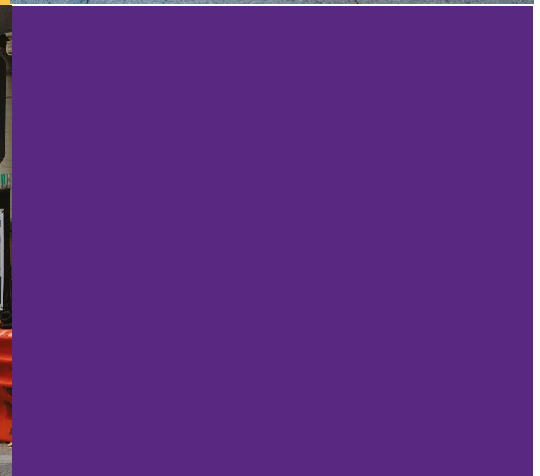
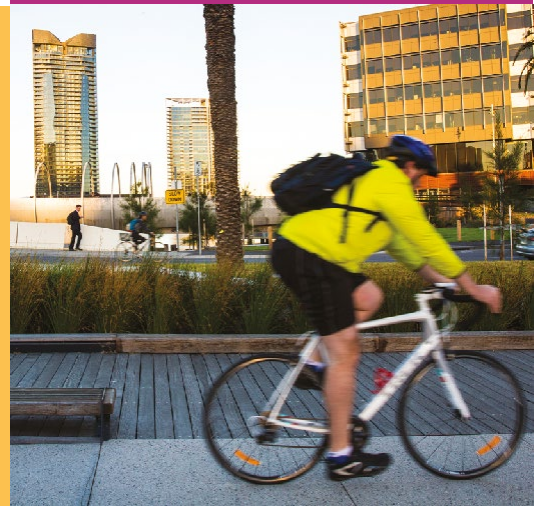




COUNCIL OF CAPITAL CITY LORD MAYORS

PRE-BUDGET SUBMISSION

2021-2022



Council of Capital City Lord Mayors
www.lordmayors.org

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CCCLM Chair Foreword

The Council of Capital City Lord Mayors consists of the Lord Mayors of Adelaide, Brisbane, Darwin, Hobart, Melbourne, Perth and Sydney, as well as the Chief Minister of the ACT.

During 2020, Australia's capital cities experienced devastating social and economic impacts of COVID-19. The pandemic has illustrated vulnerabilities in our cities, particularly impacting those members of our communities that are experiencing or at the risk of homelessness, or employed in city culture and the arts, retail, hospitality and entertainment sectors.

This pandemic has affected the most densely populated geographies – our capital cities. Capital cities have been disproportionately impacted by the cessation of activity by the reduction of city workforces, international students and international and domestic tourism.

Our submission demonstrates the need for Australian governments to work together to deliver outcomes that not only contribute to recovery of cities following COVID-19, but establishes an ongoing partnership to provide:

- assistance with Covid-19 response and recovery, including support for city infrastructure;
- city initiatives that deliver national climate benefits;
- support for the culture and the arts sector; and
- social and affordable housing support to alleviate housing stress and associated homelessness.

Whilst capital city Lord Mayors acknowledge and welcome economic stimulus funding allocated during 2020 through the Local Government Roads and Community Funding, there is opportunity for our governments to work together to ensure that we do not just return to a status-quo. This can be done by investing in the jobs, infrastructure and resources that are essential for our economic future.

Capital cities stand ready to partner with the Australian Government to support the recovery of our cities.

As Chair of the Council of Capital City Lord Mayors, it is with pleasure that I submit this Pre-Budget submission. The CCCLM would welcome the opportunity to further expand upon our submission as necessary.

