

4 July 2024

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Submitted electronically

To whom it may concern,

Climateworks Centre submission on the National Urban Policy

Climateworks Centre welcomes the opportunity to respond to the draft National Urban Policy (NUP).

Climateworks bridges the gap between research and climate action, operating as an independent not-for-profit within Monash University. Climateworks develops specialist knowledge to accelerate emissions reduction, in line with the global 1.5°C temperature goal, across Australia, Southeast Asia and the Pacific.

Accelerating emissions reductions is especially urgent given that the window to keep global warming within 1.5°C is narrowing.

This submission draws on Climateworks' ongoing research and analysis of urban decarbonisation, including:

- [Recommendations to accelerate and achieve net zero cities in Australia](#)
- [Decarbonising Australia's transport sector: Diverse solutions for a credible emissions reduction plan](#)
- [Climate-ready homes: Building the case for a renovation wave in Australia](#)

Submission summary

- Recommendation 1: Increase the National Urban Policy's sustainability and decarbonisation ambition, to make it a transformative policy.
- Recommendation 2: Make the 'vision for sustainable growth in cities' ambitious, specific and actionable to ensure its efficacy.
- Recommendation 3: Further integrate environmental sustainability and decarbonisation into the policy objectives as cross-cutting topics.
- Recommendation 4: Provide timelines and dedicated funding to strengthen the policy and improve its longevity.
- Recommendation 5: Increase the specificity of the 'sustainability' objective to improve its quality.

- Recommendation 6: Develop indicative city-specific emissions targets to help achieve national decarbonisation objectives.
- Recommendation 7: Strengthen the focus on transport and buildings sector decarbonisation through further policy detail.
- Recommendation 8: Apply a climate lens to all urban funding and policies.
- Recommendation 9: The federal government can play a role as an implementer, enabler and convener for urban policy.
- Recommendation 10: Improve data and monitoring to enable decarbonisation at each level of government.
- Recommendation 11: Take a place-based approach to promote multi-sector decarbonisation.

Context

Over two-thirds of all global carbon emissions occur either in or because of cities (Seto et al. 2021). Australia is highly urbanised, with 72 percent of the population living in a major city (CfP, 2023). Reducing emissions from cities is crucial to achieving Australia’s climate targets, protecting its citizens from major climate change impacts, increasing access to nature and improving livability for those who live, work and visit those cities.

Transitioning Australian cities to net zero emissions can only be achieved through transformations in the urban environment, supported by adequate multi-level governance and finance mechanisms (IPCC, 2022; Cities Power Partnership, 2023).

Net zero cities are urban areas, including regional towns and centres, that have reduced emissions to as close to zero as possible across seven key systems – energy, transport, buildings, water, waste, food, and green infrastructure, with actions on how to offset the remainder. The NUP is an opportunity to build the national policy framework to enable rapid urban decarbonisation and achieve net zero Australian cities.

Ambition, integration and governance

Recommendation 1: Increase the National Urban Policy’s sustainability and decarbonisation ambition, to make it a transformative policy.

The proposed NUP is a promising initial step to developing a more national approach to urban policy. The lack of a unifying approach, framework or policy has hindered cooperation to date between all levels of government when pursuing city-building initiatives in Australia. This is particularly true for decarbonisation, with a lack of coordination and cooperation between local, state and federal governments contributing to a lack of progress in lowering urban emissions (Future Earth Australia, 2019). Progress towards a more cohesive policy environment is positive and appropriate.

However, there is a need for greater ambition in the proposed NUP. The topics that underpin the policy’s objectives (e.g. sustainability, safety, productivity and health) are all appropriate. However, building on this as a baseline with higher aspirations for transformations to better livability and environmental sustainability would improve the impact of the policy. There is an opportunity for Australian cities to be world leaders in climate action. A higher level of ambition can be integrated into the policy as the NUP seeks to have a long-term vision for Australian cities (the ‘sustainability’

objective has a timeframe of 2050). The 'EU Mission:Climate-Neutral and Smart Cities' program is an example of ambitious urban climate action. The program aims to deliver 100 climate-neutral and smart cities by 2030 in the European Union (EU) (European Commission, 2020). The NUP can be world-leading in the same manner, with similar ambition to the EU.

