

ITEM 5. FINAL ENVIRONMENTAL ACTION 2016 – 2021 STRATEGY AND ACTION PLAN - ADOPTION**FILE NO: S125908.008****SUMMARY**

This report recommends that the final version of the Environmental Action 2016 – 2021 Strategy and Action Plan (the “Strategy and Action Plan”) be adopted by Council, which includes minor amendments following public exhibition of the draft Strategy and Action Plan.

On 27 June 2016, Council approved placing the draft Strategy and Action Plan on public exhibition. Public exhibition was held between 30 June and 12 August 2016.

Key stakeholders were consulted as part of the public exhibition process, including a stakeholder briefing, a community workshop, newspaper advertisements, and presentations.

In response to the public exhibition, the City received 15 submissions, 20 survey responses, and a report from a community workshop, which are summarised in Attachment A.

The submissions have been reviewed and, where appropriate, the Strategy and Action Plan has been amended in response to the issues raised as outlined by Attachment A. The final Strategy and Action Plan is included at Attachment B.

Strong community and stakeholder support for the draft Strategy and Action Plan was received. Submissions and feedback endorsed the City’s approach to environmental management and its vision for a sustainable future

The document has been developed with significant internal consultation and the input of an external reference group of government and industry stakeholders including the Property Council of Australia, NSW Office of Environment and Heritage, Green Building Council Australia, Energy Efficiency Council, Jemena and Facilities Management Australia (see paragraph 33 for the full list).

On 12 December 2016, Council resolved to *“request the CEO bring Environment Action 2016-21 to the February 2017 Council meeting and a work plan to accelerate the implementation, including any reallocation or re-prioritising of funding necessary”*.

Staff are investigating a set of initiatives for inclusion in the 2017/18 budget that will accelerate the implementation of the Strategy and Action Plan and support the achievement of targets for both the City’s own operations and the local government area. Paragraphs 11 to 19 provide more details.

RECOMMENDATION

It is resolved that Council:

- (A) note the Consultation Report from public exhibition of the draft Strategy and Action Plan, as shown at Attachment A to the subject report;

- (B) adopt the final Environmental Action 2016 – 2021 Strategy and Action Plan, as shown at Attachment B to the subject report; and
- (C) note work is continuing on initiatives to accelerate implementation of Environmental Action 2016 – 2021 for consideration in the 2017/18 budget process and future budgets.

ATTACHMENTS

Attachment A: Consultation Report

Attachment B: Environmental Action 2016 – 2021 Strategy and Action Plan

BACKGROUND

1. In 2008, the City of Sydney launched Sustainable Sydney 2030 and committed Sydney to becoming a green, global and connected city. Since that time, there have been significant improvements in environmental performance in both our own operations and in the City of Sydney Local Government Area (LGA).
2. The Strategy and Action Plan combines the insights, data and actions from the City's existing environmental strategies and master plans, experiences in program delivery, and feedback from stakeholder engagement, to set interim targets for the City's own operations and for the LGA, and outlines the actions the City will take to work towards those targets.
3. In 2008, the City of Sydney launched Sustainable Sydney 2030 and committed Sydney to becoming a green, global and connected city.
4. Sustainable Sydney 2030 set targets or thresholds for greenhouse gas emissions, potable water consumption, stormwater pollution, resource recovery and greening within the City's own operations and also across the entire LGA.
5. The City has many programs and policies underway to facilitate the meeting of the targets and aspirations of Sustainable Sydney 2030. These are designed and delivered through a control, influence and concern framework as outlined in the City's Community Strategic Plan 2014.
6. The City has also developed a suite of plans and strategies to inform stakeholders and guide action on a range of environmental issues, including:
 - (a) Decentralised Energy Master Plan – Renewable Energy: 2012-2030;
 - (b) Decentralised Energy Master Plan – Trigeneration: 2010-2030;
 - (c) Decentralised Water Master Plan: 2012-2030;
 - (d) Energy Efficiency Master Plan – improving energy productivity: 2015-2030;
 - (e) Adapting for climate change – a long term strategy for the City of Sydney: 2015-2070;
 - (f) Advanced Waste Treatment Master Plan: 2013-2030;
 - (g) Residential Apartment Sustainability Plan: 2015;
 - (h) Connecting our city: 2012;
 - (i) Cycle Strategy and Action Plan: 2007-2017;
 - (j) Walking Strategy and Action Plan: 2014;
 - (k) Greening Sydney Plan: 2012;
 - (l) Urban Ecology Strategic Action Plan: 2014; and
 - (m) Urban Forest Strategy: 2013.

