

# 15 October 2018

At the conclusion of the Corporate, Finance, Properties  
and Tenders Committee



## Environment Committee

Sydney 2030 Green/Global/Connected

**Agenda**

- 1. Disclosures of Interest**
- 2. Revised Environmental Upgrade Agreements Policy**
- 3. Grants and Sponsorship - Round Two 2018/19 - Environmental Grants -  
Environmental Performance Grants**

# Guidelines for Speakers at Council Committees



As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

To enable the Committee to hear a wide range of views and concerns within the limited time available, we encourage people interested in speaking at Committee to:

1. Register to speak by calling Council's Secretariat on 9265 9310 before 12.00 noon on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as Council staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are on line at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au), with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

**Item 1.****Disclosures of Interest**

Pursuant to the provisions of section 451 of the Local Government Act 1993, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting of the Environment Committee.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting of the Environment Committee in accordance with the relevant clauses of the Code of Conduct – February 2016.

In both cases, the nature of the interest must be disclosed.

Written disclosures of interest received by the Chief Executive Officer in relation to items for consideration at this meeting will be laid on the table.

## Item 2.

### Revised Environmental Upgrade Agreements Policy

**File No: S101626**

#### Summary

Environmental Upgrade Agreements are voluntary funding agreements between a building owner, a finance provider and a local council which are designed to help overcome barriers to the implementation of environmental upgrades and retrofits to existing buildings.

The Building Upgrade Finance program, through which these agreements are managed, is intended to address the following key barriers:

- (a) the "split incentive" issue, where a building owner pays for an environmental upgrade but it is the tenant that benefits financially (for example from lower electricity bills); and
- (b) the availability of competitively priced capital with long-term repayment schedules.

Under an Environmental Upgrade Agreement, a finance provider advances funds to a building owner to upgrade their existing building. These funds are repaid by means of a charge on the relevant land, which is levied and collected by the council, as Environmental Upgrade Charges.

The City's Environmental Upgrade Agreements Policy specifies the circumstances under which the City will enter into and administer an Environmental Upgrade Agreement, and provides for the management of any risks to the City and third parties where such risks are not addressed in the template contract. Council adopted the current Environmental Upgrade Agreement Policy on 15 August 2016.

City staff have undertaken a review of the policy and program with feedback from the NSW Office of Environment and Heritage, key participating councils and finance providers. It is recommended that Council continue to participate in the program, with minor policy changes, and modifications to the fees it charges the building owner to process and manage the contract.

This report recommends three minor amendments to the policy including:

- (a) clarification of the delegations for entering into and varying Environmental Upgrade Agreements;
- (b) minor adjustment to require a building owner to hold authorisations for project works at the time of executing an Environmental Upgrade Agreement rather than at Environmental Upgrade Agreement application stage; and
- (c) the renaming of the policy to the "Building Upgrade Finance (using Environmental Upgrade Agreements) Policy".

Feedback from stakeholders indicates that the current fee structure presents a barrier to building owners with smaller value projects. Staff will undertake a comprehensive review of the fees and charges for the service as part of Council's annual fees and charges review to inform 2019/20 fees to ensure they are suitable for all loan values. In the interim, it is recommended that Council approve a reduction in Council's fees to \$0 for new Environmental Upgrade Agreements with a value of under \$500,000 to incentivise take-up of the lower cost projects such as commercial solar.

## Recommendation

It is resolved that:

- (A) Council adopt the revised City of Sydney Building Upgrade Finance Policy (formerly known as the City of Sydney Environmental Upgrade Agreements Policy), as shown at Attachment A to the subject report;
- (B) authority be delegated to the Chief Executive Officer to:
  - (i) negotiate, execute and administer Environmental Upgrade Agreements and to negotiate, execute and administer any variation to any Environmental Upgrade Agreement;
  - (ii) make or amend Environmental Upgrade Charges under Environmental Upgrade Agreements; and
  - (iii) make minor amendments to the Environmental Upgrade Agreement Enforcement Procedure as required from time to time;
- (C) Council note that Resolutions C and E made by Council under Item 7.3 of the Resolution of Council dated 19 September 2011 will continue to apply, namely that:
  - (i) Council endorse only the use of Environmental Upgrade Agreement templates that contain the Environmental Upgrade Agreement mandatory provisions as approved or as otherwise agreed by the Director General of the Department of Premier and Cabinet from time to time; and
  - (ii) Council endorse the Environmental Upgrade Agreement Enforcement Procedure;
- (D) Council approve an administrative fee of \$0 for new Environmental Upgrade Agreements with a value of \$500,000 or less for the period from the date of this resolution until the date the Council's annual fees and charges for the 2019/2020 financial year are adopted; and
- (E) Council note that the administrative fees and charges for the Building Upgrade Finance Program will be reviewed as part of the Council's annual Fees and Charges review to inform fees for Council consideration for the 2019/20 financial year.

**Attachments**

**Attachment A.** City of Sydney Building Upgrade Finance (using Environmental Upgrade Agreements) Policy

**Attachment B.** Council Resolution dated 19 September 2011

## Background

1. On 18 February 2011, amendments took effect to the Local Government Act 1993 to establish a legislative framework that provided for and authorised councils to enter into Environmental Upgrade Agreements. On 19 September 2011, Council adopted an Environmental Upgrade Agreements Policy and resolved to enter into Environmental Upgrade Agreements in the local government area.
2. An Environmental Upgrade Agreement is a voluntary agreement between a building owner, a finance provider and a local council within NSW where:
  - (a) a building owner agrees to carry out environmental upgrade works to a building (for instance works to improve the energy, water or waste efficiency of the building);
  - (b) a finance provider agrees to advance funds to the building owner to finance those environmental upgrade works; and
  - (c) the advance is repaid by means of a charge on the relevant land that is levied and collected by the council, as Environmental Upgrade Charges, which Council then pays back to the finance provider.
3. Building Upgrade Finance addresses the "split incentive" barrier by enabling the building owner to pass on a proportion of the cost of the upgrade to their tenants, via the lease outgoings, as long as the tenant is no worse off.
4. As the finance provider can secure the funds advanced, through having the charge levied as a debt against the land, their financing risk is lowered. This means that they can offer competitive interest rates and longer term repayment schedules that reflect the timeframe over which cost savings arising from an environmental upgrade can accrue.
5. The upgrade charge is attached to the land. If the land is sold, the debt may be transferred to the new owner or discharged on settlement.
6. The City's role is to levy an Environmental Upgrade Charge as with other council rates and charges, which is then payable through the rates system at dates and times as specified in the Environmental Upgrade Agreement.
7. In 2016, the NSW Office of Environment and Heritage simplified and restructured the contract template which contains mandatory provisions to be complied with by each party. Changes included legal corrections, simplification of language, and improved protections and processes for the contracting parties.
8. There is also a standard set of additional conditions that can be selected and included in the contract at the discretion of each council. In 2017, the NSW Office of Environment and Heritage rebranded the Environmental Upgrade Agreement Program as the Building Upgrade Finance Program; however legislation and the mandatory contract template retain the term Environmental Upgrade Agreements.
9. The City's Environmental Upgrade Agreements Policy outlines the conditions under which the City will enter into and administer an Environmental Upgrade Agreement. The policy also provides for the management of any risks to the City and third parties which are not addressed in the template contract.



