

**ITEM 3. GRANTS AND SPONSORSHIP - ROUND TWO 2017/18 - ENVIRONMENT GRANTS - ENVIRONMENTAL PERFORMANCE GRANTS: RATINGS AND ASSESSMENTS AND INNOVATION**

**FILE NO: S117676**

**SUMMARY**

The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city. To achieve the objectives of *Sustainable Sydney 2030* requires genuine partnership between government, business and the community.

Applications are assessed against the City's social, cultural, environmental and economic policies and against broad City objectives and plans. In this way, the City and the community act collaboratively to bring to life *Sustainable Sydney 2030* and the City of Villages it envisions.

The City advertised the following three Environmental Grant Programs in Round Two of the Grants and Sponsorship Program for 2017/18:

- Environmental Performance - Building Operations: funding is available to help lower the costs of implementing building operations efficiency measures;
- Environmental Performance - Ratings and Assessments: 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 to assess or demonstrate 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 local area.

For the Environmental Performance Grants, 16 eligible applications were received. This report recommends a total of 16 grants to a total value of \$155,160 for the 2017/18 financial year.

On 26 June 2017, Council adopted a revised Grants and Sponsorship Policy. All grants in this report were assessed against criteria and guidelines set out in this revised Policy with reference to *Sustainable Sydney 2030*, Environmental Action 2016-2021 Strategy and Action Plan, and Residential Apartments Sustainability Plan.

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 recommendations for 2017/18 under the Environmental Performance – Ratings and Assessment Grant Program as follows:

<b>Applicant</b>	<b>Project Name</b>	<b>Project Description</b>	<b>\$ Amount Recommended</b>	<b>Conditions</b>
Ambassador Hotels Pty Ltd	EarthCheck Certification - Holiday Inn Old Sydney, 55 George Street Sydney	EarthCheck certification and energy audit to benchmark current performance for a 176-room hotel and provide efficiency recommendations to improve environmental performance.	<b>\$10,000</b>	Nil
E P Management Pty Ltd	Energy Audit - Swissotel, 68 Market Street Sydney	Energy audit on a 369-room hotel to review current energy use and recommend capital and operational improvements to reduce cost and improve environmental performance.	<b>\$12,000</b>	Nil
EP2 Management Pty Ltd	Energy audit - Hyatt Regency, 161 Sussex Street Sydney	Energy audit on an 892-room hotel. Audit will assess current energy usage and provide recommendations on efficiency projects to reduce costs and improve environmental performance.	<b>\$10,000</b>	Nil
Golden Swan Investments Australia Pty Ltd	EarthCheck Certification, Holiday Inn Darling Harbour, 68 Harbour Street Sydney	EarthCheck certification and energy audit to benchmark current performance for a 370-room hotel and provide efficiency recommendations to improve environmental performance.	<b>\$10,000</b>	Nil
Mulpha Hotel Operations Pty Limited	EarthCheck Certification - Intercontinental Sydney, 117 Macquarie Street Sydney	EarthCheck Certification and energy audit to benchmark current performance for a 509-room hotel and provide efficiency recommendations to improve environmental performance.	<b>\$10,000</b>	Nil
Regent Place Bmc	EarthCheck Evaluate Plus - Fraser Suites, 488 Kent Street Sydney	EarthCheck Evaluate Plus and energy audit to benchmark current performance for energy, water and waste for a 200-room serviced apartment building and provide efficiency recommendations to improve environmental performance.	<b>\$6,000</b>	Nil