7. On 14 December 2015, following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change, Council resolved to ask “the Chief Executive Officer to review the City’s current environmental policies in light of the new COP21 agreement and recent achievements, research and targets of other relevant cities to ensure the City continues to demonstrate environmental leadership”.
8. The Strategy and Action Plan represents the culmination of this review. It brings together the insights and data from the existing strategy work listed earlier, and identifies a focussed plan of action for the five year period from July 2016 – June 2021.

UPDATES TO THE STRATEGY AND ACTION PLAN

9. The final Strategy and Action Plan has been modified slightly in response to the submissions and feedback received and to incorporate more recent environmental data. Changes to the Strategy and Action Plan are summarised below:
 - (a) Section 1 – Lord Mayor’s message
 - (i) Updated with reference to the C40 Mayors Summit (page 1).
 - (b) Section 2 – Snapshot
 - (i) Updated results for emissions, water and waste in both City operations and LGA (pages 6-12), as a result of more recent data becoming available.
 - (ii) LGA emissions also updated as a result of alignment of the City’s reporting practices to the C40’s Global Protocol for Community-Scale Greenhouse Gas Emissions Inventories (GPC) methodology – the new international standard for reporting city emissions. Differences between the methodology previously used by the City and the GPC mean that there has been an adjustment to the data reported in previous years including the baseline (page 10).
 - (iii) Targets for tree and shrub planting have been updated and increased in line with operational practices (page 9).
 - (c) Section 3 – New buildings
 - (i) Introductory text revised to clarify voluntary nature of the benchmarks in this section (page 15).
 - (ii) BASIX benchmarks updated to align with recent work commissioned by the City into the potential for higher BASIX targets to be achieved (page 15).
 - (iii) Best-practice examples added (page 17).
 - (d) Section 4 – Low carbon city
 - (i) All charts updated to reflect more recent data (pages 22, 23, 25 and 26).

- (ii) Charts 3 and 4 also updated as a result of alignment of the City's reporting practices to the C40's GPC methodology – the new international benchmark stand for reporting city emissions. Differences between the methodology previously used by the City and the GPC mean that there has been an adjustment to the data reported in previous years including the baseline (pages 25 and 26).
 - (iii) Inclusion of reference to the recent draft NSW Government climate change policy framework (page 24).
- (e) Section 5 – water sensitive city
 - (i) All charts updated to reflect more recent data (pages 32, 33, 35 and 36).
 - (ii) Charts 5 and 6 also updated to reflect improvements in management of the City's operational water use data that have resulted in an increase in reported consumption in all reporting periods including the baseline, due to inclusion of previously unreported data sources (pages 32 and 33).
- (f) Section 7 – zero waste city
 - (i) Amended content, revised targets and different chart for City operations resource recovery (page 43). In 2016, the City undertook an organisation-wide review into the way it collects, reports and verifies recycling and landfill diversion performance data in order to improve the accuracy and transparency of reporting.
 - (ii) As a result, the City operations waste targets have been amended to ensure all waste streams are included, and that targeted recovery levels are appropriate.
 - (iii) City operations waste targets in draft Strategy and Action Plan:
 - a. 70 per cent resource recovery of waste from City-managed assets by mid-2021.
 - b. 95 per cent resource recovery of maintenance, construction and demolition waste by mid-2021.
 - c. 95 per cent resource recovery of organic waste from parks by mid-2021.
 - (iv) City operations waste targets in final Strategy and Action Plan:
 - a. 70 per cent resource recovery of waste from City-managed properties by end June 2021.
 - b. 80 per cent resource recovery of construction and demolition waste generated and managed by City operations by end June 2021.
 - c. 50 per cent resource recovery of waste from City parks, streets and public places by end June 2021.
 - (v) The addition of a target for recycling and recovery of construction and demolition waste from the LGA and updating of Chart 10 (pages 43-44).