10. The City revised and adopted its current Environmental Upgrade Policy on 15 August 2016. At that time, Council agreed that the policy would be reviewed two years from that date.
11. Since 2011, market uptake of Environmental Upgrade Agreements has been low, with only six agreements signed in New South Wales, four of which were signed by the City of Sydney. These agreements were with Frasers Central Park, Country State Development, the Anglican Church Property Trust and Intrasia Oxley (RDB) Pty Ltd.
12. Building Upgrade Finance is offered in Victoria, where over 40 Environmental Upgrade Agreements have been signed. The mechanism has also been recently introduced in South Australia where two agreements have been signed to date.
13. The growth in Victoria has been driven in part by a handful of suppliers advising their clients of the finance mechanism at point of sale. The projects have predominantly been for the installation solar photovoltaics on commercial and industrial buildings and lighting upgrades. These projects have mostly required funding of less than \$500,000 and have mostly been enabled by the Sustainable Melbourne Fund.
14. To date, finance providers in NSW have had a minimum \$500,000 threshold for providing funds for an Environmental Upgrade Agreement. Based on the success of the mechanism in Victoria, the NSW finance providers have indicated that they will lower their funding threshold to encourage a greater uptake.
15. Two of the suppliers showing Victorian success have indicated their intention to start promoting their products, with Environmental Upgrade Agreement funding built-in, in NSW. The NSW Office of Environment and Heritage has agreed to support this intention by offering additional promotional activity in the three key local government areas currently offering Building Upgrade Finance namely Blacktown Council, City of Sydney and Parramatta Council.
16. The Local Government Act 1993 authorises a council to charge a fee to cover costs of entering into or administering an agreement. Legislation, and the City's existing delegations permit the making or amending of this fee, as the Environmental Upgrade Charge under delegation by the Chief Executive Officer.
17. Feedback from key stakeholders was that the lowering of the lending threshold and potential for renewed interest in the program may warrant Council's re-consideration of its fee structure. Parramatta Council recently set Council's administrative fee at \$0 for the next 10 projects to incentivise up-take.
18. The City originally designed its fee structure to recover costs in managing the program and processing Environmental Upgrade Agreement applications and contracts, and had done so, understanding that lending amounts were always to be above \$500,000 and typically \$1 million.
19. Council's current fees do not differentiate between the scale and value of projects that come through the program. Any building owner wishing to enter into an Environmental Upgrade Agreement for a 10-year loan term pays an \$8,250 fee which is levied as an upfront payment at the time of the first scheduled repayment of the loan.
20. Stakeholders report that this is likely to present a barrier for the lower value commercial solar and lighting projects that the City would like to encourage. Technical service providers also report that the fee hinders their efforts to market the finance mechanism to building owners with smaller cost projects.

21. The City has an interest in supporting efforts to revitalise the program, and would like to enable building owners with smaller value projects to benefit from the program. Concurrently, some cost recovery for larger scale projects (where the fee does not present a barrier) aligns with Council's interest in responsible financial management.
22. Staff will undertake a review of administrative fees and charges charged for the service concurrent with the City's annual fees and charges review to inform 2019/20 fees. In the interim, setting Council's administrative fee at \$0 for new projects with a value of \$500,000 or less until the Council's annual fees and charges review, would meet many of the City's objectives above. Staff will track foregone value.
23. Feedback from external stakeholders has been considered and the results of the review recommend Council continue to offer the program with minor changes to the policy.
24. It is proposed that the revised Environmental Upgrade Policy include three minor amendments including:
  - clarification of the delegations for entering into and varying Environmental Upgrade Agreements;
  - minor adjustment to require a building owner to hold authorisations for project works at the time of executing an agreement rather than at Environment Upgrade Agreement application stage; and
  - the renaming of the policy from the Environmental Upgrade Policy to the City of Sydney Building Upgrade Finance (using Environmental Upgrade Agreements) Policy.
25. Council's resolution of 19 September 2011 delegates authority to the Chief Executive Officer for entering into Environmental Upgrade Agreements, making or amending Environmental Upgrade Charges under Environmental Upgrade Agreements; and making minor amendments to the Environmental Upgrade Agreement Enforcement Procedure as required from time to time. It is recommended that the policy reference the delegated authority and acknowledge that this delegation extends to approving variations to an agreement (such as change of ownership of a building).
26. The second proposed change is a minor process change around the timing of authorisations required for environmental works. The existing policy requires that the building owner obtain all authorisations and statutory requirements for the environmental works prior to the building owner submitting an Environmental Upgrade Agreement application.
27. Stakeholders, including the NSW Office of Environment and Heritage, suggest this is unnecessarily onerous and recommend that the policy stipulate that building owners have these authorisations prior to execution of contract (rather than application). This requirement can be signalled in the application form, and aligns with the requirements of the mandatory contract template. Providing confirmation that the works are eligible for this type of funding provides the owner with confidence to invest further in the project, including the costs involved with getting any required authorisations for the works.

28. The third change is to rename the policy to the Building Upgrade Finance (using Environmental Upgrade Agreements) Policy, which aligns the policy name to the new program name adopted by the NSW Office of Environment and Heritage and participating councils in 2017.
29. The next review deadline for this policy is within five years from date of its adoption.

## **Key Implications**

### **Strategic Alignment - Sustainable Sydney 2030 Vision**

30. 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 program is aligned with the following strategic directions and objectives:
  - (a) Direction 2 provides a road map for the City to become A Leading Environmental Performer - Retrofitting buildings to improve their environmental performance will be essential and Environmental Upgrade Agreements is in place to help to facilitate this.

### **Organisational Impact**

31. The revised policy will have no impact on the City's management and administration of Building Upgrade Finance nor create additional risk to the City.

### **Risks**

32. A review of risks has been undertaken and the revised policy will continue to address the key risks appropriately. No new risks have been identified as a consequence of the review.

### **Environmental**

33. The introduction of Building Upgrade Finance by the City was intended to accelerate action by building owners to improve the environmental performance of the city's existing building stock. Despite low current uptake, Environmental Upgrade Agreements remain a unique financial option in the market to help contribute to the achievement of Sustainable Sydney 2030 targets.

### **Budget Implications**

34. If the recommended \$0 administrative fee catalyse more projects, staff estimate a maximum of \$82,500 will be foregone in fees.

### **Relevant Legislation**

35. Local Government Act 1993, Part 2A Environmental Upgrade Agreements.
36. Local Government (General) Regulation 2005.
37. Guidelines for Environmental Upgrade Agreements as published in the Government Gazette of NSW 18 February 2011.

**Critical Dates / Time Frames**

38. The date for the next review is 29 October 2023.

**Public Consultation**

39. The City has consulted with: the NSW Office of Environment and Heritage; the key participating Councils of North Sydney, Parramatta and Blacktown; and Bank Australia, Westpac, the Commonwealth Bank, and AXA Investment Managers – Real Assets who has funded a number of the agreements to date. Feedback from these stakeholders has informed the proposed changes.

**ANN HOBAN**

Director City Life

Kate Read, Sustainability Engagement Coordinator

Tom Belsham, Manager, Sustainability Programs

# **Attachment A**

**City of Sydney Building Upgrade Finance  
(using Environmental Upgrade  
Agreements) Policy**

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# Building Upgrade Finance (using Environmental Upgrade Agreements) Policy

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## Purpose

The purpose of this document is to specify the circumstances under which the City of Sydney Council (City) will enter into and administer an Environmental Upgrade Agreement.

## Scope

This policy applies to all applications for and subsequent Environmental Upgrade Agreements to which the City is a party from the date it is endorsed by Council.

This policy is supported by the EUA Legislation, EUA Template, the Additional Conditions, and the City's EUA Enforcement Procedure.

## Building Upgrade Finance

Building Upgrade Finance enables Building Owners to access finance through a tripartite agreement known as an Environmental Upgrade Agreement.

The Local Government Act 1993 provides a legislative framework that authorises Councils to enter into an Environmental Upgrade Agreement (EUA).

