional housing can be delivered safely, feasibly and with the infrastructure required to support growth.	Housing should remain the primary focus of the National Housing Supply and Affordability Council. However, housing delivery and affordability are influenced by a range of interconnected factors including: • infrastructure provision, • access to employment and services, • current and future natural hazard exposure, • insurance availability and affordability, and • the quality and design of the surrounding community. The Australian Government should expand and resource NHSAC to undertake additional analysis of these factors and incorporate relevant measures into the annual *State of the Housing System* report to provide a stronger evidence base to support housing, infrastructure and investment decisions.	The Planning Ministers' Meeting should develop a nationally consistent set of principles for well-located housing to guide housing and infrastructure investment across jurisdictions. While retaining flexibility for states and territories, the principles should recognise that well-located housing provides access to jobs, services, public and active transport, community infrastructure and open space, while being capable of accommodating growth safely as natural hazard exposure worsens. These principles should be reflected in housing and infrastructure funding programs, including the Local Infrastructure Fund and other Commonwealth funding agreements, to better align housing delivery with broader productivity, infrastructure and place outcomes.

Action Area 3:
Make Investment Work Harder

Better align public and private investment to accelerate housing and infrastructure delivery and support well-planned urban growth

The Challenge

Government funding alone will not meet Australia's housing and urban infrastructure needs. At the same time, public funding must be deployed in a way that maximises housing and infrastructure outcomes. Too often, funding is committed well in advance of delivery, or remains unspent while housing-enabling projects are ready to proceed. Funding programs should be sequenced and allocated based on project readiness and delivery outcomes, ensuring scarce public capital is working to accelerate homes and infrastructure rather than sitting idle.

Many community housing providers and mission-driven organisations face structural barriers to accessing the capital required to scale delivery. The challenge is not simply funding more projects. It is creating investment structures and funding mechanisms that attract capital, improve delivery certainty and ensure investment translates into outcomes on the ground.

The next challenge is ensuring financing capacity keeps pace with housing delivery ambitions. As attention shifts from target setting to implementation, a key policy question will be whether existing housing and infrastructure financing vehicles have sufficient scale to support the infrastructure, servicing and enabling works required to unlock housing supply at the pace envisaged by the Accord.

Advancing the National Urban Policy

Financing Urban Growth directly supports delivery of the National Urban Policy 2024 by unlocking new sources of investment to accelerate housing supply and support well-planned urban growth.

It strengthens partnerships between government, institutional investors, philanthropy and the community housing sector, expands the capacity to deliver affordable housing at scale, and creates the investment settings needed to support more productive, inclusive and resilient cities and regions.

Action Area 3 Priorities

Remove barriers to private capital participation in housing	Support stronger Community Housing Providers	Embed urban priorities in major Commonwealth investment decisions
Consistent with NHSAC recommendations, progress reforms that improve policy certainty, support greater project scale and reduce barriers to investment, including: • Review superannuation and disclosure settings that may discourage institutional investment in housing • Maintaining competitive managed investment trust (MIT) and build-to-rent tax settings that support long-term investment in residential housing and recycling of capital. • Improve consistency across jurisdictions, including affordable housing definitions and regulatory frameworks, to support investment at scale. Support larger, investment-ready housing projects and delivery partnerships that can attract institutional capital.	Community Housing Providers are critical delivery partners in achieving national social and affordable housing targets. Governments should strengthen the sector's capacity to finance, develop, own, and manage housing at scale by: • Expanding access to low-cost, long-term concessional finance. • Establishing a national Community Housing Capitalisation Fund. • Broadening DGR eligibility and other philanthropic incentives. • Creating a long-term, predictable pipeline of funding and investment opportunities linked to long-term social and affordable housing targets.	The Australian Government should broaden the remit of the Priority and Delivery Committee to provide Cabinet-level oversight of major new investment decisions and programs related to our urban areas. The Committee should ensure significant new funding commitments align housing, population growth, infrastructure and productivity objectives, and help resolve cross-government barriers to investment and delivery. This would provide a Cabinet-level mechanism to coordinate major new urban investment and ensure Commonwealth funding is directed to where it can deliver the greatest benefits. This would provide the foundation for the National Urban Policy to evolve over time towards a more comprehensive national spatial framework to link population growth with housing, infrastructure, jobs and investment.

Why Act Now

Australia's housing, productivity and liveability challenges are fundamentally place-based challenges. They are experienced in real communities, shaped by housing markets, infrastructure capacity, transport and digital connectivity, natural hazard exposure, and employment patterns.

The Commonwealth has played a defining role in urban policy before, from the Tom Uren era and the establishment of a national urban and regional development agenda in the 1970s, through to the renewed national focus on cities from 2007 onwards, including Infrastructure Australia, the Major Cities Unit and the release of national urban policy frameworks.

The National Urban Policy 2024 provides the next opportunity for national leadership. The task now is to move from policy intent to practical delivery.

The Commonwealth can do this by establishing a focused delivery agenda that aligns housing, infrastructure, investment and economic growth around places that are safe, connected and capable of accommodating growth over the long term.

This means accelerating well-located housing, investing based on evidence and place, unlocking new capital for urban growth, and building the skills and systems needed to turn national ambition into measurable outcomes.

This group of peak and professional organisations stand ready to work with the Australian Government to turn the National Urban Policy into practical, measurable outcomes for communities across Australia's cities, towns and regions.

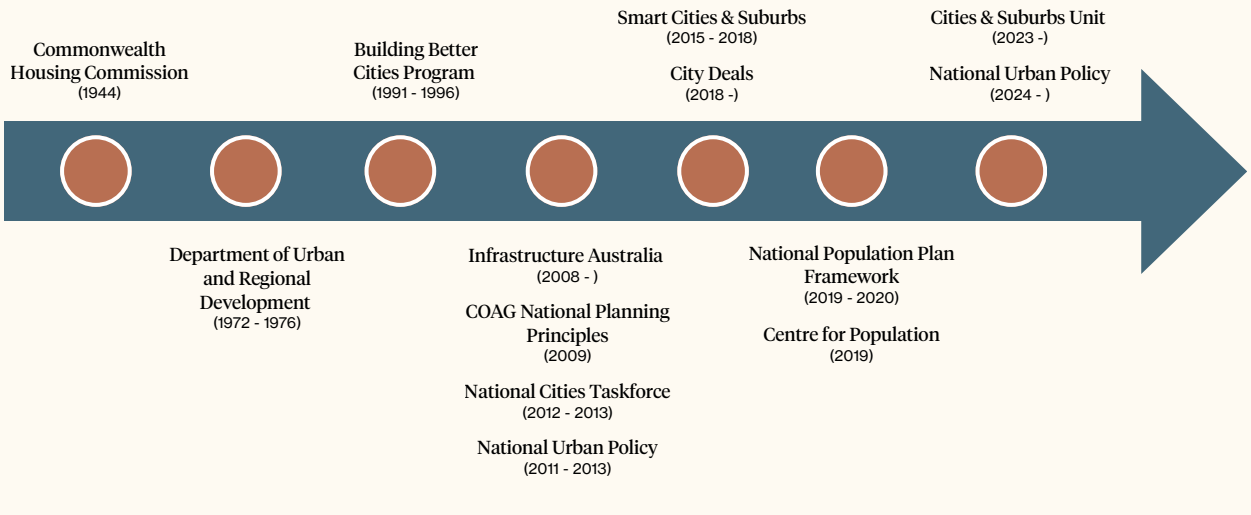


Figure: Historical timeline of Commonwealth policy focusing on settlements



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Australian Institute of Architects

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Committee for Capital Cities

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