- (g) Section 9 – Green and cool city
 - (i) Targets for tree and shrub planting have been updated and increased in line with operational practices (page 57).
- (h) Appendix 1 – Action plan – Postponement or removal of a small number of actions to reflect refinement of priorities for the next five years.
 - (i) 6.08 During Sydney LEP amendments, consider how floor space incentives could be used to achieve improved environmental outcomes – consolidated with 6.05
 - (ii) 8.03 Develop a City of Sydney net zero buildings roadmap with energy efficiency benchmarks and pathways for major building categories – consolidated with 6.02
 - (iii) 5.05 Develop a sea level rise adaptation action plan with stakeholders and agencies with a long-term vision for the city's foreshore – postponed to post 2021.
 - (iv) 9.01 Advocate for a consistent NSW State planning framework to address sea level rise and storm surge – postponed to post 2021.
 - (v) 11.03 Through the Business Adaptation Network established by Green Cross Australia, periodically review the latest climate science, the risks and the coordinated response with key government agencies, business and the community - postponed to post 2021.
 - (vi) 11.05 Work with energy companies and other stakeholders to assess the potential vulnerability and help build resilience of the city's power supply – consolidated with other energy advocacy actions.
- (i) Appendix 2 – Assumptions
 - (i) Amended assumptions to align with revised charts for emissions, water and waste (pages 77-81).

IMPLEMENTATION OF THE ACTION PLAN

10. The Action Plan contains 104 actions that the City will implement to improve environmental performance in its own operations and influence improved environmental performance across the LGA. The majority of these actions can be undertaken with existing human resources and budgets.

Acceleration initiatives

11. On 12 December 2016, Council resolved to *"request the CEO bring Environment Action 2016-21 to the February 2017 Council meeting and a work plan to accelerate the implementation, including any reallocation or re-prioritising of funding necessary"*.
12. Staff have identified initiatives that will accelerate the implementation of the Strategy and Action Plan and support the achievement of targets for both the City's own operations and the LGA.

13. **City's own operations:** The City is investigating opportunities to accelerate action in our own operations. These areas are being considered because they will deliver progress towards targets for the City's own operations, and help align the City's operations with what we encourage others to do (e.g. Better Buildings Partnership).
14. The report to the Environment Committee on 20 June 2016 seeking approval to publicly exhibit the draft Strategy and Action Plan (refer Item 7.2) identified that additional resources may be required in the City Property Services area in order to deliver on the actions proposed in the Strategy.
15. Areas being investigated are:
 - (a) stronger sustainability outcomes in City capital works projects, to ensure new and upgrades to existing assets contribute towards achievement of our targets;
 - (b) improved energy, water and waste performance within City properties, including efficiency initiatives, improved utilities management and better waste management practices; and
 - (c) further integration of environmental and social criteria into procurement processes.
16. **Local Government Area:** The City is investigating initiatives that will have a high probability of delivering cost effective environmental outcomes within key sectors of the built environment.
17. The initiatives were also selected with consideration of the draft sector sustainability plans currently in development: commercial office and accommodation and entertainment sectors. These plans build on the Strategy and Action Plan to identify specific actions that can improve environmental performance in these sectors.
18. Areas being investigated are:
 - (a) amendments to planning controls to improve the environmental performance of new buildings, including the development of a planning pathway towards net-zero buildings;
 - (b) development of recycled water projects in the CBD and in the Sydney Park precinct to reduce potable water use; and
 - (c) reduction in energy, water and waste by residents and businesses in the LGA through targeted sustainability programs, for example:
 - (i) utilisation of open data platform to report on LGA environmental performance and use of this data to target sustainability programs;
 - (ii) enhancement of office tenancy sustainability programs;
 - (iii) energy tune-up programs for businesses and residential apartments;
 - (iv) sustainability programs to encourage uptake of renewable energy; and
 - (v) expansion of funding for environmental grants to catalyse action in buildings where a financial incentive is a strong motivator, such as the commercial office mid-tier.

19. In order to balance the need for increased expenditure to accelerate environmental action, reconsideration of projects or programs currently funded is underway as part of the FY17/18 budget process and long term financial plan, and will be confirmed when the draft budget is presented to Council in May 2017.