An EUA is a voluntary agreement between a Building Owner, a Finance Provider and a Council where:

- a Building Owner agrees to carry out environmental upgrade works to a building (works to improve the energy, water, or environmental efficiency or sustainability of the building); and
- a Finance Provider agrees to advance funds to the Building Owner to finance those environmental upgrade works; and
- a Council levies a charge on relevant land (EUA Charge) to enable the repayment of the funds advanced.

The purpose of an EUA is to encourage Building Owners to invest in environmental improvements to their existing buildings by providing access to reduced interest and longer term finance.

## Council's role in levying and collecting EUA Charge

The City's role in an EUA is to levy a charge on the land for the whole of the amount funded by the Finance Provider to the Building Owner plus a Council administration fee as set out in the City's EUA Schedule of Fees. This charge is known as the EUA Charge and is levied on the commencement date of the EUA. The EUA Charge takes priority (with rates) over all other debts on the land which is the subject of the EUA.

The City assumes the role of debt collector and receives payments on behalf of the Finance Provider, holds them on trust, deducts its administration fee and then remits the balance to the Finance Provider. If a Building Owner fails to pay any part of the EUA Charge as and when it falls due, the City is required to exercise its “best endeavours” to recover the debt through processes that are set out in the City’s EUA Enforcement Procedure. The City is not liable for repayment of any or all of the EUA Charge to the Finance Provider.

### **Delegation to the Chief Executive Officer**

Council delegates authority to the Chief Executive Officer

- (i) to negotiate, execute and administer EUAs and to negotiate, execute and administer any variation for an existing EUA
- (ii) make or amend Environmental Upgrade Charges under Environmental Upgrade Agreements; and
- (iii) make minor amendments to the Environmental Upgrade Agreement Enforcement Procedure as required from time to time

### **Eligibility**

The City will only consider an application to enter into an EUA if the following criteria are met.

#### **1. EUA Works**

- 1.1. The proposed EUA Works comply with EUA Legislation.

#### **2. Unimproved value of the land must exceed the EUA Charge**

- 2.1. The total amount of any EUA Charge (including the cumulative amount if there is more than one EUA relating to the subject land) does not exceed the unimproved value of the land.

#### **3. Building**

- 3.1. The building is located in the City of Sydney Local Government Area.
- 3.2. The building is not subject to a registered Strata Plan or Company Title Strata Plan.
- 3.3. There are no outstanding Orders that have been issued in relation to the building pursuant to any relevant legislation.

#### **4. Building Owner**

- 4.1. The Building Owner agrees to be bound by the requirements of the EUA Template, Additional Conditions, the City’s EUA Enforcement Procedure and this Policy.
- 4.2. The Building Owner has no overdue debts to the City.
- 4.3. The Building Owner confirms that it will obtain all Authorisations and comply with all statutory requirements to undertake the Environmental Upgrade Works prior to entering into an EUA agreement.
- 4.4. The Building Owner must have an Australian address specified in the EUA for the service of notices. If the Building Owner is a corporation, the Australian address must be the company’s registered office address in Australia. In all other cases the Australian address must be the Australian office address of the Building Owner’s legal representative or accountant.
- 4.5. The Building Owner acknowledges and agrees that the City will not get involved in any dispute that may arise between the Building Owner and Finance Provider or a tenant as to any matter relating to an EUA.

## 5. Caveat

- 5.1. Where the value of the proposed EUA Works plus interest exceeds \$5M, if requested by the City, the Building Owner must consent to the registration of a caveat on the title to the land disclosing the City's interest in the land and the total amount of the EUA Charge that will be levied on the land.

## 6. Finance Provider

- 6.1. The Finance Provider agrees to be bound by the requirements of the EUA Template, Additional Conditions, the City's EUA Enforcement Procedure and this Policy.
- 6.2. The Finance Provider must provide written confirmation that it has undertaken a credit assessment of the Building Owner and is satisfied that at the commencement date of the EUA the Building Owner is able to comply with its obligations under the EUA.
- 6.3. The Finance Provider acknowledges and agrees that the City will not get involved in any dispute that may arise between the Finance Provider and the Building Owner as to any matter relating to an EUA.

## Role of the City

The City will:

- (a) issue notices to the Building Owner on a quarterly basis showing the amount of the EUA Charge due on the 31 August, 30 November, 28 February and 31 May of each year in accordance with the Agreed Repayment Arrangements; and
- (b) only accept pre-payments of EUA Charges with a Minimum Prepayment Amount equal to or greater than the value of one Charge Payment as set out in the Agreed Repayment Arrangements.

## Subdivision

If the Building Owner intends to subdivide the land which is the subject of an EUA, the City will not consent to the subdivision and or registration of the plan of subdivision unless:

- (a) the Building Owner fully discharges the outstanding EUA Charge Obligations; or
- (b) all parties to the EUA enter into a Deed of Variation whereby the land the subject of the EUA is amended so as to reflect the relevant new title details of the land on which the Building the subject of the EUA Works is located (**New Lot**). The City will not enter into a Deed of Variation unless:
  - i. the Finance Provider and its successors and assigns release the City from any claims it may have against the City in relation to the subdivision;
  - ii. the EUA, as amended by the Deed of Variation, continues to meet the eligibility criteria in the legislative framework;
  - iii. the New Lot has an unimproved land value which is greater than the outstanding EUA Charge; and
  - iv. the EUA Works are located on the New Lot.



## References

<b>Laws and standards</b>	<ul style="list-style-type: none"><li>Local Government Act 1993 and Local Government (General) Regulation 2005</li><li>Guidelines for Environmental Upgrade Agreements as published in the Government Gazette of NSW dated 18 February 2011</li></ul>
<b>Policies and procedures</b>	<ul style="list-style-type: none"><li>EUA Enforcement Procedure</li></ul>

## Authorisation

Adopted by Council on XXXXX.

## Review

<b>Review period</b>	<b>Next review date</b>	<b>TRIM reference</b>
The Manager, Sustainability Programs will review this policy within five years from the date of its adoption and/or review.	3	2018/337681-01

# **Attachment B**

**Council Resolution dated  
19 September 2011**

## Resolution of Council

**19 SEPTEMBER 2011**

### **ITEM 7.3 ENVIRONMENTAL UPGRADE AGREEMENTS (S093968)**

It is resolved that:

- (A) Council adopt the Environmental Upgrade Agreements Policy as shown at Attachment B to the subject report;
- (B) Council enter into Environmental Upgrade Agreements within the City of Sydney Local Government Area provided that:
  - (i) the number of Environmental Upgrade Agreements entered into in the next 12 months being limited to a maximum of 10; and
  - (ii) the Environmental Upgrade Agreements referred to in (i) above only relate to non-residential buildings that are not subject to a registered Strata Plan;
- (C) Council endorse only the use of Environmental Upgrade Agreement templates that contain the Environmental Upgrade Agreement mandatory provisions as approved or as otherwise agreed by the Director General of the Department of Premier and Cabinet from time to time;
- (D) Council endorse the City of Sydney's Schedule of Fees for Environmental Upgrade Agreements as shown at Attachment C to the subject report;
- (E) Council endorse the Environmental Upgrade Agreement Enforcement Procedure as shown at Attachment A to the subject report;

- (F) authority be delegated to the Chief Executive Officer to:
  - (i) enter into Environmental Upgrade Agreements;
  - (ii) make or amend Environmental Upgrade Charges under Environmental Upgrade Agreements; and
  - (iii) make minor amendments to the Environmental Upgrade Agreement Enforcement Procedure as required from time to time;
- (G) the Chief Executive Officer report back to Council, in the Quarterly Sustainability Report, on the number of Environmental Upgrade Agreements executed; and
- (H) the Chief Executive Officer report back to Council within 12 months as to the outcomes of the Environmental Upgrade Agreements entered into in accordance with this Resolution.

