

ITEM 2. GRANTS AND SPONSORSHIP - ROUND FOUR ALLOCATION OF ANNUAL PROGRAMS 2016/17 - ENVIRONMENTAL PERFORMANCE GRANT PROGRAMS

FILE NO: S117676

SUMMARY

The City of Sydney's Grants and Sponsorship Program is an important mechanism to help our resident and business communities to partner with the City to deliver against Sustainable Sydney 2030 and social, cultural, economic and environmental directions.

Our Grants and Sponsorship Policy includes three environmental performance grant programs designed to help address barriers to action and catalyse the innovative solutions that will be required to deliver the City's environmental targets. The grant programs are:

- Environmental Performance - Building Operations: funding is available to help lower the costs of implementing building operations efficiency measures;
- Environmental Performance - Ratings and Assessment: funding is available to undertake building performance ratings and certifications, energy audits and assessments to enable a building or facility owner to understand their opportunities to improve environmental performance; and
- Environmental Performance - Innovation: funding is available for the demonstration of new technologies or processes that are currently not being implemented in the local market, but have the potential to achieve greenhouse gas emissions reductions and resource efficiencies that could be rolled out at scale within the City of Sydney local government area.

The City received 10 eligible applications for the round four allocation across these three grant programs for 2016/17, which have now been assessed. This report recommends 10 grants to a total value of \$149,830 in cash to be paid from the 2016/17 (\$127,830) and 2017/18 (\$22,000) financial years.

All grants in this report were assessed against criteria and guidelines set out in the Grants and Sponsorship Policy with reference to Sustainable Sydney 2030. All grant recipients will be required to sign a contract, meet specific performance outcomes and acquit their grant.

All figures in this report exclude GST.

RECOMMENDATION

It is resolved that:

- (A) Council approve the cash grant and revenue foregone (VIK) recommendations for 2016/17 under the Environmental Performance - Building Operations Grant Program as follows:

Applicant	Project Name	Project Description	\$ Amount Recommended	VIK Recommended
Strata Plan 46581	Cooling tower water sub-metering, 447 Kent St, Sydney	The installation of water sub-metering for cooling towers in a commercial office building in 447 Kent St, Sydney.	\$3,730	Nil
Strata Plan 52634	Residential apartment water monitoring Dolphin Square, Cleveland St, Chippendale	Water monitoring for residential apartment building Dolphin Square, Cleveland St, Chippendale.	\$1,500	Nil
Strata Plan No. 57394	Residential apartment water monitoring, The Point Apartments, Point Street, Pyrmont	Water monitoring for residential apartment building The Point Apartments, Point Street, Pyrmont.	\$1,500	Nil

- (B) Council approve the cash grant and revenue foregone (VIK) recommendations for 2016/17 under the Environmental Performance - Ratings and Assessment Grant Program as follows:

Applicant	Project Name	Project Description	\$ Amount Recommended	VIK Recommended
Strata Plan 46581	Level 2 energy audit, 447 Kent Street, Sydney	A detailed on-site energy audit to identify how and where there are potential energy efficiencies (known as a level 2 energy audit) to be undertaken at the commercial office building 447 Kent Street, Sydney.	\$4,500	Nil
Strata Plan 87087	Residential apartment water and energy assessment, 6 Defries Avenue, Zetland	A water and energy assessment to be undertaken at 6 Defries Avenue, Zetland.	\$6,470	Nil

Applicant	Project Name	Project Description	\$ Amount Recommended	VIK Recommended
The Owners Dp 1067958	Residential apartment energy assessment Bullecourt Apartments, Pyrmont Street, Ultimo	An energy assessment to be undertaken at 444 Harris – 287 Pyrmont Street, Ultimo.	\$7,730	Nil

- (C) Council approve the cash grant and revenue foregone (VIK) recommendations for 2016/17 and 2017/18 forward estimate under the Environmental Performance - Innovation Grant Program as follows:

Applicant	Project Name	Project Description	\$ Amount Recommended	VIK Recommended
Edge Environment Pty Ltd	Demonstration of Engineered Timber recovery in commercial buildings.	A demonstration project exploring the commercial viability of a new engineered timber product manufactured from recycled waste furniture removed from commercial offices. The project will identify the highest value re-use purpose for the material whilst addressing a significant waste stream in the CBD.	\$64,400 (16/17 – \$48,400) (17/18 - \$16,000)	Nil
Energy Action (Australia) Pty Ltd	Multi-tenant NABERS ratings using embedded networks.	A demonstration project that will test a new and simpler method of data collection for NABERS Energy ratings. The project aims to enable landlords to rate all of their commercial tenants in buildings where energy consumption is known, leading to a substantial increase in the number of tenant and whole building ratings resulting in increased environmental performance initiatives.	\$20,000 (16/17 – \$18,000) (17/18 - \$2,000)	Nil
Investment Advantaged Software Pty Limited	Electric Vehicle Recharging in residential strata buildings	A feasibility study assessing electric vehicle recharging solutions in residential apartment building carparks.	\$20,000 (16/17 – \$18,000) (17/18 - \$2,000)	Nil