Reporting on progress

20. The City will report publicly on the progress made towards targets and in implementing initiatives detailed in the Strategy and Action Plan in its Green Report, published on the City's website bi-annually.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030

21. 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 Strategy and Action Plan is aligned with the following strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City – Sydney is globally recognised for its environmental ambition and performance. The Strategy and Action Plan will enable the City to maintain and enhance this reputation.
 - (b) Direction 2 provides a road map for the City to become A Leading Environmental Performer – the outcomes and actions proposed in the Strategy and Action Plan will help the City to lead by example in its own operations and contribute towards improved environmental performance in the LGA.
 - (c) Direction 3 - Integrated Transport for a Connected City – the Strategy and Action Plan outlines the importance of moving to more environmentally-friendly forms of transport to reduce the city's environmental impact.
 - (d) Direction 4 - A City for Walking and Cycling – the Strategy and Action Plan reinforces the importance of shifting to active modes of transport to reduce the city's environmental impact.
 - (e) Direction 9 - Sustainable Development, Renewal and Design – the Strategy and Action Plan highlights the crucial role that sustainable design will play in achieving the environmental targets for the LGA.
 - (f) Direction 10 - Implementation through Effective Governance and Partnerships – the Strategy and Action Plan states clearly that the City alone cannot achieve the targets set for the LGA. This can only be done through collaboration with other levels of government, business and the community.

Organisational Impact

22. The Strategy and Action Plan outlines the actions that the City can and should take to directly impact the environmental performance of its own operations; and to indirectly impact the environmental performance of the LGA.

23. Implementation of the actions will largely be undertaken with existing human resources. As noted in the report to the Environment Committee on 20 June 2016 seeking approval to publicly exhibit the draft Strategy and Action Plan, additional resources were required in the City Property Services area in order to deliver on the actions proposed in the Strategy. These additional resources have been included as part of the acceleration initiatives outlined in paragraphs 11 to 19.

Risks

24. The Strategy and Action Plan proposes environmental targets for both the City's own operations and for the LGA. The LGA targets, the City operations greenhouse gas target (due to need for Ausgrid to convert streetlights to LED) and water target (dependant on George Street light rail including recycled water pipe) present a risk, as the City cannot control whether or not they are met. Achievement of those targets is dependent upon federal and state government policy and decision making. This risk will be mitigated through a program of strategic advocacy actions designed to influence these policy levers for the desired outcome.

Social / Cultural / Community

25. This Strategy and Action Plan does not propose interventions for specific social or cultural groups. However, improved environmental performance is expected to deliver the following benefits in these areas:

(a) Social benefits

- (i) lower-income and more vulnerable community members will save money through lower utility bills by using less energy and water;
- (ii) green spaces in the city contribute to people's physical and mental health and wellbeing, by providing places to socialise, play, exercise and relax;
- (iii) improved active transport options enable improved health outcomes for and greater access to essential services and employment opportunities;

(b) Cultural benefits

- (i) increasing and improving green public spaces will encourage creative and cultural events to be hosted in the city's parks;
- (ii) a connected network of high quality walking and cycling routes will enhance access to our diverse cultural, heritage and creative assets; and
- (iii) better public transport systems will improve participation in the city's cultural and creative venues and events.

Environmental

26. This Strategy and Action Plan provides a focussed, realistic plan of action for the City to follow to improve environmental performance in its own operations and in the LGA over the next five years. Details of relevant environmental targets and proposed actions to achieve these target are outlined within the Strategy and Action Plan.

Economic

27. Reducing greenhouse gas emissions and adapting to climate change will create a low carbon economy, increase job opportunities and lower utility bills. Our Energy Efficiency Master Plan identified that \$208 million in avoided energy costs could be achieved in our city through energy efficiency initiatives.
28. A greener, cleaner and cooler city will improve attractiveness for residents and workers to choose to live and work in, and businesses to invest in, Sydney (Source: Deloitte's fifth edition of 'Building the Lucky Country: The purpose of place: Reconsidered': <http://www2.deloitte.com/au/en/pages/building-lucky-country/articles/purpose-of-place-reconsidered.html>.)
29. Environmental leadership will improve decisions to host international cultural and tradeshow events in Sydney, increasing tourism and spending.
30. Greater options for, and increased efficiency of, transport systems will reduce congestion and improve economic productivity.

