

Item 2.

Grants and Sponsorship - Round Two 2020/21 - 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 and assist in the recovery from the Covid-19 pandemic. To achieve the objectives of the Community Recovery Plan and Sustainable Sydney 2030, genuine partnership between government, business and the community is required.

The provision of grants and sponsorships is a mechanism to further the aims identified in the City's social, cultural, 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 achieve the goals of the Community Recovery Plan and Sustainable Sydney 2030.

The City advertised the following two environmental grant programs in Round Two of the annual grants and sponsorship program for 2020/21:

- 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, 78 eligible applications were received. This report recommends a total of 66 grants to a total value of \$601,964 for the 2020/21 financial year.

This report also requests Council approve the award of two previous Environmental Performance - Innovation Grants to allow those grants to be paid to the correct grant recipient. In Round One 2020/21, due to an administrative error, a grant was recommended and approved for Bugisu Project Limited, which is the organisation's trading name, not the registered business name. In Round Three 2018/19, Infoactiv Australia Pty Ltd was awarded a grant, but has since undergone a company restructure, with the entity awarded to cease operation. The applicant has requested a transfer of the grant to its new business entity.

On 11 December 2017, Council adopted a revised Grants and Sponsorship Policy. In response to the Covid-19 pandemic, the Grants and Sponsorship Guidelines that support the Policy were revised to include priority areas of support informed by the Community Recover Plan. All grants in this report were assessed in accordance with the Grants and Sponsorship Policy, the Grants and Sponsorship Guidelines, the priorities set out in the Community Recovery Plan and various other relevant City strategies and action plans.

All grant recipients will be required to sign a contract, meet specific performance outcomes and acquit their grant. All cash figures in this report exclude GST.

Recommendation

It is resolved that:

- (A) Council approve the cash recommendations for the Environmental Performance - Innovation Grant Program as per Attachment A to the subject report;
- (B) Council note the applications not recommended for a cash grant for the Environmental Performance - Innovation Grant Program as per Attachment B to the subject report;
- (C) Council approve the cash recommendations for the Environmental Performance - Ratings and Assessment Grant Program as per Attachment C to the subject report;
- (D) Council note the applications not recommended for a cash grant for the Environmental Performance - Ratings and Assessment Grant Program as per Attachment D to the subject report;
- (E) Council approve the Environmental Performance - Innovation Grant cash recommendation approved by Council on 22 June 2020 to Bugisu Project Limited, to instead be granted to Kua Coffee Limited;
- (F) Council approve the assignment of the remainder of the Environmental Performance - Innovation Grant cash approved by Council on 4 March 2019 from Infoactiv Australia Pty Ltd to The Activ Group Solutions Pty Ltd;
- (G) Council note that savings from the Environmental Performance Grant Program as a result of this report will be made available for other grant programs with recommended overspends currently being considered by Council for the 2020/21 financial year;
- (H) Council approve the altering of the 2020/21 budget for the Environmental Performance Grants Program to be revised from \$910,000 to \$869,414;
- (I) Council note that all grant amounts are exclusive of GST;

- (J) 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
- (K) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipient will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