Carried unanimously.

The Environmental Upgrade Agreements Policy, as adopted by Council, is as follows:

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## ENVIRONMENTAL UPGRADE AGREEMENTS POLICY

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### PURPOSE

The purpose of this document is to provide a framework for the City of Sydney Council (the City) to determine under which circumstances the City will enter into an Environmental Upgrade Agreement.

This policy applies to all applications for Environmental Upgrade Agreements from (insert date).

The policy will be reviewed by September 2012.

### BACKGROUND

On 18 February 2011, the Local Government Amendment (Environmental Upgrade Agreements) Act 2010 took effect amending the Local Government Act 1993 so as to establish a legislative framework that provided for and authorised Councils to enter into Environmental Upgrade Agreements (“EUA”).

An EUA is a voluntary agreement between a Building Owner, a Finance Provider and a Council where:

- A Building Owner agrees to carry out environmental upgrade works to a building (works to improve the energy, water, or environmental efficiency or sustainability of the building); and
- A Finance Provider agrees to advance funds to the Building Owner to finance those environmental upgrade works; and
- The advance is repaid by means of a charge on the relevant land that is levied by the Council.

Generally, an EUA may be entered into by a Building Owner, a Finance Provider and a Council in relation to either:

- a) a non-residential building; or
- b) a strata building that is the subject of a multi-residence scheme comprising more than 20 lots.

The purpose of an EUA is to encourage Building Owners to low carbon retrofit buildings by providing access to less expensive funds provided over a longer term.

### SCOPE

This policy sets out the City’s requirements for entering into and administering EUAs. This policy will be supported by the City’s EUA procedures. All enquiries regarding EUAs should be made to the City’s EUA Officer.

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## ENVIRONMENTAL UPGRADE AGREEMENTS POLICY

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### RESPONSIBILITIES

This policy and application of its principles is the responsibility of the Manager, Sustainability Programs.

### POLICY

1. The City may only enter into an EUA if:
  - (a) The proposed environmental upgrade works:
    - i. relate to an existing, non-residential building within the Sydney Local Government Area;
    - ii. are for works as defined within Section 54E of the Local Government Act 1993 and as described in section 3.3 of the guidelines ([http://www.nsw.gov.au/sites/default/files/No\\_16\\_of\\_2011.pdf](http://www.nsw.gov.au/sites/default/files/No_16_of_2011.pdf));
    - iii. are the subject of all necessary approvals.
  - (b) The total amount of any Environmental Upgrade Charge to be charged to the subject land (including the cumulative amount in the event that there is more than one EUA relating to the subject land) must not exceed the unimproved value of the land;
  - (c) The building is not subject to a registered Strata Plan;
  - (d) There are no outstanding Orders that have been issued in relation to the building pursuant to any relevant legislation;
  - (e) The Building Owner:
    - i. has no overdue debts to the City;
    - ii. agrees that the City may effect service for the purpose of the Environmental Upgrade Agreement at an address in Australia as nominated in the Environmental Upgrade Agreement. For the purposes of a corporation this will be the registered company address and otherwise, the office of the Building Owner's legal representative or accountant;
    - iii. warrants that it has notified the Existing Secured Financiers of its intention to enter into an EUA;
    - iv. where the Building Owner intends to pass on part of the cost of the Environmental Upgrade Charge to its tenants, completes the Lessee Cost Savings Estimate at Annexure 3 of the Environmental Upgrade Agreement, and provides the City with a statutory declaration that it has provided a copy of same to the tenants; and

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## ENVIRONMENTAL UPGRADE AGREEMENTS POLICY

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- v. provides the City with a report prior to entry of an EUA and thereafter annually that includes a description of the proposed Environmental Upgrade Works, the costs of those works and the annual anticipated environmental and cost savings that will be realised once the works are completed. The calculations for the anticipated savings are to be provided in accordance with Section 5.3 of the Guidelines.
  - (f) The Financial Provider warrants that it has undertaken a credit assessment of the Building Owner that satisfies it that at the time of entry of the EUA the Building Owner will be able to comply with its obligations under the Funding Document at the date of the EUA; and
  - (g) Both the Building Owner and Financial Provider agreed to be bound by the City's Environmental Upgrade Agreement Enforcement Procedure.
2. The City will:
- (a) Issue Notices to the Building Owner on a quarterly basis showing the Environmental Upgrade Charges due on the 31st August, 30th November, 28th February and 31st May of each year in accordance with the Agreed Repayment Arrangements;
  - (b) Only accept payment of an Environmental Upgrade Charge by Direct Debit;
  - (c) Only accept pre-payments of Environmental Upgrade Charges equal to or greater than the value of one Charge Payment as set out in the Agreed Repayment Arrangements of the EUA;
  - (d) Only accept pre-payments of the Environmental Upgrade Charge when 14 days prior notice in writing is given; and
  - (e) Not be a party to any dispute that may arise between the Building Owner and a tenant as to any matter relating to an Environmental Upgrade Agreement.

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## ENVIRONMENTAL UPGRADE AGREEMENTS POLICY

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### REFERENCES

Related Legislation & Standards

Local Government Act 1993 No 30 – Part 2A Environmental Upgrade Agreements

Local Government (General) Regulation 2005 – Part 5A Environmental Upgrade Agreements

Guidelines for Environmental Upgrade Agreements as published in the Government Gazette of NSW dated 18 February 2011

Related Policies and Procedures

Environmental Upgrade Agreements Enforcement Procedure

### APPROVAL AND REVIEW

Review Period

The City will review this policy within 12 months from the date of its adoption

Next Review Date

September 2012

Approved by Council on 19 September 2011



### Item 3.

#### **Grants and Sponsorship - Round Two 2018/19 - Environmental Grants - Environmental Performance Grants**

**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.

The provision of grants and sponsorships is a mechanism to further the aims identified in the City's social, economic and environmental policies. Applications are assessed against these 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 its envisions.

The City advertised the following three environmental grant programs in Round Two of the annual grants and sponsorship program for 2018/19:

- 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, 37 eligible applications were received. This report recommends 28 grants to a total value of \$352,000 for the 2018/19 financial year and the waitlisting of one further grant up to the value of \$60,000.

On 11 December 2017, Council adopted a revised Grants and Sponsorship Policy. All grants in this report were assessed against criteria and guidelines set out in this 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.

## Recommendation

It is resolved that:

- (A) Council approve the cash recommendations for 2018/19 under the Environmental Performance - Building Operations Grant Program as follows:

<b>Applicant</b>	<b>Project Name</b>	<b>Project Description</b>	<b>\$ Amount Recommended</b>	<b>Conditions</b>
Kador Group Holdings Pty. Limited	Cooling Tower Water Meter Installation	Installation of four water sub meters at 235 Pymont Street Pymont.	\$1,092	Applicant to provide details of their Sydney water account  Applicant to submit a specific Safe Work Method Statement.