BUDGET IMPLICATIONS

31. The cost of the actions included in the Strategy and Action Plan and the acceleration initiatives will be included in the draft 2017/18 operational budget and forward estimates that will be presented to Council in May 2017.

RELEVANT LEGISLATION

32. The Strategy and Action Plan focuses on voluntary commitments and opportunities associated with improved environmental performance at the organisational and LGA scale. In general, these matters are not the subject of legislation with which the City has to comply. City operations are affected by numerous environmental regulatory requirements. The City ensures compliance with these regulatory requirements through the operation of its Environmental Management System.

PUBLIC CONSULTATION

33. The development of the Strategy and Action Plan was informed by an external reference group that provided advice and reviewed the draft content through a series of face-to-face meetings with City staff. The group met seven times between September 2015 and February 2017. Members of the group comprised:
 - (a) Property Council Australia;
 - (b) NSW Office of Environment and Heritage;
 - (c) Sydney Water;
 - (d) NSW Department of Planning & Environment;
 - (e) Transport NSW;
 - (f) NSW Department of Industry;
 - (g) Green Building Council Australia;

- (h) Energy Efficiency Council;
 - (i) Better Buildings Partnership;
 - (j) Facilities Management Australia representative;
 - (k) Jemena; and
 - (l) Institute of Public Works Engineering Australia.
34. The draft Strategy and Action Plan was placed on public exhibition from 30 June to 12 August 2016.
35. The draft Strategy and Action Plan was exhibited at the City's one stop shop and neighbourhood service centres, and on the Sydney Your Say website, which also included a survey. The Sydney Your Say page received 1,300 page views. The online survey generated a total of 20 responses.
36. A stakeholder briefing was held at Town Hall House on 30 June 2016. 87 people attended the event. The panel consisted of:
- (a) Rod Simpson, Greater Sydney Commission;
 - (b) Christine Byrne, Green Strata;
 - (c) Shauna Coffey, Energy Efficiency Council; and
 - (d) Roger Swinbourne, Property Council of Australia.
37. A series of community workshops were undertaken with randomly selected members of the community, facilitated by Elton Consulting. A community workshop was held on 2 August 2016 to specifically test the low-carbon and water sensitive city targets proposed in the draft strategy. Two community workshops were held to discuss waste issues with community on 17 August and 27 September 2016 – these sessions were primarily designed to provide input into the forthcoming Waste Strategy, but also allowed the City to test the targets proposed in the zero-waste city section of the Strategy.
38. The Strategy and Action Plan received the following media coverage:
- (a) Channel 7 news Sydney;
 - (b) The Sydney Morning Herald; and
 - (c) National Geographic online blog.
39. The City presented to the NSW Property Council Sustainability Committee on 15 August 2016.
40. Submissions were received from the following organisations and five individuals:
- (a) The Property Council of Australia;
 - (b) Sydney Water;
 - (c) Green Building Council of Australia;

- (d) Mirvac;
 - (e) Efficient Living;
 - (f) Energy Efficiency Council;
 - (g) The Glebe Society;
 - (h) Flow Systems;
 - (i) Jemena; and
 - (j) GoGet Carshare.
41. Submissions and other engagement activities are summarised in Attachment A. Generally, the feedback pertained to:
- (a) Overall, the engagement showed enthusiastic support across the board for the vision that the draft Strategy presents and the City's direction with regard to environmental management. There was strong overall support for the proposed environmental targets, with minimal issues or suggestions raised.
 - (b) Three out of the 10 organisational submissions raised concern that the voluntary benchmarks for new buildings identified in Section 3 of the Strategy could be interpreted as mandates for higher performance. There was a clear message that this section of the Strategy needs to be amended to avoid any misunderstanding about the aspirational nature of the targets.
 - (c) Two out of the 10 industry submissions raised concern around the use of higher voluntary BASIX targets as described in Section 3.
 - (d) Two out of the 15 submissions (one from an organisation and one from an individual) proposed that the City provide a food waste collection/composting service for residents.

KIM WOODBURY

Chief Operating Officer

Chris Derksema, Sustainability Director
Anna Mitchell, Senior Sustainability Strategist