Attachments

- Attachment A.** Recommended for Funding - Round Two 2020/21 Environmental Performance - Innovation Grant Program
- Attachment B.** Not Recommended for Funding - Round Two 2020/21 Environmental Performance - Innovation Grant Program
- Attachment C.** Recommended for Funding - Round Two 2020/21 Environmental Performance - Ratings and Assessment Grant Program
- Attachment D.** Not Recommended for Funding - Round Two 2020/21 Environmental Performance - Ratings and Assessment 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 29 July 2020, the City announced Round Two of the annual grants program for 2020/2021 as being open for applications on the City's website, with grant applications closing on 31 August 2020.
3. The two environmental programs promoted were:
 - Environmental Performance - Innovation; and
 - Environmental Performance - Ratings and Assessments.
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 expressed an interest in the City's programs. The grants were also promoted to peak industry organisations, networks and stakeholders.
5. The two Environmental Performance programs are open to appropriately incorporated for-profit and not-for-profit organisations. Thirty-nine applications were received this round from for-profit organisations. Thirty-one of the applications from for-profit organisations are recommended in this report:
 - (a) Accor Australia & New Zealand Hospitality Pty Limited;
 - (b) Capitaland Australia Pty Ltd;
 - (c) Defy By Design Ltd;
 - (d) Enman Pty. Ltd;
 - (e) Fox Studios Australia Pty Limited;
 - (f) Greenland (Sydney) Pitt Street Hotel Pty Limited;
 - (g) Grosvenor Engineering Group Pty Ltd;
 - (h) ISPT Pty Ltd;
 - (i) Localcycle Pty Ltd;
 - (j) Medina Property Services Pty Limited (7 applications recommended);
 - (k) NSW Hotel Management Pty Ltd;
 - (l) Profile Of Design Pty Ltd;
 - (m) Rendezvous Hotels (Australia) Pty Ltd;
 - (n) Serenity Asset Sussex Hotel Management Pty Ltd;

- (o) SSCQ (2000) Pty Ltd;
 - (p) The Neighbourhood Effect Pty Ltd;
 - (q) The Trustee for Astoria Venture Trust;
 - (r) The Trustee for B & O Harrison Family Trust;
 - (s) The Trustee for Schwartz Family Trust;
 - (t) The Trustee for the Rushcutters Unit Trust;
 - (u) The Trustee for TODA Project Trust;
 - (v) Value Lodging Pty Ltd (3 applications recommended); and
 - (w) YHA Ltd.
6. The two Environmental Performance Grant programs aim to build capacity and address barriers to the implementation of environmental actions within key customer sectors.
 7. The assessment panel consisted of members from the City's City Access and Transport Unit, City Sustainability Unit, Digital Innovation and Development Unit, Planning Assessments Unit, Resource Recovery Unit and Sustainability Programs Unit.
 8. Bugisu Project Limited is a world-positive, coffee educator and distributor to workplaces. They received a Round One 2020/21 Environmental Performance - Innovation Grant to subscribe City of Sydney businesses to a world-positive coffee service, with six tonnes of ethical coffee distributed to these workplaces with zero-waste. It has since been discovered there was a clerical error on Attachment C with their correct organisation name being Kua Coffee Limited. No contract has been signed, and no payment has been made.
 9. Infoactiv Australia Pty Ltd is an independent solutions provider in supply chain and sustainability. They received a Round Three 2018/19 Environmental Performance - Innovation Grant to remove barriers to recycling by digitising and organising recycling activities in one central location. Since being successful for the grant outlined in Attachment D, they have restructured their organisation to enable growth and to attract capital investment. They are requesting to transfer the Environmental Performance - Innovation grant to the new entity The Activ Group Solutions Pty Ltd. The contract has been executed and first payment made.
 10. All grants and sponsorships are recommended on the condition that any required approvals, permits and development consents are obtained by the applicant. In the current environment this includes but is not limited to, requirements associated with the service of alcohol or food services, consent from the respective landowner(s), NSW planning legislation and NSW Government health requirements. The City approves Development Approvals and outdoor temporary event activities.

Environmental Performance - Innovation Grant Program

11. 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. Consistent with the Community Recovery Plan, priorities for this round were applications that:
 - (a) provide immediate benefits to multiple parties, for example precinct-based initiatives; and/ or
 - (b) provide great examples of circular economy models that replace traditional linear 'take, make, dispose' model of production with one where materials function at their highest utility at all time; and/ or
 - (c) increase the green economy, in particular through improved energy efficiency, increased adoption of on-site and off-site renewable energy, and battery storage.