Recommendation 2: Make the 'vision for sustainable growth in cities' specific and actionable to ensure its decarbonisation efficacy.

The 'vision for sustainable growth in cities', currently being developed in collaboration with state and territory governments, would be most effective if it is deeply integrated into the NUP structure, with direct alignment to the policies draft goals and objectives. It should set a long-term direction for urban policy and act as a tangible end point from which policies and pathways can be backcast, with the ultimate goal of achieving net zero cities in the medium-term. This is crucial to reduce emissions, but it will also improve liveability through better transport outcomes, increased building performance and comfort, and better access to blue and green spaces (C40, 2021).

The 'vision for sustainable growth in cities' would be robust if it includes specific timeframes, metrics and areas of policy action that could be used to achieve the stated vision. In order for the vision to be shared between levels of government, local, state and federal governments should have ongoing cooperation in its implementation, with recurring working groups and task forces to coordinate the levels of government (see recommendation 9 for further details).

The longevity of the NUP as a national framework requires that it be embedded into both state and federal policy architecture, to make it most effective both now and in the medium to long term. This could include integration into state planning schemes or deeper integration into national emissions targets and legislation.

Recommendation 3: Further integrate environmental sustainability and decarbonisation into the policy objectives as cross-cutting topics.

In its current format, each of the suggested goals and objectives are appropriate but are represented as individual silos. In practice, sustainability and decarbonisation are cross-cutting topics with impacts on the other objectives (e.g. productivity, safety and health).

Currently, some decarbonisation topics mentioned in the 'sustainability' objective are also included in other objectives, such as:

- urban development sustainability concerns in 'no-one and no place left behind',
- housing construction and active transport access in 'our urban environments and communities promote health and wellbeing', and
- transport infrastructure, active and public transport provision and urban freight planning in 'our urban areas promote productivity'.

This is a good step towards initial integration of sustainability and decarbonisation across the policy structure. But the importance and interrelationship of decarbonisation to all other elements of the policy could be more explicit or decarbonisation could be used as a cross-cutting objective. This would emphasise the importance of rapid decarbonisation to the implementation of the NUP, showing how reducing urban emissions also helps to further the liveability, equity, productivity and resiliency aims of the policy.

This could be achieved through direct call-outs of decarbonisation topics for each goal/objective, a guide for how decision-makers can consider decarbonisation across all objectives when implementing the NUP framework or a suggested hierarchy of objectives with decarbonisation as a primary objective.

Recommendation 4: Provide timelines and dedicated funding to strengthen the policy and improve its longevity.

The draft policy lists a number of announced initiatives (Page. 44), but it would be much more effective if a wider suite of actions and initiatives is provided. The previous iteration of the NUP (released in 2011) was accompanied by a ‘summary action plan’, describing new initiatives in the short, medium and long term that would implement the vision set out in the policy. The current draft policy would benefit from a similar plan with budget allocation, timeline and theme for future initiatives.

Climateworks recommends new and significant funding for ambitious urban decarbonisation projects. Ideally, this is delivered in a specific, stand-alone national fund to provide certainty and wide dispersal of funding for state and territory-specific city projects. The fund should prioritise place-based, co-investment opportunities between federal and state and territory governments that also unlocks further private funding. Ideally it would be cross-cutting in nature, including guidelines for liveability and equity outcomes in alignment with the requisite objectives in the draft policy.

In addition to new funding for urban decarbonisation-specific projects, existing (and future) urban funding programs should be implemented with a climate and emissions reduction lens. Specifically, including climate and decarbonisation criteria for the allocation of funding from the *Urban Precincts and Partnerships Program* and the *Thriving Suburbs Program* could be used as an initial opportunity to implement the ‘sustainability’ objective of the current draft NUP.

Decarbonisation and the ‘sustainability’ objective

Recommendation 5: Increase the specificity of the ‘sustainability’ objective by providing more medium-term timelines and alignment with national climate commitments.