Adrian Schrinner
Lord Mayor of Brisbane
Chair, Council of Capital City Lord Mayors

1. Summary of recommendations

COVID-19 response and recovery	
1.	Re-assess the CCCLM Economic Stimulus proposal provided in August 2020.
2.	Consider partnership with the CCCLM to build economic data into the National Cities Framework to benchmark capital city recovery.
Climate action	
3.	Encourage uptake of renewable electricity, energy efficiency and energy demand and storage through innovative and new distribution and storage technology.
4.	Explore opportunities for development of renewable electricity generation in growth areas, with potential funding of innovative solutions for renewable energy use and renewals of precincts and old stock.
5.	Create integration of localised, distributed renewable electricity generation close to demand, to reduce long distance transmission and distribution and provide potential cost savings for consumers. For example: virtual power stations, utility scale energy storage and smart grids.
6.	Expedite the National Construction Code and associated consultation, to shift from low to zero carbon buildings, delivering direct energy and emission reduction dividends.
7.	Facilitate opportunities that reduce emissions in cities, including electrification of transport and incentives for take up of active travel. For example, tax incentives could be applied leading to increased participation in active travel and take up of electric vehicles.
8.	Create a program that provides incentives for the delivery of fully electric public transport systems and electric vehicle charging infrastructure.
9.	Provide financial support to address the issues of waste collection, treatment, disposing and recycling.
10.	Integrate a city resilience approach across Government by: <ul style="list-style-type: none"> • Develop a cities-based national vulnerability profile to guide policy and practice; • Build redundancy into Australian cities transport, communications and energy systems; and • Develop resilience criteria in Australian Government infrastructure funding.
Culture and the Arts	
11.	Create a national policy and strategy that identifies and provides the best mechanism to ensure cooperation and delivery of policy between layers of government and improve the sustainability of the whole of ecosystem of the cultural and creative industries. The national strategy should: <ul style="list-style-type: none"> • Provide a comprehensive independent review of the creative and cultural industries; and • Incentivise states and territories to invest in cultural production, studio, workshop and making spaces to retain core creatives, small to medium sector and creative manufacturing within capital cities.
12.	Invest in early illness intervention and prevention in the form of creative programs integrated into health and wellbeing policy and funding programs. We note the sector provides a powerful positive and consistently effective impact on personal and community resilience, wellbeing, mental health therapy and treatment.

13.	Prioritise and incentivise organisations that demonstrate inclusion and diversity in arts and culture funding and investment programs by supporting the creation of an Equality Action Plan for funded organisations. ¹
14.	Continued Australian Government leadership to ensure the important and ongoing measurement of creative industry economic output that builds upon the work conducted by the ABS and Meeting of Cultural Ministers Statistics Working Group in improving data capture and research opportunities, and more accurately quantify the economic and social value of the creative industries.
15.	Consider directing resources to pilot experimental or emerging methods of capturing and expressing economic and social value of the sector. For example, establishing a contemporary survey for wellbeing measurement that would include data capture about the role and impact of arts, culture and creativity in respondents' lives, and mapping the supply chain linking core creatives through the cultural and creative industries.
16.	Improve pathways from tertiary education into the creative sector, such as, the introduction of entrepreneurship and business foundation courses and community arts and cultural development within vocational training organisations. This should also include the provision of industry tailored business services for the cultural and creative sector to help bridge the capability via appropriate educational and peak body institutions.
17.	Funding educational institutions and/or peak industry bodies to provide or facilitate business services and training would provide the sector affordable access to specialist knowledge that would assist cultural and creative industries to address their business knowledge deficits.
Housing and Homelessness	
18.	<p>Create a National Housing and Homelessness Strategy that recognises social and affordable housing in inner cities as critical infrastructure and allocates funding and investment in social and affordable housing based on effective data driven approaches such as 'Housing First' Key priorities within a National Housing and Homeless Strategy should include:</p> <ul style="list-style-type: none"> • Increases in targeted housing and support to prevent homelessness, for example by enabling planned exits from institutions to stable housing. • Support for preventative programs that address the drivers of homelessness, including family violence, mental health, drug, and alcohol use. • Incorporation of culturally appropriate housing and early intervention services that recognises issues that disproportionately affect Aboriginal and Torres Strait Islander people. • The provision of greater assistance for crisis accommodation that includes support for people to transition to sustainable long-term housing. • Coordination of roles and responsibilities of all levels of government, private industry and non-government organisations to review and inform the housing market, and other structural contributors to homelessness and housing stress, and allocate funding incentives to stimulate provision of improved social and affordable housing outcomes in capital cities.
19.	Partner with State/Territory and Local governments to identify and invest in the development of inner-city sites and work with the Council of Capital City Lord Mayors to ensure adequate provision of appropriate social and affordable housing and emergency accommodation in our capital cities.
20.	Fund culturally appropriate housing that considers culture and kin and wrap around support services for Aboriginal and Torres Strait Islander people.
21.	Conduct a review of the Commonwealth Rent Assistance program and Centrelink policies to ensure they form part of a coordinated responses capable of alleviating housing stress and homelessness.
22.	Conduct a review of State and Territory government housing debt - on the basis saving will be used for social housing.