Applicant	Project Name	Project Description	\$ Amount Recommended	Conditions
Strata Plan 18229	Energy Assessment - residential apartments - Victoria Towers, 145 Victoria Street Potts Point	Energy assessment of efficiency opportunities for common area, fire stairs and parking areas to improve energy performance of a 9-storey, 51-lot residential apartment building.	<b>\$5,650</b>	Nil
Strata Plan 57182	Energy assessment - residential apartments - Manhattan Apartments, 1 Poplar Street Surry Hills	An energy assessment of a 7-storey, 62-residential apartments building with common areas to identify cost effective opportunities and provide a detailed business case to reduce energy consumption.	<b>\$7,160</b>	Nil
Strata Plan 69259	Energy assessment - residential apartments - 2-4 Powell Street Waterloo	Feasibility study for solar photovoltaics including an assessment of a battery system business case and examination of opportunities for domestic hot water system supported by renewable power.	<b>\$7,650</b>	Nil
Strata Plan 75520	Energy assessment - residential apartments - Portico Apartments, 2 York Street Sydney	Evaluation of current energy consumption for a 14-level, 146-residential apartment building, and provision of a recommendations report with costed efficiency options to improve environmental performance.	<b>\$5,850</b>	Nil
Tank Stream Holdings Pty Ltd	Solar PV Grid Connection Feasibility- Tank Stream Hotel, 97-99 Pitt Street Sydney	Solar PV feasibility study for a 280-room hotel, including system sizing, power generation analysis, project costing, payback, rebates and energy savings, network connection application and structural engineering analysis.	<b>\$14,500</b>	Nil
The Owners Corp SP70479	Energy assessment - residential apartments- Encore Apartments, 19-23 Elizabeth Bay Road, Elizabeth Bay	Evaluation of current energy use for a 16-level, 78-residential apartment building and provision of costed and prioritised efficiency recommendations to improve environmental performance.	<b>\$5,850</b>	Nil
The Star Entertainment Group Pty Ltd	Green Star Performance Certification - The Star, 80 Pyrmont Street Pyrmont	Certification and efficiency recommendations report for The Star Entertainment Group through the Green Building Council's Green Star Performance tool.	<b>\$10,000</b>	Nil

Applicant	Project Name	Project Description	\$ Amount Recommended	Conditions
The Trustee for Glory Property III Investment Trust	Solar PV Grid Connection Feasibility - Hilton Hotel, 488 George Street Sydney	Solar PV feasibility study for a 577-room hotel, including system sizing, power generation analysis, project costing, payback, rebates and energy savings, network connection application and structural engineering analysis.	<b>\$14,500</b>	Nil
The Trustee for Success Venture (Darling Harbour) Unit Trust	EarthCheck Evaluate Plus - Parkroyal Darling Harbour, 150 Day Street Sydney	EarthCheck Evaluate Plus and energy audit to benchmark current performance for energy, water and waste for a 340-room hotel and provide efficiency recommendations to improve environmental performance.	<b>\$6,000</b>	Applicant to provide implementation commitment

(B) Council approve the cash grant recommendations for 2017/18 under the Environmental Performance – Innovation Grant Program as follows:

Applicant	Project Name	Project Description	\$ Amount Recommended	Conditions
Strata Plan 302381	Feasibility Study - Blackwattle Mews, 23-25 Cook Street Glebe - strata complex renewable energy sharing project	Feasibility assessment to identify options to share renewable energy between residents from on-site renewables sources in a mid-sized strata complex.	<b>\$20,000</b>	Applicant to provide quotes  \$10,000 contingent on satisfactory first stage options paper and confirmation of microgrid viability

(C) Council note that all grant amounts are exclusive of GST; and

(D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation approved for a grant or sponsorship under terms consistent with this resolution and the Grants and Sponsorship Policy.

## ATTACHMENTS

**Attachment A:** Recommended for Funding – Environmental Performance Grants – 2017/18 Round Two

**BACKGROUND**

1. The City of Sydney's Grants and Sponsorship Program supports residents, businesses and not-for-profit organisations to undertake initiatives and projects that build the social, cultural, environmental and economic life of the city.
2. On 19 June 2017, the City announced Round Two of the annual grants program for 2017/18 as being open for applications on the City's website, with grant applications closing on 24 July 2017.
3. The three Environmental Grant Programs promoted were:
  - (a) Environmental Performance – Building Operations;
  - (b) Environmental Performance – Ratings and Assessments; and
  - (c) Environmental Performance – Innovation.
4. The three Environmental Performance Grant Programs aim to build capacity and address barriers to the implementation of environmental actions within key customer sectors.