The explicit focus on ‘net zero and urban emissions’ within the sustainability objective is positive and appropriate. However, a number of modifications could strengthen this objective and centre the need for rapid decarbonisation in Australian cities. Firstly, decarbonisation should be foregrounded and included in the objective’s title and framing to avoid confusion between economic or viability sustainability and environmental sustainability (as both are used in the policy).

The text of the objective rightly sets a long term goal of ‘net zero emissions by 2050’. Interim timeframes and objectives would help provide clearer signals and align action through the policy with Australia’s 2030 and 2035 nationally determined contributions and its obligations under the Paris Agreement. The NUP presents the opportunity to align urban development with Australia’s broader climate policy architecture. Including emissions targets, timeframes and international commitments (particularly the nation’s 1.5°C carbon budget and Paris Agreement climate commitments) in the sustainability objective would create this alignment.

Recommendation 6: Develop indicative city-specific emissions targets to help achieve national decarbonisation objectives.

Establishing indicative emissions targets for each major Australian city would align urban decarbonisation action with effective delivery of national emissions targets and 1.5°C-aligned emissions reduction pathways. Including a definition for urban emissions within the NUP would assist cities to determine appropriate emissions targets, and integrate emissions targets into other city monitoring and target setting. We advise that this should cover the treatment of scope 1,2 and 3

emissions, be science-based and defined using a set methodology (such as those provided by the [CDP](#), [Science Based Targets Initiative](#) or [C40](#)).

Recommendation 7: Strengthen the focus on transport and buildings sector decarbonisation through further policy detail.

The focus on transport and building emissions is appropriate, with Climateworks' modelling showing that these sectors are crucial for economy-wide decarbonisation (Climateworks, 2023a) and particularly important in cities. Given this we advise further detail on these two sectors. For the transport sector, Climateworks recommends consideration of mode shift to public and active transport, and utilising the Avoid, Shift and Improve framework to plan projects and initiatives (Climateworks, 2024). Additional improvement of existing transport infrastructure alongside a shift to electric vehicles and other less emissions intensive technologies is also needed (Climateworks, 2022). For the buildings sector, decarbonisation can be accelerated by improving the thermal efficiency of and electrifying homes (particularly existing builds), creating proactive plans for enabling conditions (e.g. workforce, accreditation and monitoring) and making effective use of national policy levers such as the National Construction Code (Climateworks, 2023b).

Recommendation 8: Apply a climate lens of emissions reduction to all urban funding and policies.

The areas and sectors mentioned in the 'sustainability' objective are all positive and appropriate, but a broader scope can be achieved if a climate lens is applied to all areas of federal government activity within Australian cities. Emissions reduction criteria could be applied to government funding allocated to city and urban development, ensuring that no funding is allocated to projects that are likely to slow the transition to net zero or 'lock-out' lower emissions technology. Emissions reduction criteria could also extend more broadly to government budgets, procurements and engagements related to cities. Carbon impacts, risk evaluation and climate metrics could be included across future urban policies and be considered during decision-making and the implementation of urban policy.

Role of federal government and implementation

Recommendation 9: The federal government can play a role as an implementer, enabler and convener for urban policy.

The Australian Government can play an effective role in urban policy in three ways: as an implementer, an enabler and a convener. Where it has the requisite legislative and constitutional powers, it can take a more active and direct implementer role. This should include directly managing Commonwealth infrastructure and nationally significant projects, and delivering joint projects through partnerships with state and territory and local governments.

Where there is an opportunity to support urban policy aligned with net zero urban emissions but there is no direct implementing remit, the Australian government can take a broader, enabling role. Using existing federal policy mechanisms (such as the National Construction Code, skills and workforce, emissions targets and taxation reform) as well as delivering increased funding for city-specific decarbonisation projects.

The federal government can also act as a convener and aligner to ensure a consistent urban approach is pursued across the states and territories. This should involve setting the vision, targets

(particularly related to emissions) and pathways which individual states, territories and cities can align to when developing city policy.