¹ <https://www.artscouncil.org.uk/sites/default/files/download-file/Equality%20Action%20Guide%20-%20Putting%20equality%20and%20diversity%20into%20action.pdf>

2. COVID-19 response and recovery

COVID-19 has had a disproportionate impact on capital cities. The Council of Capital City Lord Mayors seeks ongoing Australian Government support for funding, research and programs that will deliver significant benefits to capital cities, and to members of our communities that live, visit and work in our cities. Australian cities represent the social and economic foundations of a modern, productive and thriving economy. Providing connection, community and a sense of place that is safe and ready to support economies return to activity is vital. Cities are not solely places of office accommodation, but a conglomeration of residential, office accommodation, centres of commerce that support tourism, retail, arts and culture, health and education and generates a complexity of economic and social life.

The CCCLM believes that by supporting capital city projects and funding infrastructure, city climate adaptation activity, social and affordable housing and providing programs that support the culture and the arts sector, economic and social benefits will be realised whilst establishing a suite of programs aimed at those most severely impacted by COVID-19.

The long term social, economic and cultural impacts of the pandemic are not yet fully known, however in Australia's economic recovery, the right investment in place and amenity is an investment in people, connectivity and long-term growth.

2.1. Economic stimulus projects

During 2020, the CCCLM submitted a one-off funding package of 'shovel-ready' local government infrastructure projects that aimed at providing much needed support for the recovery of our cities.

The projects presented in that proposal had a total value of \$2.828 billion and would support more than 10,000 jobs within our municipalities as well as broader economic impacts in the regions beyond. Funding these projects would delivery essential infrastructure needed in each capital city, while producing a boost to each local economy.

An updated version of this proposal will be forwarded separately.

Work is also underway to identify additional projects that will provide economic stimulus benefits by funding infrastructure across the sectors of roads; public transport and active travel; culture and the arts; social and affordable housing and climate and environment. Details of these projects will be advised in due course.

2.2. Economic research

In September 2020, Australia formally entered recession for the first time in nearly 30 years.

It is imperative that policy makers across Australia’s capital cities have access to consistent and timely data to understand both the impact of the pandemic and the strategies and policies implemented to manage it. Official economic data is often lagging at city statistical level by several months, meaning that the full impact of strategies can take a long time to be fully understood. While official economic data is important, supplementary data sources that have shorter refresh periods are useful in providing a more immediate understanding of the impact of policy.

CCCLM has initiated its “City Pulse” project, which aims to identify, collate and visualise data for capital cities to inform decision making that supports communities and businesses during the COVID-19 economic response and recovery. The CCCLM has conducted phase 1 of the project, which identified 21 themes and indicators from a variety of freely available and costed sources.

Given the National Cities Framework² is currently under review, there would be benefits in incorporating economic data into the framework to provide a benchmark of recovery across the 24 cities currently included in the framework.

This can only be achieved in a timely manner with additional external funding. We would welcome the opportunity of partnering with the Australian Government to deliver this initiative, which could be effectively rolled-out to other larger Australian cities.

