

ITEM 3.1. C40 MEXICO CITY AND NEW ORLEANS REPORT**FILE NO: S051491****MINUTE BY THE LORD MAYOR****To Council:**

On Monday 24 October 2016, Council endorsed a City of Sydney delegation to participate in the sixth biennial C40 Mayors Summit, which was held in Mexico City from 30 November to 2 December 2016.

In this Minute, I provide a report back to Council about the trip and recommendations for action on the key issues and challenges from the Summit.

Michael Bloomberg, the President of C40, said at the conference that C40 cities represent one in 12 people on the planet and 25 per cent of the world's economy. He stressed how critical it was that C40 cities stand united in their determination to take urgent action on climate change.

While at the conference, I spoke at seven high profile events (Attachment A). My participation resulted in more than 100 media items, with many continuing to be published, across domestic and international media as well as interviews with South, Central and North American and European radio and television reaching a global audience. On social media, our work reached well over 300,000 people across Twitter, Facebook and Instagram.

While at the Summit, I was asked to talk about our experience taking significant action on climate change despite inactive, even hostile, Federal and State Governments. This is especially relevant for US cities alarmed by US President-elect Donald Trump's intention to wind back action on climate change.

I explained how six Australian Prime Ministers and six state Premiers have held office while I've served at Sydney Town Hall and that there's been a profound, even hostile, lack of long term leadership on climate change in that time. Since putting Sustainable Sydney 2030 into action, we have driven greenhouse emissions down by 29 per cent in our own operations and city-wide by 19 per cent (on 2006 levels), at a time when the local economy has expanded by 37 per cent.

The lesson was that, if we can do it in Australia, it can be done anywhere. Australia is the largest exporter of coal in the world and, until recently, our State sourced more than 90 per cent of its electricity from coal-fired power.

Deadline 2020 Report

At the Summit, C40 Executive Director Mark Watts presented new research that highlighted the desperate urgency of action on climate change – and the sheer scale of the challenge we all face, especially city leaders.

What was clear in his report, 'Deadline 2020', was that the next four years are crucial. (The report is available at http://www.c40.org/other/deadline_2020.)

The Paris Agreement commits signatories, including Australia, to “holding the increase in the global average temperature to well below 2 degrees above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5 degrees above pre-industrial levels.”

While nations still consider their options, the Deadline 2020 report presents a detailed picture of what C40 cities need to do to stop accelerating climate change and to turn the COP21 Paris Agreement from aspiration into reality.

The overriding and deeply significant findings of the report are that the next four years will determine whether the world meets the ambition of the Paris Agreement and that incremental steps are no longer adequate – we need to dramatically increase action.

As Mark Watts said “We need to do twice as much, in half the time.”

The report also made clear that, without action by cities, the Paris Agreement cannot realistically be delivered. It identified targets that C40 cities would need to meet to limit global warming to 1.5 or 2 degrees, with responsibility falling primarily on the cities of wealthier nations who already have the resources and capabilities to accelerate action.

The report outlined specific actions and highlighted the pace, scale and prioritisation needed between now and the end of the century.

The good news is that, if these actions and targets are adopted, then city action would deliver 40% of the savings needed to achieve the ambition of the Paris Agreement.

Cities are critical to delivering a climate safe future.

C40 Summit Key Themes

A number of key themes emerged from sessions and discussions at the Summit:

- Net zero emissions:**

Increasingly, cities are undertaking initiatives to increase the number of zero emissions buildings. A presentation by American physicist and Chairman/Chief Scientist of the Rocky Mountains Institute, Amory Lovins, showed how integrated design principles, energy efficiency and renewable energy were being used around the world to create net zero emissions buildings (and, indeed, net positive emissions buildings), including cities in southern Germany, France, the Netherlands and a range of US cities, including Washington, Seattle and New York City.

The President of ARUP said “We know how to make zero carbon buildings and it’s simple.” He also said it was essential that all new buildings have to be zero carbon by 2030.

A number of cities are introducing initiatives to drive net zero emissions buildings, including Vancouver, which requires all re-zonings to be net zero emissions by 2025, and all new buildings to be net zero emissions by 2030.

- **Energy regulations and lack of alignment between national, state and local policy:**

Like Sydney, many cities have found outdated energy regulations and the practices of utilities a barrier to clean energy and emission reductions. A range of strategies was discussed to overcome this and different models of governance for energy systems will be researched by C40 in the future.

Equally, mayors and private sector participants spoke about the lack of alignment between national governments as a major source of uncertainty impacting on investment and the pace of reform. Very few cities have control over all the levers, even in core areas such as transport, and better alignment and collaboration between different levels of government is crucial.