The federal government can then also actively foster collaboration between state, federal and local governments on place-specific urban, spatial and strategic planning to ensure a nationally consistent approach. This role would also include enabling a specific governance structure to support ongoing collaboration, including establishing a working group within the Department of Infrastructure, Transport, Regional Development, Communications and the Arts with representatives from all levels of government, research bodies and the broader community, as well as establishing task forces of government and non-government stakeholders to develop city-specific net zero action plans.

Recommendation 10: Improve data and monitoring to provide clarity on urban decarbonisation progress and guide implementation by each level of government.

The emphasis on the need for a broader and improved evidence base for urban policy (principle 4) is appropriate. Data that can guide the policies, investment, and implementation to achieve emissions reduction goals should be shared between all governments, ensuring local governments have equitable access to data for climate decision-making. Data should also be standardised and disaggregated (where possible) to state or territory and local council levels to guide and monitor place-based action.

More specifically, this data should include yearly reporting on urban emissions, climate risk assessments (both physical and transition risks), evaluations of urban climate programs (as part of the Climate Change Authority's responsibility), and sector-specific (e.g. transport, buildings) performance. The data could be released as a stand-alone report, as part of the *Annual Climate Change Statement* or as part of a more regular *State of Australian Cities* report.

Recommendation 11: Take a place-based approach to promote urban decarbonisation.

The emphasis on place and place-based initiatives throughout the draft policy (but particularly within the 'principles' section) is positive and appropriate. Using a place-based approach allows focus on the unique challenges that face Australian cities and helps to create action that is both successful for emissions reduction and aligned with the area's unique built environment and social context. A federal government focus on industry, business and community clusters within specific urban precincts can help build the momentum to unlock decarbonisation at a national level.

Thank you for taking the time to consider our submission. We would welcome an opportunity to brief your team if you would like to explore our responses in further detail.

Yours sincerely,

Dr. Portia Odell
System Lead - Cities,
Climateworks Centre
portia.odell@climateworkscentre.org

Dr. Jarrod Grainger-Brown
Senior Research Officer - Cities,
Climateworks Centre
jarrod.grainger-brown@climateworkscentre.org

References

- Seto K.C, Churkina G, Hsu A, Keller M, Newman P.W, Qin, B and Ramaswami A (2021) From low-to net-zero carbon cities: The next global agenda. Annual Review of Environment and Resources, 46(1):377-415, <https://doi.org/10.1146/annurev-environ-050120-113117>.
- CfP (Centre for Population) (2023) [2023 Population Statement](#), the Australian Government, Canberra, accessed 1 July 2024.
- IPCC (Intergovernmental Panel on Climate Change) (2022) [Cities, settlements and key infrastructure](#). In: Climate Change 2022: Impacts, adaptation and vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge, UK and New York, NY, accessed 25 June 2024.
- CPP (Cities Power Partnership) (2023) [Many hands make light work: Connecting governments to accelerate climate action](#). Climate Council, accessed 20 June 2024.
- Future Earth Australia (2019) [Sustainable cities and regions: 10 year strategy to enable urban systems transformation](#). Australian Academy of Science, accessed 24 June 2024
- C40 (C40 Cities Climate Leadership Group) (2021) [Benefits of urban climate action - Research summary](#). C40, accessed 24 June 2024.
- EC (European Commission)(2020) [100 climate-neutral cities by 2030 - by and for the citizens – Report of the mission board for climate-neutral and smart cities](#). European Commission Publications Office, accessed 1 July 2024.
- Climateworks Centre (2022), [Accelerating EV uptake: Policies to realise Australia's electric vehicle potential](#). Climateworks Centre, accessed 1 July 2024.
- Climateworks Centre (2023a), [Decarbonisation scenarios 2023: Australia can still meet the Paris Agreement](#). Climateworks Centre, accessed 2 July 2024.
- Climateworks Centre (2023b), [Climate-ready homes: Building the case for a renovation wave in Australia](#). Climateworks Centre, accessed 2 July 2024.
- Climateworks Centre (2024), [Decarbonising Australia's transport sector: Diverse solutions for a credible emissions reduction plan](#). Climateworks Centre, accessed 2 July 2024.