2.3. Recommendations

1. Re-assess the CCCLM Economic Stimulus proposal provided in August 2020.
2. Consider partnership with the CCCLM to build economic data into the National Cities Framework to benchmark capital city recovery.

² <https://www.bitre.gov.au/national-cities-performance-framework>

3. Climate Action

Australian cities have been at the forefront of climate action for many years, city councils have implemented innovative policies and programs that have generated successful emission reduction outcomes.

Capital cities also work on managing the impact of increasing extreme events and temperatures on the safety of our cities and the health of our residents.

We are calling on the Australian Government to collaborate with city councils to achieve a climate safe future.

The global average temperature increases that we live with today must be limited. The Intergovernmental Panel on Climate Change (IPCC) advises that if this average goes above 1.5 degrees Celsius from pre-industrial levels, we will see major and potentially irreversible disruption to our climate and many natural support systems. The IPCC concludes that global emissions must be reduced by 45% in the next 10 years and to net zero emissions well before 2050.

No level of government can do this alone. However, all levels of government working together alongside industry and community partners will provide necessary environmental outcomes to achieve necessary emissions targets.

Capital city councils stand ready to act as a major partner in responding to the climate challenge, and to build on the role and experience of Australian cities to educate, empower, innovate and demonstrate effective action on climate.

Local governments are well placed to work with their communities and businesses to tackle climate change and provide innovative and sustainable solutions. Cities can facilitate practical approaches for a low carbon future with a just and equitable transition for all.

3.1. Recommendations

The CCCLM would welcome Australian Government focus on the following opportunities to deliver climate outcomes:

1. Encourage uptake of renewable electricity, energy efficiency and energy demand and storage through innovative and new distribution and storage technology.
2. Explore opportunities for development of renewable electricity generation in growth areas, with potential funding of innovative solutions for renewable energy use and renewals of precincts and old stock.
3. Create integration of localised, distributed renewable electricity generation close to demand, to reduce long distance transmission and distribution and provide potential cost savings for consumers, for example virtual power stations, utility scale energy

storage and smart grids. To achieve outcomes, Australian Government leadership is required to:

- Create a program that explores opportunities for development of renewable electricity generation in growth areas; and
 - Investigate potential to fund innovative solutions for renewable energy use and renewals of precincts and old stock.
4. Expedite the National Construction Code and associated consultation, to shift from low to zero carbon buildings, delivering direct energy and emission reduction dividends.
 5. Facilitate opportunities that reduce emissions in cities, including electrification of transport and incentives for take up of active travel. For example, tax incentives could be applied leading to increased participation in active travel and take up of electric vehicles.
 6. Create a program that provides incentives for the delivery of fully electric public transport systems and electric vehicle charging infrastructure.
 7. Financial support to address the issues of waste collection, treatment, disposing and recycling.
 8. Integrate a city resilience approach across Government by:
 - Develop a cities-based national vulnerability profile to guide policy and practice;
 - Build redundancy into Australian cities transport, communications and energy systems;
 - Develop resilience criteria in in Australian Government infrastructure funding.

4. Culture and the Arts

The creative sector is vital to Australia’s future and is one of the most rapidly growing industries in the country in terms of income generation, job creation and export earnings. Creative industries are defined as “those industries which have their origin in individual creativity, skill and talent, and that have a potential for wealth and job creation through the generation and exploitation of intellectual property”³.

The Bureau of Communications and Art Research reported⁴ that:

- In 2016, the total cultural and creative workforce (including embedded creatives working in non-creative industries) was 868,098 people, or 8.1% of the total Australian workforce. Within that, the cultural and creative industries employed 645,303 people, or 6% of the total workforce.
- In 2020 the cultural and creative economy, including activity in the wide range of cultural and creative industries as well as cultural and creative activity performed in other industries, was worth \$115.18 billion to the Australian economy in 2016–17 (6.43% of GDP).