Applicant	Project Name	Project Description	\$ Amount Recommended	VIK Recommended
University Of Technology Sydney	Central Park Precinct Organics Management Feasibility Study	A feasibility study investigating organic waste management using an Anaerobic Digestion system at Central Park.	\$20,000 (16/17 – \$18,000) (17/18 – \$2,000)	Nil

- (D) Council note that all grant amounts are exclusive of GST and all VIK offered is subject to availability; and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with each organisation approved for a grant or sponsorship under terms consistent with this resolution and the Grants and Sponsorship Policy.

ATTACHMENTS

Attachment A: Recommended 2016/17 Environmental Performance Grants

BACKGROUND

1. The City of Sydney has three environmental performance grant programs that aim to build capacity and address barriers to the implementation of environmental actions within key customer sectors.
2. The **Environmental Performance - Building Operations Grant Program** aims to improve the environmental performance of buildings by lowering the costs and mitigating the barriers of implementing building efficiency measures, such as water monitoring in residential apartments.
3. Three applications have been assessed and are recommended for funding to a value of \$6,730 for water monitoring equipment to be installed at two residential apartment buildings in Chippendale and Pyrmont, and one commercial office building in the Central Business District. Water monitoring will provide timely information to strata and facility managers to assist them to reduce potable water consumption through the better tracking of water consumption and management of leaks.
4. The **Environmental Performance - Ratings and Assessment Grant Program** aims to address barriers to the uptake of building performance ratings and assessments across energy, water, waste and other sustainability aspects. Ratings and assessments enable a building owner or facility manager to understand their building's environmental performance and to identify efficiency opportunities.
5. Three applications have been assessed and are recommended for funding to a value of \$18,700 for an energy assessment at a residential apartment building in Ultimo; a water and energy assessment for a residential building in Zetland; and a level 2 energy audit for a commercial office building in the Central Business District. Applicants are required to implement efficiency measures based on the recommendations of the assessments.
6. The **Environmental Performance - Innovation Grant Program** supports the demonstration of new technologies or processes that are currently not being implemented in the local market, but have the potential to achieve greenhouse gas emissions reductions and resource efficiencies that could be rolled out at scale within the City of Sydney local government area.
7. Four applications have been assessed and are recommended for funding to a value of \$124,400. Below is a summary of each project and its benefits to the City of Sydney.

Edge Environment Pty Ltd – Demonstration of Engineered Timber recovery at scale in City of Sydney

8. Edge Environment, a for-profit company, will demonstrate end markets for an engineered timber product made from waste furniture from commercial office strip-outs.
9. The Better Buildings Partnership program has identified strip-out waste from commercial office refurbishments as a significant problem waste stream. Within the CBD alone, it is estimated that approximately 12,000 tonnes of material is removed annually from office work stations, cabinetry and other furniture made out of engineered timbers. Across the local government area, it is estimated that strip-out waste could be as high as 60,000 tonnes across the commercial office, accommodation, entertainment and retail sectors.

10. The engineered timbers removed from offices during an office refurbishment include medium density fibreboard and particle board (made from wood chips, wood fibres and synthetic binders). There is currently no recycling technology for this waste stream in Australia, meaning that it is sent to landfill. The demonstration project supports the need of the City's largest building owners for a scalable solution that will divert this material from landfill by finding a higher value re-use purpose for it.
11. This demonstration project builds on a successful feasibility study supported by the City, which developed a new building product from waste engineered timber.

Energy Action (Australia) Pty Ltd – Multi-tenant NABERS ratings using embedded networks

12. Energy Action, a for-profit organisation, will partner with building owner DEXUS and the NSW Office of Environmental and Heritage to demonstrate a new method to efficiently rate the energy performance of all tenancies within a commercial office building using the National Australian Built Environment Rating System (NABERS).
13. NABERS is a national rating system that measures the environmental performance of Australian buildings and tenancies. NABERS energy tenancy ratings are an important way of assessing and benchmarking the energy used by a commercial office based business. However, only a small number of businesses have undertaken a NABERS tenancy rating. There is a perception amongst some business that the overheads of rating their tenancy outweigh the benefits. A new methodology whereby the building owner can efficiently undertake the rating on behalf of their tenants would increase the number of ratings and subsequent action.
14. The project will test a new method that uses the data available to some building owners that have advanced energy distribution systems, combined with new business engagement strategies, to undertake ratings across the building.
15. This project is supported by the Office of Environment and Heritage and will inform their development of a new service that may allow a building to receive their base building, whole building and tenancy ratings in a single application process.