- **Climate finance:**

Many cities do not have direct access to finance, especially in developing nations and can only access international equity and debt providers through national Governments. Some national governments do not support city projects but, even when they do, it can be slow and cumbersome. For example, the Mexican Mayor would like to extend the city's successful metro network, but it has taken three and a half years of negotiations to achieve agreement on finance.

Consequently, C40 is expanding its Cities Climate Finance Platform to improve the direct access of cities to finance and to pool city projects to reach a scale more attractive to third party finance providers. Similarly, the Carbon Neutral Cities alliance is also aiming to increase its innovation fund ten-fold. The fund is designed to support higher-risk projects that can be breakthrough innovations that lead to large emissions reduction.

The City's zero emissions building study was funded by the CNCA innovation fund, and we will continue to explore further opportunities to access finance through international city platforms.

- **Empowering cities with data:**

Cities are increasingly providing data to the public via open source platforms. The data is allowing innovative solutions to be implemented by the public sector, allowing people to access research and increasing transparency and trust with City stakeholders. This is an area where Sydney could collaborate further with Melbourne, which has taken early action in this area.

City of Sydney Action

It was clear from the conference that we need bolder action at a faster rate if we are to play our part in meeting the Paris Agreement.

The public exhibition of our new Draft Environmental Action Plan 2016–2021, developed in response to the Paris COP Climate Conference, has finished and City staff are now reviewing the feedback.

I would like the CEO to bring the Plan to the first Council Meeting of 2017 and I have asked her to review the actions within the Draft Plan to ensure they align with C40's Deadline 2020 report and the themes of the C40 Conference. I would like the CEO to look at whether we need to re-allocate or bring forward funds to support the Plan's accelerated implementation.

Based on what I have learnt, I believe the City should focus on the following areas:

- **Net zero emissions buildings:**

A report on the feasibility of net zero emissions buildings in Sydney, funded by the Carbon Neutral Cities Alliance, has found the net value of efficiency savings and increase in property value outweighs the increase in upfront costs. The Federal Department of Environment and Energy, which administers the National Carbon Offset Standard, has just released a draft standard for net zero emissions buildings, open for public exhibition until February 2017. While the City will be implementing a competition for net zero emissions buildings once the national standard is in place, I believe the CEO should be looking at what else we could do to encourage net zero buildings.

- **The City's planning controls:**

Minimum energy, waste and water standards for new commercial buildings are essential to ensure new buildings do not embed emissions that will need to be reduced through more costly retrofits in coming years. In light of the case for accelerated action on net zero planning standards, a pathway for the City's current planning controls to be strengthened over time should be developed and brought back to Council for endorsement. The pathway should include both CBD and non-CBD controls, and a clear target date by which net zero buildings standards should be in place.

- **City of Sydney Renewable Energy Fund:**

The City was selected as one of four cities to receive support under the City Solutions Platform at the C40 summit. The support will assist the City access international expertise to assess how the \$10 million fund can be deployed most effectively to maximise new renewable energy.

- **Opportunities to extend the successful Better Building Partnerships model to other sectors:**

The BBP has achieved extraordinary results in a short time, with the owners of half of our commercial floorspace reducing their emissions by 47 per cent.

- **Opportunities to partner with the NSW Government to implement the draft Plan to Save NSW Energy and Money:**

The City will be making a submission in response to the plan. The plan includes a series of energy efficiency initiatives that the City has advocated for some time.

There was a strong global push to separate out organics from the waste stream, where possible, and use this for the production of bio-gas and then compost. I have asked the CEO to contact the lead cities in the Waste Management Stream of the C40 to ensure that knowledge and understanding from other cities is incorporated into the up-coming Draft Waste Strategy for the City of Sydney.

The conference also highlighted the need to work collaboratively between our cities and with State and Federal departments. As the Chair of the CCCLM for 2017, I will take the learnings from C40 and communicate them to the other Australian capital cities and search out opportunities to take joint action to achieve our climate change targets.

Resilience

The City of Sydney is leading the development of a Resilience Strategy for the whole Sydney metropolitan area as part of a program run by 100 Resilient Cities – pioneered by the Rockefeller Foundation. The program aims to better prepare cities to cope with sudden shocks or chronic stresses.

In Mexico, we held meetings with their Chief Resilience Officer and his staff, academics, officials from the environment department and an environmental NGO.

Mexico City has finalised its resilience strategy and is in the early stages of implementation. The two key priorities for Mexico City are water management and reducing transport congestion.

Mexico suffers both from water scarcity and flooding, due to excess reliance on centralised water and poor infrastructure with little capture and use of rainwater.

While the context is quite different, both our cities are grappling with the challenges of how to implement decentralised water strategies and there was a productive exchange on issues such as scaling up local water initiatives, public-private collaborations and urban park projects. Mexico City, like Sydney and many other C40 cities, is implementing a range of initiatives to reduce congestion, including rapid bus transport and bike lanes.

