



Funding for sustainable cities	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>This proposal would provide funding for sustainable cities through the following components:</p> <ul style="list-style-type: none"><li>• <b>Component 1:</b> Establish a new Sustainable Cities Agency (SCA) to set national standards for sustainable urban development.</li><li>• <b>Component 2:</b> Provide \$40 billion over 10 years to transform Australian cities and suburbs by ensuring community infrastructure like parks, schools, libraries, and public transport are accessible, homes meet high sustainability standards, and neighbourhoods are walkable, shaded, and climate-resilient.<ul style="list-style-type: none"><li>– This component would distribute funding evenly over the 10 years and include departmental funding from within the capped amount.</li></ul></li></ul> <p>The proposal would start from 1 July 2026.</p>	
<p>Additional information (based on further advice provided):</p> <p>Under component 1, SCA would have capped funding of \$50 million over the first 4 years of the proposal, with ongoing funding of \$12.5 million per year (indexed to the consumer price index (CPI)) thereafter.</p>	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$12 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

**Table 1: Funding for sustainable cities – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-4,012.5	-4,012.5	-4,012.5	-12,037.5
Underlying cash balance	-	-4,012.5	-4,012.5	-4,012.5	-12,037.5

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Key assumptions and methodology

For component 1, departmental expenses are capped at a fixed amount, indexed after the first 4 years as specified in the proposal.

For component 2, the proposal is capped at a fixed amount, evenly distributed over 10 years from the commencement date. Departmental expenses were estimated based on the cost of administering similar programs and are included within the capped funding amount. Administered expenses are as specified in the proposal, less expected departmental expenses.

We assume that no funds allocated to a given year are left unspent.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Departmental expenses were informed by similar measures in the Commonwealth budgets from 2015-16 to 2021-22.

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Funding for sustainable cities – Financial implications

**Table A1: Funding for sustainable cities – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<b>Administered</b>													
<i>Component 2 – Grant funding</i>	-	-3,900.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-11,800.0	-39,450.0
<b>Total – administered</b>	-	-3,900.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-3,950.0	-11,800.0	-39,450.0
<b>Departmental</b>													
<i>Component 1 – Sustainable Cities Agency</i>	-	-12.5	-12.5	-12.5	-12.5	-12.5	-12.8	-13.1	-13.5	-13.8	-14.1	-37.5	-129.8
<i>Component 2 – Grant funding administration</i>	-	-100.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-50.0	-200.0	-550.0
<b>Total – departmental</b>	-	-112.5	-62.5	-62.5	-62.5	-62.5	-62.8	-63.1	-63.5	-63.8	-64.1	-237.5	-679.8
<b>Total (excluding PDI)</b>	-	-4,012.5	-4,012.5	-4,012.5	-4,012.5	-4,012.5	-4,012.8	-4,013.1	-4,013.5	-4,013.8	-4,014.1	-12,037.5	-40,129.8

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Funding for sustainable cities – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b><i>Fiscal balance</i></b>	-	-90.0	-270.0	-460.0	-660.0	-870.0	-1,090.0	-1,320.0	-1,560.0	-1,810.0	-2,080.0	<b>-820.0</b>	<b>-10,210.0</b>
<b><i>Underlying cash balance</i></b>	-	-70.0	-230.0	-410.0	-610.0	-810.0	-1,030.0	-1,260.0	-1,500.0	-1,750.0	-2,010.0	<b>-710.0</b>	<b>-9,680.0</b>

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)