- (B) Council approve the cash recommendations for 2018/19 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>
A.P.V.C. Ltd. trading as Accor Vacation Club	Sebel Pinnacle Apartments - Energy Audit	An energy audit in a 15 room hotel to identify cost-effective options for minimisation of carbon footprint, energy and maintenance costs and customised energy management training at 104 Pymont Street Pymont..	\$5,250	Nil

<p>Accor Australia and New Zealand Hospitality Pty Limited trading as Pullman Quay Grand Sydney Harbour</p>	<p>Quay Grand - Energy Audit</p>	<p>An energy audit in a hotel containing 69 rooms to identify cost-effective options for minimisation of carbon footprint, energy and maintenance costs and customised energy management training located at 61-69 Macquarie Street Sydney.</p>	<p>\$9,660</p>	<p>Applicant to provide an indicative NABERS and indicative water rating as part of this project.</p>
<p>Amp Services Limited</p>	<p>The AMP Building - NABERS IEQ Rating</p>	<p>An indoor environmental quality assessment for a commercial office tenancy with a net lettable area of over 32,000sqm located at 33 Alfred Street Sydney.</p>	<p>\$10,000</p>	<p>Nil</p>
<p>Ananke Holdings Pty Ltd</p>	<p>Sofitel Sydney Wentworth - Energy Audit</p>	<p>An energy audit in a 436 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 61-101 Phillip Street Sydney.</p>	<p>\$12,000</p>	<p>Applicant to provide an indicative NABERS and indicative water rating as part of this project.</p>

Jones Lang Lasalle (NSW) Pty Limited	Spring Street, Sydney - Three Green Star Performance Certifications	Three Green Star Performance certifications for commercial office buildings with a combined net lettable area of over 13,000sqm to align sustainable practices and streamlined certification of the buildings located at 8, 10 and 16 Spring Street Sydney.	\$30,000	Applicant to provide letter of commitment.
Laudet Pty Limited	Rydges Central - Energy Audit	An energy audit in a 309 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 28 Albion Street Sydney.	\$12,000	Nil

Linkbond Asia Ltd	The Grace Hotel - Level 2 Energy Audit	An energy audit in a 382 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 77 York Street Sydney.	\$12,000	<p>Applicant to submit a revised budget and itemised scope of works.</p> <p>Applicant to work with the City in regards to selecting a suitably registered consultant.</p>
Linkbond Asia Ltd	The Grace Hotel - NABERS Energy and Water ratings	A water assessment and an energy assessment in a 382 room hotel to update the energy management action plan located at 77 York Street Sydney.	\$5,000	<p>Applicant to provide evidence they have implemented actions on previous ratings report.</p> <p>Applicant to work with the City in regards to selecting a suitably registered consultant.</p>

NSW Hotel Management Pty Ltd	The Langham - Energy Audit	An energy audit in a 96 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 89 Kent Street Sydney.	\$12,000	<p>Applicant to provide an indicative NABERS and indicative water rating as part of this project.</p> <p>Applicant to submit a revised budget and itemised scope of works.</p>
Pearl Hotels D 1993 Pty Limited	Novotel Hotel Darling Harbour - Energy Audit	An energy audit in a 524 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 100 Murray Street Darling Harbour.	\$12,000	Applicant to provide an indicative NABERS and indicative water rating as part of this project.

<p>Pearl Hotels D 1993 Pty Limited</p>	<p>Ibis Sydney Darling Harbour - Energy Audit</p>	<p>An energy audit in a 256 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 70 Murray Street Darling Harbour.</p>	<p>\$9,660</p>	<p>Applicant to provide an indicative NABERS and indicative water rating as part of this project.</p>
<p>Spruce Australia Pty Ltd</p>	<p>Sheraton On The Park - Energy Audit</p>	<p>An energy audit in a 560 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 161 Elizabeth Street Sydney.</p>	<p>\$12,000</p>	<p>Applicant to provide an indicative NABERS and indicative water rating as part of this project.</p> <p>Applicant to submit a revised budget and itemised scope of works.</p>

Sscq (2000) Pty Ltd	Sir Stamford at Circular Quay - Energy Audit	An energy audit in a 105 hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 93 Macquarie Street Sydney.	\$12,000	Applicant to provide an indicative NABERS and indicative water rating as part of this project.  Applicant to submit a revised budget and itemised scope of works.
Starhill Hotel (Sydney) Pty Ltd	Sydney Harbour Marriott Hotel - Energy Audit	An energy audit for a 595 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 30 Pitt Street Sydney.	\$12,000	Applicant to provide an indicative NABERS and indicative water rating as part of this project.  Applicant to submit a revised budget and itemised scope of works if successful.
Strata Plan 73333	16-20 Eve Street Erskineville - NABERS Rating	An energy assessment for a 10 level, 91 apartment residential building to improve energy consumption, reduce costs and establish a sustainable base and reputation for the future.	\$2,854	Nil



Strata Plan 73908	The Monument - Energy Assessment	An energy assessment in a 17 level, 192 apartment residential building to improve energy consumption, reduce costs and establish a sustainable base and reputation for the future, located at 20 Pelican Street Surry Hills.	\$10,000	Applicant to work with their Relationship Manager to provide an indicative NABERS rating as part of this project, replacing the Energy Efficiency Audit.
Strata Plan 74829	Zinc - NABERS Energy and Waste Ratings	An energy assessment and a waste assessment in a 6 level, 45 apartment residential building to identify efficiency measures to become a leader in environmental performance, located at 30 Garden Street Alexandria.	\$2,854	Nil

Strata Plan 45799	The Elizabeth at Birtley Place - Energy and Water Assessment	A water assessment and an energy assessment in a 12 level, 52 apartment residential building to identify common area energy and water consumption, to identify energy and water reduction opportunities and to conduct a solar feasibility study located at 2-6 Birtley Place Elizabeth Bay.	\$10,000	Applicant to work with City staff to explore conducting a NABERS rating as part of this project.
Strata Plan 58649	42-50 Turner Street, Redfern - Energy Assessment	An energy assessment, a water rating, an energy audit, a water assessment and a grid connection feasibility study in a 4 level, 26 apartment residential building, to identify appropriate energy efficiency technologies to reduce our environmental footprint and energy costs.	\$7,710	Applicant to provide an indicative NABERS and indicative water rating as part of this project.

The Pier One Developments Unit Trust	Pier One Sydney Harbour - Energy Audit	An energy audit in a 189 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 11 Hickson Road Walsh Bay.	\$12,000	Nil
The Trustee for Darling Harbour Hotel Trust	The Sofitel Hotel Darling Harbour - Energy Audit	A water assessment and energy assessment in a 590 room hotel to identify an energy and water bench mark and to set KPI's to reduce emissions located at 12 Darling Drive Sydney.	\$9,960	Nil
The Trustee For Ascendas Australia Hotel Trust, trading as Ascendas Hotel Investment Company Pty Limited	Pullman Hyde Park Hotel - Energy Audit	An energy audit in a 241 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 36 College Street Sydney.	\$12,000	Applicant to provide an indicative NABERS and indicative water rating as part of this project.

<p>The Trustee for T.H.E. Discretionary Trust trading as Oscars Hotels Pty Ltd</p>	<p>Six Oscars Hotels - Energy Audits</p>	<p>An energy audit across six entertainment venues with a capacity of 300, to identify energy saving opportunities.</p> <p>These are located at:</p> <ul style="list-style-type: none"> <li>- Lumiere Residences,</li> <li>- Belvedere Hotel,</li> <li>- The Strand Hotel,</li> <li>- Camperdown Hotel,</li> <li>- Bristol Arms Hotel,</li> <li>- Hotel Sweeneys.</li> </ul>	<p>\$37,178</p>	<p>Applicant to provide an indicative NABERS and indicative water rating as part of this project. -for each property, as appropriate.</p>
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(C) Council approve the cash recommendations for 2018/19 under the Environmental Performance - Innovation Grant Program as follows:

Applicant	Project Name	Project Description	\$ Amount Recommended	Conditions
<p>Enova Community Ltd</p>	<p>Sydney City Solar Garden</p>	<p>A feasibility study to explore the viability of a community owned solar garden at a Potts Point retirement village in partnership with Lend Lease.</p>	<p>\$18,000</p>	<p>Nil</p>

Macquarie University	Gaming to Net Zero	A feasibility study to develop and test a prototype interactive training tool to inform and motivate commercial tenants in the local area to achieve net zero building emissions.	\$20,000	Nil
Strata Plan 30238	Blackwattle Solar	A demonstration project to retrofit an embedded solar energy network into a strata complex of 18 townhouses in Glebe.	\$25,000	Nil
University Of Technology Sydney	Heat in the Streets: Mapping the lived experience of heat stress of climate-exposed workers towards developing a thriving and resilient City	A feasibility study examining the heat stress of climate exposed workers in the local area by tracking bike couriers and municipal workers' pathways as they conduct their work through sensors, GPS and story-telling apps to highlight opportunities for urban interventions to mitigate urban heat effects.	\$17,782	Applicant to work with the City regarding access to data and case studies.  Applicant to provide letters of commitment from project partners.