After Mexico, we stopped at New Orleans for three days where I held meetings and site visits with the Mayor of New Orleans (Mitch Landrieu), senior resilience staff and an architect from a leading local firm.

A preliminary resilience assessment revealed extreme weather is the biggest threat facing Sydney over the next few decades, whether it comes in the form of extreme heat, bushfires, flooding rains, damaging winds or the notorious east coast low.

In August 2005, Hurricane Katrina hit Gulf Coast of the United States and Caribbean nations, including Cuba and the Bahamas, killing more than 1,800 people and causing more than \$100 Billion USD damage.

It amplified issues the city was already grappling with, such as ailing infrastructure and inequality.

As Mayor Landrieu told me, Hurricane Katrina didn't cause all of the city's problems, but it magnified them, leading to a city that is classified in living in two distinct time periods: pre-Katrina and post-Katrina.

Mayor Landrieu described Hurricane Katrina as '***an infrastructure failure – not a natural disaster.***' Flooding occurred due to failure to invest in infrastructure that could withstand increasingly frequent extreme weather, the absence of community and business preparedness and social inequality, which left poorer communities highly exposed to its effects.

In the aftermath of Hurricane Katrina, New Orleans has become a global leader in resilience planning with its plan, Resilient New Orleans. The outstanding feature of the plan is its integration of social equity, climate adaptation, sustainability and community engagement with the infrastructure re-construction as New Orleans rebuilds.

Site visits were undertaken to inspect decentralised water infrastructure, new social housing projects and active transport, where over 100 kilometres of bike lanes have been constructed.

Sydney shares much in common with New Orleans, as both cities deal with climate change, rising sea levels, coastal erosion and the looming threat of extreme weather.

During my meeting with Mayor Landrieu, he told me that, in 2017, he will become the President of the US Confederation of Mayors which includes 1,400 mayors across the nation. Mayor Landrieu said there is strong commitment within this group to take action on climate change and resilience planning. As I will chair the CCCLM in 2017, we agreed to look for new ways to create partnerships between Australian and America city mayors.

Promotion of Sydney and the City's work

While in Mexico City for the C40 Cities Mayors Summit, I strongly advocated for the City of Sydney's work to slow dangerous climate change, participating in three major press conferences, as well as sustained media and social media outreach.

A key theme in media coverage from the C40 Cities Summit, and an inspiring message for global and particularly U.S. Mayors, was Sydney's capacity to set long term strategy using ambitious emissions reductions targets and practical actions to achieve our objectives – reported in key global media, including The New York Times, The Australian, The Huffington Post, Agence France Press, Reuters, the Christian Science Monitor, Scientific American.

The City's success in the C40 Awards on building energy efficiency through the nationwide CitySwitch program was reported by the Australian Financial Review, The Atlantic, The Fifth Estate, National Geographic, The Huffington Post and Next City.

There were more than 100 media items, with many continuing to be published, across domestic and international media as well as interviews with South, Central and North American and European radio and television reaching a global audience. On social media, our work reached well over 300,000 people across Twitter, Facebook and Instagram.

Budget

C40 is covering most of my travel and accommodation costs and some costs for City staff. During the Council meeting on 24 October, Council endorsed a budget of approximately \$15,000 per person from funds available within existing operational budgets.

While final incidental costs are still to be reconciled, the trip will be under the budget approved by Council.

RECOMMENDATION

It is resolved that Council:

- (A) note the Deadline 2020 report by C40 finds 40 per cent of the emissions reductions of the Paris climate agreement can be taken by cities, and that C40 mayors represent 25 per cent of global GDP and 650 million people;
- (B) note the Deadline 2020 report concludes that, if the Paris climate agreement is to be implemented, an additional 14,000 actions by cities are needed by 2020 to avoid locking-in future emissions that will lead to more than a 2 degrees increase in global temperatures;
- (C) note the City of Sydney was announced as the joint winner of the global building energy efficiency award with the City of Melbourne for the CitySwitch program, at the C40 Summit;
- (D) note the City of Sydney was announced as one of four cities selected to receive support under the Cities Solutions Platform to develop a model to maximise the renewable energy installed through the Renewable Energy Fund;
- (E) note the City of Sydney received funding from the Carbon Neutral Cities Alliance for a feasibility study into net zero emissions buildings, and request the Chief Executive Officer (CEO) prepare an application for the next funding round in March 2017; and
- (F) request the CEO bring Environment Action 2016-21 to the February 2017 Council meeting and a work plan to accelerate the implementation, including any re-allocation or re-prioritising of funding necessary.

COUNCILLOR CLOVER MOORE

Lord Mayor

ATTACHMENTS

Attachment A: Report on Key Events Attended

Attachment B: Summary of Media