**Environmental Performance - Ratings and Assessments Grant Program**

5. The Environmental Performance - Ratings and Assessments 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. Applicants are required to implement efficiency measures based on the recommendations of the assessments.
6. Fifteen applications have been assessed and all are recommended for funding to a value of \$135,160.
7. Projects in commercial buildings include two energy audits, six sustainability certifications (Green Star Performance and EarthCheck), and two solar PV feasibility studies for accommodation and event venue providers across the local government area. These projects support the Environmental Action 2016-2021 Strategy and Action Plan commitment to encourage and support building owners within the accommodation and entertainment sector to improve their environmental performance.
8. In the residential apartments sector, five energy assessments for residential apartment buildings will be undertaken across the suburbs of Potts Point, Surry Hills, Waterloo, Elizabeth Bay and the Sydney CBD.

**Environmental Performance – Innovation Grant Program**

9. The Environmental Performance – Innovation Grant Program supports the feasibility or 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.

10. One application was assessed and is recommended for funding to a total value of \$20,000.
11. Residents in a mid-sized townhouse strata complex in Glebe will undertake a feasibility study on options to generate and share on-site renewable energy, reducing emissions and long term operational costs.
12. Blackwattle Mews comprises 18 townhouses (primarily owner occupied). Funding will be used to assess technical considerations, emerging innovative solutions and expected return on investment of the project. The project will also assess the role of emerging battery technologies.
13. The City has set an emissions reduction target of 70 per cent, and a renewables target of 50 per cent of electricity demand to be met by renewable energy by 2030. The majority of City of Sydney residents live in strata apartment buildings and emissions reductions and innovative solutions to increase uptake of renewable energy in this sector will be key to meeting these targets. The working group will share project findings and learnings through a blog and workshops to other strata apartment groups.

#### Overview of 2017/18 Environmental Performance Grant Program

Total budget for 2017/18	\$615,000
Total already committed in previous applications	\$214,523
Total currently recommended to October 2017 Council meeting in report: <i>Knowledge Exchange Sponsorship – Environmental Projects and Initiatives</i>	\$49,880
Total amount available for 2017/18	\$350,597
Total number of eligible applications this allocation	16
Total cash value requested from applications	\$155,160
<b>Total number of applications recommended for cash</b>	<b>16</b>
<b>Total amount of cash funding recommended 2017/18</b>	<b>\$155,160</b>
Amount remaining for subsequent allocation of the program 2017/18	\$195,437

## KEY IMPLICATIONS

### Strategic Alignment - Sustainable Sydney 2030 Vision

14. *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 grant funding is aligned with the following *Sustainable Sydney 2030* strategic directions 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

15. 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

16. The recommended environmental grants under the Ratings and Assessments Program will provide energy and water savings as a result of improved monitoring and applicants implementing efficiency measures as a condition of the grants. The recommended innovation project is aimed at providing a catalyst for the adoption of new solutions that improve environmental performance across our key residential apartments sector.

## BUDGET IMPLICATIONS

17. A total value of \$155,160 in cash is recommended in this report and is provided in the 2017/18 Environmental Performance Grants budget of \$615,000.

## RELEVANT LEGISLATION

18. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
19. Section 356(3) (a) to (d) is satisfied for the purpose of providing grant funding to for-profit organisations.

## CRITICAL DATES / TIME FRAMES

20. The funding period for Round Two of the Grants and Sponsorship Program for 2017/18 is for activity taking place from 1 December 2017 to 30 November 2018. Contracts will be developed for all successful applications after Council approval to ensure their funding is released in time for projects starting in December.

**PUBLIC CONSULTATION**

21. Information about these grant programs (such as application dates, guidelines, eligibility criteria and sample applications) was made available on the City's website. The City actively promoted the programs through radio live reads, Facebook, Twitter, Instagram, What's On and Multicultural NSW mailing list as well as the City's Green Villages and Creative City websites. Email campaigns were also used to target interested parties who had applied previously for grants at the City or expressed an interest in the City's programs. The Sustainability Programs and Strategy teams promoted the grants to peak sustainability and resource efficiency industry organisations, networks and stakeholders.

**ANN HOBAN**

Director City Life

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