(D) Council approve the waitlisted recommendations for 2018/19 under the Environmental Performance - Innovation Grant Program as follows:

<b>Applicant</b>	<b>Project Name</b>	<b>Project Description</b>	<b>\$ Amount Recommended</b>	<b>Conditions</b>
Yerrabingin Pty Ltd	South Eveleigh Indigenous Permaculture Rooftop Farm	A demonstration project to deliver and manage Australia's first Indigenous urban food production farm on the rooftop of building 1 at South Eveleigh, hosting cultural, permaculture workshops and connect the local	Up to \$60,000	Applicant to provide evaluations from Mirvac and Junglfy identifying water savings at acquittal.  Applicant to work with the

		community and visitors.		City to review outcomes.
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- (E) Council note that all grant amounts are exclusive of GST; and
- (F) 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; and
- (G) authority be delegated to the Chief Executive Officer to negotiate, execute and administer agreements with any organisation waitlisted for a grant or sponsorship under terms consistent with this resolution and the Grants and Sponsorship Policy subject to available funding and expiring 30 June 2018.

**Attachments**

- Attachment A.** Grants and Sponsorship - Round Two 2018/19 - Recommended for Funding - Environmental Performance - Building Operations Grant Program
- Attachment B.** Grants and Sponsorship - Round Two 2018/19 - Recommended for Funding - Environmental Performance - Ratings and Assessment Grant Program
- Attachment C.** Grants and Sponsorship - Round Two 2018/19 - Recommended for Funding - Environmental Performance - Innovation Grant Program
- Attachment D.** Grants and Sponsorship - Round Two 2018/19 - Not Recommended for Funding - Environmental Performance - Ratings and Assessment Grant Program
- Attachment E.** Grants and Sponsorship - Round Two 2018/19 - Not Recommended for Funding - Environmental Performance - Innovation Grant Program
- Attachment F.** Grants and Sponsorship - Round Two 2018/19 - Waitlisted for Funding - Environmental Performance - Innovation Grant Program

## 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 18 June 2018, the City announced Round Two of the annual grants program for 2018/19 as being open for applications on the City's website, with grant applications closing on 23 July.
3. The three environmental programs promoted were:
  - Environmental Performance - Building Operations;
  - Environmental Performance - Ratings and Assessments; and
  - Environmental Performance - Innovation.
4. 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 Facebook, Twitter, What's On and Google AdWords. Email campaigns were also utilised to target interested parties who have applied previously for grants at the City or who have expressed an interest in the City's programs. The Sustainability Programs and Strategy teams also promoted the grants to peak industry organisations, networks and stakeholders.
5. The three Environmental Performance programs are open to appropriately incorporated for-profit organisations. Seven applications were received this round from for-profit organisations. Four of these for-profit organisations are recommended in this report, one of which is recommended on a waitlist:
  - AMP Services Limited;
  - Jones Lang LaSalle (NSW) Pty Limited;
  - The Footprint Company; and
  - Yerrabingin Pty Ltd (waitlisted application).
6. The three environmental performance grant programs aim to build capacity and address barriers to the implementation of environmental actions within key stakeholder sectors.
7. The assessment panels for applications received under the Environmental Performance Grants Program comprised the City's Sustainability Engagement Managers, Manager Carbon Strategy, Commercial Manager Green Infrastructure, Project Manager - City Farm, Public Health Specialist, Sustainability Engagement Coordinator - Building Tune-Up, Sustainability Engagement Coordinator - Cityswitch, Sustainability Engagement Coordinator, Community Engagement Coordinator, Sustainability Engagement Officer, and Sustainability Programs Officer.

**Environmental Performance - Building Operations Grant Program**

8. 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.
9. One application has been received and assessed. It is recommended for support to a value of \$1,092. Kador Group Holdings Pty Ltd are committed to installing water meters as they currently have a high volume of water use in their commercial office building.

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

10. 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.
11. Twenty six applications have been received and assessed. Twenty four are recommended for support to a value of \$270,126. Continuing from round one, there were a number of single applications received for a portfolio of buildings as well as sustainability consultant service providers promoting their services together with the City grant program to their clients. This has led to a substantial increase in the number of assessments, with a high rate of applications from the Accommodation and Entertainment building sector as well as the first Indoor Environment Quality rating application.

**Environmental Performance - Innovation Grant Program**

12. 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 local area.
  - (a) Ten applications have been received and assessed. Four are recommended for support to the value of \$80,782. Enova Community Ltd is partnering with Lend Lease to examine the feasibility of installing a community owned solar garden at a Potts Point Retirement Village. The aim of the project is to help those who rent, live an apartment or are unable to afford a solar system take part in the renewable energy transition.
  - (b) Macquarie University will develop a fun, social and engaging interactive prototype and design document targeted at commercial building tenants where tenants progressively improve buildings to achieve net zero emissions. This interactive experience will encourage and motivate commercial building tenants in the City of Sydney to achieve net zero buildings.
  - (c) Strata Plan 30238 is a residential complex located in Glebe comprising 18 townhouses to be retrofitted with an embedded solar energy network. This project will act as a viable demonstration to other strata developments, while providing residents with cheaper renewable solar energy and reduced carbon emissions.



- (d) The University of Technology will be tracking bike couriers and municipal workers' pathways traversing the city in the summer heat via sensors, GPS and story-telling apps. A visual narrative will be created using ethnographic and quantitative data demonstrating the heat stress experienced, and highlighting opportunities for urban interventions to mitigate urban heat effects.
13. One further application is recommended for waitlisting up to the value of \$60,000 cash.
- (a) Yerrabingin Pty Ltd will develop an Indigenous permaculture rooftop farm at the Meriton owned Building 1 at South Eveleigh. They aim to deliver and manage Australia's first Indigenous urban food production farm hosting cultural and permaculture workshops and connect the local community and visitors.
14. The 2018/19 Environmental Performance Program budget is summarised as follows:

Total cash budget	\$612,108
Total cash committed to previously approved applications	\$260,108
Total cash amount available for allocation	\$352,000
Total number of eligible applications	37
Total cash requested	\$797,359
<b>Total number of applications recommended for cash support</b> (Total waitlisted applications - 1)	<b>28</b>
<b>Total amount of funding cash recommended</b>	<b>\$352,000</b>
Amount remaining for subsequent allocation of the program	\$0

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030 Vision

15. 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 program of recommended grants is aligned with the following 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**

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

**Environmental**

17. 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.

**Budget Implications**

18. A total value of \$352,000 in cash is recommended in this report and is above the allocated 2018/19 Environmental Performance Grants budget. Savings were identified in the Festivals and Events (Village and Community) budget and reallocated into the Environmental Performance Grant budget.
19. The Environmental Performance Grant Program is due to open to application again in October for the final round of the 2018/19 financial year. Whilst the recommendations in this report exhaust the budget, City staff will explore opportunities to identify savings in other budgets to fund recommended applications.