Investment Advantaged Software Pty Limited – Electric Vehicle Recharging in Strata

16. Investment Advantaged Software, a for-profit business, will work with 20 residential strata schemes in the local government area to provide tailored feasibility assessments and recommendations for installing electric vehicle recharging facilities in their apartment buildings.
17. Strata owners face a number of issues related to electric vehicle charging, such as who to charge, and how to bill, for the electricity, and what type of electrical distribution system is required for charging stations.
18. Investment Advantaged Software will use data analytics and modelling to undertake their assessments and provide advice on implications, considerations and optimal solutions for each building. The reports will also provide strata committees with an understanding of options for fee charging and managing associated energy costs in a transparent and equitable way.

19. Through the assessment, Investment Advantaged Software will also highlight the need to source electricity from low carbon supplies, such as local solar photovoltaic arrays or the purchase of Green Power, to reduce the carbon impact of electric vehicle use.

University of Technology, Sydney – Central Park Precinct Organics Management Feasibility Study

20. The Institute for Sustainable Futures, University of Technology Sydney will investigate the feasibility of developing an on-site organic waste management system using anaerobic digestion at Central Park, Broadway. Central Park is a major mixed use development that includes an on-site central thermal trigeneration plant and an on-site water recycling plant. The feasibility study will use waste stream data from the site and consider options for the collection, transport, treatment and reuse of food, sewage and trade waste in order to maximise resource recovery. An option to be considered will be to use waste to generate energy on-site.
21. Food waste is the largest single waste stream in the residential garbage bin, accounting for more than 35 per cent of what is thrown away. Food waste is also a large contributor to greenhouse gas emissions that are released as the waste breaks down in landfill sites. The City has identified the sustainable treatment of organic waste as a key focus to achieve our 2030 targets.
22. The project provides a unique opportunity to work with the decision makers and service providers at Central Park on opportunities, barriers and potential pathways for innovative organic waste collection, management and anaerobic digestion systems in a dense multi residential-commercial urban setting.

Overview of 2016/17 Environmental Performance Grant Programs

Total budget for 2016/17 Environmental Performance Grant Programs	\$478,411
Total already committed (approved in 2015/16-2016/17)	\$276,939
Total amount available for 2016/17	\$201,472
Total number of eligible applications this allocation	10
Total cash value requested from applications	\$170,023
Total value-in-kind support requested from applications	Nil
Total number of applications recommended for cash and/or VIK support	10
Total amount of cash funding recommended 2016/17 (funding recommended 2017/18 – \$22,000)	\$127,830
Total amount of VIK support recommended	Nil
Amount remaining for subsequent allocation of the program 2016/17	\$73,462

KEY IMPLICATIONS

Strategic Alignment – Sustainable Sydney 2030

23. Sustainable Sydney 2030 is a vision for the sustainable development of the city to 2030 and beyond. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This sponsorship is aligned with the following strategic direction and objectives:
- (a) Direction 2 - provides a road map for the City to become a Leading Environmental Performer – the grant projects recommended in this report will support the City's endeavours to work with our business and residential communities to reduce greenhouse emissions, potable water use and encourage diversion of waste from landfill across the local government area.

Organisational Impact

24. The grants and sponsorships contract management process will involve staff in the City's grants and sustainability teams to set contract conditions and performance measures for each approved project, and review project acquittals.

Environmental

25. The recommended environmental grants under the Building Operations and Ratings and Assessments Programs will provide energy and water savings as a result of improved monitoring and applicants implementing efficiency measures as a condition of the grants. The innovation projects are aimed at providing a catalyst for the adoption of new solutions that improve environmental performance across several key customer sectors.

BUDGET IMPLICATIONS

26. A total of 10 eligible grants are recommended in this report. This includes a total value of \$149,830 to be paid from the Environmental Performance Grants budget as follows:
- (a) 2016/17 – \$127,830 from the approved budget of \$478,411 of which there is currently \$134,073 remaining. The remaining \$6,243 is reserved for subsequent allocations under the grants and sponsorship policy; and
 - (b) 2017/18 (Forward Commitments) – \$22,000 from the proposed 2017/18 budget.

RELEVANT LEGISLATION

27. Section 356 of the Local Government Act 1993. Section 356(3) (a) to (d) is satisfied for the purpose of providing grant funding to for-profit organisations.

CRITICAL DATES / TIME FRAMES

28. The funding period for the round four grants and sponsorship allocation for 2016/17 is for activity taking place from 1 April 2017 to 31 March 2018. Contracts will be developed for all successful applications after Council approval to ensure their funding is released in time for projects starting in April.

PUBLIC CONSULTATION

29. The environmental performance grant programs are advertised on the City's website, Green Villages website, City of Sydney Facebook page, and through the City's social media networks. Information was also emailed to relevant stakeholder groups and interested parties via the Grants and Sponsorship electronic direct mailing list.

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