Local government provides 39% of the nation’s arts and cultural funding (2018 study undertaken by Economists at Large) and employs creatives to design cities, manage cultural venues, deliver services, programs and funding directly to improve wellbeing, access and inclusion for all.

Despite considerable evidence that supports this sector’s value, along with the significant impact of COVID-19, the cultural and creative industries was one of the last sectors to receive government support. This pandemic has not only left the sector struggling to survive but laid bare the vulnerability of “gig” based contract workers and the critical lack of awareness of its tangible economic value. The cultural and creative industries need support to better define and advance its interests, and more clearly articulate its contribution to economy and society.

4.1. Recommendations

The CCCLM would welcome Australian Government support to:

1. Create a national policy and strategy that identifies and provides the best mechanism to ensure cooperation and delivery of policy between layers of government and improve the sustainability of the whole of ecosystem of the cultural and creative industries. The national strategy should:

³ UK Department of Culture, Media and Sport, 2001

⁴ <https://www.communications.gov.au/publications/cultural-and-creative-activity-australia-2008-09-2017-18-visual-summary>

- Provide a comprehensive independent review of the creative and cultural industries; and
 - Incentivise states and territories to invest in cultural production, studio, workshop and making spaces to retain core creatives, small to medium sector and creative manufacturing within capital cities.
2. Invest in early illness intervention and prevention in the form of creative programs integrated into health and wellbeing policy and funding programs, the sector provides a powerful positive and consistently effective impact on personal and community resilience, wellbeing, mental health therapy and treatment.
 3. Prioritise and incentivise organisations that demonstrate inclusion and diversity in arts and culture funding and investment programs by supporting the creation of an Equality Action Plan for funded organisations.⁵
 4. Continued Federal leadership to ensure the important and ongoing measurement of creative industry economic output that builds upon the work conducted by the ABS and Meeting of Cultural Ministers Statistics Working Group in improving data capture and research opportunities, and more accurately quantify the economic and social value of the creative industries.
 5. Consider directing resources to pilot experimental or emerging methods of capturing and expressing economic and social value of the sector. For example, establishing a contemporary survey for wellbeing measurement that would include data capture about the role and impact of arts, culture and creativity in respondents' lives, and mapping the supply chain linking core creatives through the cultural and creative industries.
 6. Improve pathways from tertiary education into the creative sector, such as, the introduction of entrepreneurship and business foundation courses and community arts and cultural development within vocational training organisations. This should also include the provision of industry tailored business services for the cultural and creative sector to help bridge the capability via appropriate educational and peak body institutions.
 7. Funding educational institutions and/or peak industry bodies to provide or facilitate business services and training would provide the sector affordable access to specialist knowledge that would assist cultural and creative industries to address their business knowledge deficits.

⁵ <https://www.artscouncil.org.uk/sites/default/files/download-file/Equality%20Action%20Guide%20-%20Putting%20equality%20and%20diversity%20into%20action.pdf>

5. Housing and homelessness

The CCCLM has previously advocated for increased investment in social and affordable housing, via its [2019-20 Pre-Budget submission](#) and response to the House of Representatives [Inquiry into homelessness in Australia](#). These submissions identify the evidence that supports the need for increased focus on investment in this sector.

Capital city councils were heartened by the response by Australian and State governments to rough sleepers during the peak of COVID-19. People rough sleeping were provided accommodation in our cities and housing stress was alleviated by the provision of the increased JobKeeper and JobSeeker rates. As these programs end, cities are now experiencing the return of people experiencing homelessness to the streets of the cities in the same or increasing numbers as pre-pandemic.

Recent analysis shows that almost two-thirds of people experiencing homelessness now take shelter in inner urban municipalities, either in severely crowded dwellings or sleeping rough on the street.⁶ Nearly half (47 per cent) of all people sleeping rough in Australia do so in capital cities. The housing and homelessness crisis is now even more urgent with the devastating impacts of COVID-19. The COVID-19 pandemic has disproportionately impacted the thousands of people experiencing homelessness in our capital cities.