**Relevant Legislation**

20. 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.
21. Section 356(3)(a) - (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
  - (a) the funding is part of the Environmental Grants – Environmental Performance Grants program;
  - (b) the details of the program have been included in Council's operation plan for financial year 2018-2019;
  - (c) the program's budget does not exceed 5 per cent of Council's proposed income from ordinary rates for financial year 2018-19; and
  - (d) the program applies to a significant group of persons within the local government area.

**Public Consultation**

22. For all programs open to application in Round Two of the annual grants and sponsorship program for 2018/19, two question and answer sessions were held in Town Hall House to assist potential applicants with their applications on the following dates:

- (a) Wednesday 4 July 2018 from 4pm – 7pm; and
  - (b) Tuesday 10 July 2018 from 4pm – 7pm.
23. 67 meetings were held across the two question and answer sessions where prospective applicants sought advice from City staff about their project proposals and the application process.
24. 81 per cent of these attendees advised they had not applied for a City of Sydney grant previously.

**ANN HOBAN**

Director City Life

Cathy Brown, Grants Officer

# **Attachment A**

**Grants and Sponsorship – Round Two  
2018/19 – Recommended for funding –  
Environmental Performance – Building  
Operations Grant Program**

# Environmental Performance Grants

## Recommended for Funding

### Environmental Performance – Building Operations Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
<b>RECOMMENDED FOR FUNDING</b>					
Kador Group Holdings Pty. Limited	Cooling Tower Water Meter Installation	Installation of four water sub meters at 235 Pyrmont Street Pyrmont.	\$1,092	\$1,092	Applicant to provide details of their Sydney water account Applicant to submit a specific Safe Work Method Statement.

## **Attachment B**

**Grants and Sponsorship – Round Two  
2018/19 – Recommended for Funding –  
Environmental Performance – Ratings and  
Assessment Grant Program**

# Environmental Performance Grants

## Recommended for Funding

### Environmental Performance - Ratings and Assessment Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
<b>RECOMMENDED FOR FUNDING</b>					
A.P.V.C. Ltd. trading as Accor Vacation Club	Sebel Pinnacle Apartments - Energy Audit	An energy audit in a 15 room hotel to identify cost-effective options for minimisation of carbon footprint, energy and maintenance costs and customised energy management training at 104 Pyrmont Street Pyrmont..	\$5,250	\$5,250	Nil
Accor Australia and New Zealand Hospitality Pty Limited trading as Pullman Quay Grand Sydney Harbour	Quay Grand - Energy Audit	An energy audit in a hotel containing 69 rooms to identify cost-effective options for minimisation of carbon footprint, energy and maintenance costs and customised energy management training located at 61-69 Macquarie Street Sydney.	\$9,660	\$9,660	Applicant to provide an indicative NABERS and indicative water rating as part of this project.
Amp Services Limited	The AMP Building - NABERS IEQ Rating	An indoor environmental quality assessment for a commercial office tenancy with a net lettable area of over 32,000sqm located at 33 Alfred Street Sydney.	\$10,000	\$10,000	Nil
Ananke Holdings Pty Ltd	Sofitel Sydney Wentworth - Energy Audit	An energy audit in a 436 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 61-101 Phillip Street Sydney.	\$12,000	\$12,000	Applicant to provide an indicative NABERS and indicative water rating as part of this project.
Jones Lang Lasalle (NSW) Pty Limited	Spring Street, Sydney - Three Green Star	Three Green Star Performance certifications for commercial office buildings with a combined net lettable area of over 13,000sqm to align	\$30,000	\$30,000	Applicant to provide letter of commitment.

# Environmental Performance - Ratings and Assessment Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
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## RECOMMENDED FOR FUNDING

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
	Performance Certifications	sustainable practices and streamlined certification of the buildings located at 8, 10 and 16 Spring Street Sydney.			
Laudet Pty Limited	Rydges Central - Energy Audit	An energy audit in a 309 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 28 Albion Street Sydney.	\$12,000	<b>\$12,000</b>	Nil
Linkbond Asia Ltd	The Grace Hotel - Level 2 Energy Audit	An energy audit in a 382 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 77 York Street Sydney.	\$12,000	<b>\$12,000</b>	Applicant to submit a revised budget and itemised scope of works.  Applicant to work with the City in regards to selecting a suitably registered consultant.
Linkbond Asia Ltd	The Grace Hotel - NABERS Energy and Water ratings	A water assessment and an energy assessment in a 382 room hotel to update the energy management action plan located at 77 York Street Sydney.	\$5,000	<b>\$5,000</b>	Applicant to provide evidence they have implemented actions on previous ratings report.  Applicant to work with the City in regards to selecting a suitably registered consultant.
NSW Hotel Management Pty Ltd	The Langham - Energy Audit	An energy audit in a 96 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 89 Kent Street Sydney.	\$12,000	<b>\$12,000</b>	Applicant to provide an indicative NABERS and indicative water rating as part of this project.  Applicant to submit a revised budget and itemised scope of works.



# Environmental Performance - Ratings and Assessment Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
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## RECOMMENDED FOR FUNDING

Pearl Hotels D 1993 Pty Limited	Novotel Hotel Darling Harbour - Energy Audit	An energy audit in a 524 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 100 Murray Street Darling Harbour.	\$12,000	<b>\$12,000</b>	Applicant to provide an indicative NABERS and indicative water rating as part of this project.
Pearl Hotels D 1993 Pty Limited	Ibis Sydney Darling Harbour - Energy Audit	An energy audit in a 256 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 70 Murray Street Darling Harbour.	\$9,660	<b>\$9,660</b>	Applicant to provide an indicative NABERS and indicative water rating as part of this project.
Spruce Australia Pty Ltd	Sheraton On The Park - Energy Audit	An energy audit in a 560 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 161 Elizabeth Street Sydney.	\$12,000	<b>\$12,000</b>	Applicant to provide an indicative NABERS and indicative water rating as part of this project.  Applicant to submit a revised budget and itemised scope of works.
Sscq (2000) Pty Ltd	Sir Stamford at Circular Quay - Energy Audit	An energy audit in a 105 hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 93 Macquarie Street Sydney.	\$12,000	<b>\$12,000</b>	Applicant to provide an indicative NABERS and indicative water rating as part of this project.  Applicant to submit a revised budget and itemised scope of works.
Starhill Hotel (Sydney) Pty Ltd	Sydney Harbour Marriott Hotel - Energy Audit	An energy audit for a 595 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and	\$12,000	<b>\$12,000</b>	Applicant to provide an indicative NABERS and indicative water rating as part of this project.

# Environmental Performance - Ratings and Assessment Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
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## RECOMMENDED FOR FUNDING

Strata Plan 73333	16-20 Eve Street Erskineville - NABERS Rating	customised energy management training located at 30 Pitt Street Sydney. An energy assessment for a 10 level, 91 apartment residential building to improve energy consumption, reduce costs and establish a sustainable base and reputation for the future.	\$2,854	\$2,854	Applicant to submit a revised budget and itemised scope of works if successful. Nil
Strata Plan 73908	The Monument - Energy Assessment	An energy assessment in a 17 level, 192 apartment residential building to improve energy consumption, reduce costs and establish a sustainable base and reputation for the future, located at 20 Pelican Street Surry Hills.	\$10,000	\$10,000	Applicant to work with their Relationship Manager to provide an indicative NABERS rating as part of this project, replacing the Energy Efficiency Audit.
Strata Plan 74829	Zinc - NABERS Energy and Waste Ratings	An energy assessment and a waste assessment in a 6 level, 45 apartment residential building to identify efficiency measures to become a leader in environmental performance, located at 30 Garden Street Alexandria.	\$2,854	\$2,854	Nil
Strata Plan 45799	The Elizabeth at Birtley Place - Energy and Water Assessment	A water assessment and an energy assessment in a 12 level, 52 apartment residential building to identify common area energy and water consumption, to identify energy and water reduction opportunities and to conduct a solar feasibility study located at 2-6 Birtley Place Elizabeth Bay.	\$10,000	\$10,000	Applicant to work with City staff to explore conducting a NABERS rating as part of this project.
Strata Plan 58649	42-50 Turner Street, Redfern - Energy Assessment	An energy assessment, a water rating, an energy audit, a water assessment and a grid connection feasibility study in a 4 level, 26 apartment residential building, to identify appropriate energy efficiency technologies to reduce our	\$7,710	\$7,710	Applicant to provide an indicative NABERS and indicative water rating as part of this project.

# Environmental Performance - Ratings and Assessment Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	Conditions
		\$ Amount Requested	\$ Amount Recommended

## RECOMMENDED FOR FUNDING

The Pier One Developments Unit Trust	Pier One Sydney Harbour - Energy Audit	environmental footprint and energy costs. An energy audit in a 189 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 11 Hickson Road Walsh Bay.	Nil
The Trustee for Darling Harbour Hotel Trust	The Sofitel Hotel Darling Harbour - Energy Audit	A water assessment and energy assessment in a 590 room hotel to identify an energy and water bench mark and to set KPI's to reduce emissions located at 12 Darling Drive Sydney.	Nil
The Trustee For Ascendas Australia Hotel Trust, trading as Ascendas Hotel Investment Company Pty Limited	Pullman Hyde Park Hotel - Energy Audit	An energy audit in a 241 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 36 College Street Sydney.	Applicant to provide an indicative NABERS and indicative water rating as part of this project.
The Trustee for T.H.E. Discretionary Trust trading as Oscars Hotels Pty Ltd	Six Oscars Hotels - Energy Audits	An energy audit across six entertainment venues with a capacity of 300, to identify energy saving opportunities. These are located at: - Lumiere Residences, - Belvedere Hotel, - The Strand Hotel, - Camperdown Hotel, - Bristol Arms Hotel, - Hotel Sweeneys.	Applicant to provide an indicative NABERS and indicative water rating as part of this project. -for each property, as appropriate.

# **Attachment C**

**Grants and Sponsorship – Round Two  
2018/19 – Recommended for Funding –  
Environmental Performance – Innovation  
Grant Program**

## Environmental Performance Grants

### Recommended for Funding

### Environmental Performance - Innovation Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
<b>RECOMMENDED FOR FUNDING</b>					
Enova Community Ltd	Sydney City Solar Garden	A feasibility study to explore the viability of a community owned solar garden at a Potts Point retirement village in partnership with Lend Lease.	\$20,000	<b>\$18,000</b>	Nil
Macquarie University	Gaming to Net Zero	A feasibility study to develop and test a prototype interactive training tool to inform and motivate commercial tenants in the local area to achieve net zero building emissions.	\$20,000	<b>\$20,000</b>	Nil
Strata Plan 30238	Blackwattle Solar	A demonstration project to retrofit an embedded solar energy network into a strata complex of 18 townhouses in Glebe.	\$80,000	<b>\$25,000</b>	Nil
University Of Technology Sydney	Heat in the Streets: Mapping the lived experience of heat stress of climate-exposed workers towards developing a thriving and resilient City	A feasibility study examining the heat stress of climate exposed workers in the local area by tracking bike couriers and municipal workers' pathways as they conduct their work through sensors, GPS and story-telling apps to highlight opportunities for urban interventions to mitigate urban heat effects.	\$17,782	<b>\$17,782</b>	Applicant to work with the City regarding access to data and case studies.  Applicant to provide letters of commitment from project partners.

## **Attachment D**

**Grants and Sponsorship – Round Two  
2018/19 – Not Recommended for Funding –  
Environmental Performance – Ratings and  
Assessment Grant Program**

# Environmental Performance Grants

## Not Recommended for Funding

### Environmental Performance - Ratings and Assessment Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	VIK Requested
<b>NOT RECOMMENDED FOR FUNDING</b>				
The Trustee For Schwartz Family Trust	Mercure Hotel Sydney - Energy Audit	An energy audit for a 517 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 818-820 George Street Sydney.	\$12,000	Nil
The Trustee For Schwartz Family Trust	Rydges World Square Hotel - Energy Audit	An energy audit for a 452 room hotel to identify cost effective options for minimisation of its carbon footprint, energy and maintenance costs and customised energy management training located at 389 Pitt Street Sydney.	\$12,000	Nil
Winadell Pty. Ltd.	The Ibis World Square - Energy Audit & NABERS Waste Rating	A waste assessment and an energy audit for a 166 room hotel to identify all aspects of energy efficiency in water, energy and gas usage and ways to operate in a more sustainable way located at 382-384 Pitt Street Sydney.	\$12,000	Nil

# **Attachment E**

**Grants and Sponsorship – Round Two  
2018/19 – Not Recommended for Funding –  
Environmental Performance – Innovation  
Grant Program**



# Environmental Performance Grants

## Not Recommended for Funding

### Environmental Performance - Innovation Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested
<b>NOT RECOMMENDED FOR FUNDING</b>			
Airwater Tracker Pty Ltd	Roadside Air Quality Test	A feasibility study to test roadside air quality along the bicycle tracks and congested roads of the City of Sydney, by installing 20 AirTracker sensors (which require no power source) on street lighting poles.	\$20,000
Good Environmental Choice - Australia Limited	Easy Choice, Good Choice	A feasibility study to encourage responsible consumption by creating an easy, accessible, online database of credible, clean, green eco-labelled products to encourage greater uptake in construction and residents to create healthy home environments.	\$20,000
Solar Science Pty. Ltd	Solar and Battery Storage Optimisation	A demonstration project that aims to develop a solar register using Solar Science's solar optimisation engine and develop a solar monitoring tool to compare theoretical system production with actual production in real-time and send system alerts in real-time.	\$61,740
The Footprint Calculator Pty. Ltd.	Retailer Energy Efficiency Improvement Project	A demonstration project to provide low cost assessment tools, information and consulting support to retail business owners and their interior designers via Lend Lease's tenancy delivery process at the Darling square redevelopment aiming to increase energy efficiency by more than 20% and demonstrate environmental and business productivity benefits.	\$76,297
Veyor Digital Pty Ltd	Veyor Digital Scalable Version and Tailored Supply Chain System	A demonstration project that aims to build the Veyor trial system into a scalable version to allow for rapid adoption of the construction management and planning system across other projects in the CBD and to implement a tailored system for the supply chain.	\$80,000

# **Attachment F**

**Grants and Sponsorship – Round Two  
2018/19 – Waitlisted for Funding –  
Environmental Performance – Innovation  
Grant Program**

# Environmental Performance Grants

## Waitlisted for Funding

### Environmental Performance - Innovation Grant 2018-19 Round 2

Organisation Name	Project Name	Project Description	\$ Amount Requested	\$ Amount Recommended	Conditions
<b>RECOMMENDED FOR FUNDING</b>					
Yerrabingin Pty Ltd	South Eveleigh Indigenous Permaculture Rooftop Farm	A demonstration project to deliver and manage Australia's first Indigenous urban food production farm on the rooftop of building 1 at South Eveleigh, hosting cultural, permaculture workshops and connect the local community and visitors.	\$80,000	Up to \$60,000	Applicant to provide evaluations from Mirvac and Jungly identifying water savings at acquittal.  Applicant to work with the City to review outcomes.