Aboriginal and Torres Strait Islander peoples are more likely than non-Indigenous Australians to experience insecure housing, live in overcrowded dwellings and experience homelessness, including intergenerational homelessness.⁷ Aboriginal and Torres Strait Islander peoples continue to be over-represented in both the national homeless population and as users of specialist homelessness services.

The economic and social impacts of COVID-19 have placed an enormous number of Australians at risk of homelessness, now and in the months and years to come.

There are several factors contributing to the unprecedented levels of homelessness including increasing rental costs, income support not keeping up with the growth in rents and a proportionate decrease in investment in social and affordable housing. Homelessness is rising in areas with a shortage of affordable⁸ private rental housing. This can be demonstrated by the relationship between the supply of and demand for low-cost housing.

⁶ Parkinson, S., Batterham, D., Reynolds, M. and Wood, G. (2019). *The Changing Geography of Homelessness: A Spatial Analysis from 2001 to 2016*, AHURI Final Report 313. Australian Housing and Urban Research Institute Limited: Melbourne.

⁷ Flatau, P., et al. (2013) Lifetime and intergenerational experiences of homelessness in Australia, AHURI Final Report No.200. Melbourne: Australian Housing and Urban Research Institute.

⁸ Affordable housing is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income. In this context, affordable housing refers to housing that has been developed with some assistance from Government, including through planning incentives. It is only available in some locations and eligibility criteria apply.

The low availability of affordable private housing is increasing the demand for social housing⁹. A range of responses across the private housing market with national investment are needed to address availability of affordable housing for people on the lowest incomes.

As a result of low levels of affordable housing, we are seeing greater proportions of the population renting and these people spending larger parts of their income on housing costs. Coupled with the increased demand for social housing, the vulnerability of the general population to homelessness is growing. All these factors are now compounded by the social and economic impacts of COVID-19.

We need to build on the COVID-19 response and provide permanent, stable housing to break the cycle of homelessness currently facing so many Australians. Addressing the causal and consequential issues of homelessness will require a concerted and coordinated effort by local, state, territory, and Australian Governments.

Every person should have the chance to live a dignified life in a community that supports them to do so. To make this a reality we need leadership from the Australian Government to make preventing and responding to homelessness a priority.

5.1. Recommendations

1. A National Housing and Homelessness Strategy that recognises social and affordable housing in inner cities as critical infrastructure and allocates funding and investment in social and affordable housing based on effective data driven approaches such as 'Housing First' Key priorities within a National Housing and Homeless Strategy should include:
 - Increases in targeted housing and support to prevent homelessness, for example by enabling planned exits from institutions to stable housing.
 - Support for preventative programs that address the drivers of homelessness, including family violence, mental health, drug, and alcohol use.
 - Incorporation of culturally appropriate housing and early intervention services that recognises issues that disproportionately affect Aboriginal and Torres Strait Islander people.
 - The provision of greater assistance for crisis accommodation that includes support for people to transition to sustainable long-term housing.
 - Coordination of roles and responsibilities of Federal, State and local governments, private industry and non-government organisations to review and inform the housing market, and other structural contributors to homelessness and housing stress, and allocate funding incentives to stimulate provision of improved social and affordable housing outcomes in capital cities.

⁹ Social housing is subsidised rental housing provided by not-for-profit, non-government or government organisations to assist people who are unable to access suitable accommodation through the private market.

2. The Australian Government partner with State/Territory and Local governments to identify and invest in the development of inner-city sites and work with the Council of Capital City Lord Mayors to ensure adequate provision of appropriate social and affordable housing and emergency accommodation in our capital cities.
3. Funding culturally appropriate housing that considers culture and kin and wrap around support services for Aboriginal and Torres Strait Islander people.
4. Review the Commonwealth Rent Assistance program and Centrelink policies to ensure they form part of a coordinated responses capable of alleviating housing stress and homelessness.
5. Review of State and Territory government housing debt - on the basis saving will be used for social housing.