12. Eighteen applications have been received and assessed. Seven are recommended for support to the value of \$167,664.
 - (a) Defy By Design Ltd propose to demonstrate how to salvage and transform plastic containers from businesses and homes into usable products.
 - (b) Enman Pty. Ltd propose to investigate the feasibility of using a CO2 transcritical refrigeration system within the hotel industry, with the potential to provide refrigeration and heating water simultaneously.
 - (c) ISPT Pty Ltd propose to demonstrate the capture and reuse of rainwater in cooling towers from the rooftops of high-rise buildings.
 - (d) Localcycle Pty Ltd propose to investigate the feasibility of diverting organic waste away from landfill into compost, with data informing restaurants, cafes and businesses of their waste produced and reduced overhead costs.
 - (e) Profile Of Design Pty Ltd propose to demonstrate a resources life-cycle engine for recycled and reused commercial fit outs, building a sophisticated tracking and industry awareness resource.
 - (f) The Neighbourhood Effect Pty Ltd propose to demonstrate lowering an individual's carbon footprint via a mobile application by providing tools, programs and features to change behaviour.
 - (g) University Of Technology, Sydney propose to explore the feasibility of a fixed, low-cost air sensor network, generating localised air quality data across the city producing a road map for quality air monitoring.

Environmental Performance - Ratings and Assessments Grant Program

- 13. 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.
- 14. Sixty applications have been received and assessed. Fifty-nine are recommended for support to a value of \$434,300. There were twenty-six applications received from the accommodation and entertainment building sectors, one application received from the commercial office sector, one application received from the education sector, and 32 applications received from the residential building sector.
- 15. The 2020/21 Environmental Performance Program budget is summarised as follows:

Total cash budget for 2020/21	\$910,000
Total cash committed to previously approved applications	\$266,959
Total cash amount available for allocation	\$643,041
Total number of eligible applications	78
Total cash requested	\$1,367,987
Total number of applications recommended for cash support	66
Total amount of funding cash recommended	\$601,964
Total cash underspend to be made available for other grant programs with recommended overspend currently being considered by Council in 2020/21.	\$41,077

Key Implications

Strategic Alignment - Sustainable Sydney 2030

16. 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 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 - the projects recommended in this report will support the City's endeavours to work with our business and residential communities to reduce greenhouse emissions and potable water use and encourage diversion of waste from landfill across the local government area.

Organisational Impact

17. 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 reviewing project acquittals.

Environmental

18. The recommended environmental grants under the Innovation Program will enhance knowledge sharing, skills uptake and capacity in best practice environmental performance, approaches and solutions in the local area.
19. 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.

Financial Implications

20. A total value of \$601,964 is recommended in this report which leaves a surplus to the 2020/21 Environmental Performance Grants program budget, as noted in the financial table above.
21. The savings from the Environmental Performance Grant Program as a result of this report will be made available for other grant programs with recommended overspend currently being considered by Council for the 2020/21 financial year.

Relevant Legislation

22. 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.
23. Section 356(3)(a) to (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 draft operation plan for financial year 2020/21;
- (c) the program's budget does not exceed five per cent of Council's proposed income from ordinary rates for financial year 2020/21; and
- (d) the program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

24. The funding period for Round Two of the Grants and Sponsorship Program for 2020/21 is for activity taking place from 1 January 2021 to 31 December 2021. Contracts will be developed for all successful applications after Council approval to ensure their funding is released in time for projects starting in January.

Public Consultation

25. For all programs open to application in Round Two of the annual Grants and Sponsorship Program for 2020/21, two question and answer sessions were held over Zoom to assist potential applicants with their applications on Tuesday 11 August 2020, 3pm to 6pm and Wednesday 19 August 2020, 3pm to 6pm.
- (a) Sixty-seven individual meetings were held during the question and answer sessions where prospective applicants sought advice from City staff about their project proposals and the application process.
 - (b) Seventy-five per cent of these attendees advised they had not applied for a City of Sydney grant previously.
 - (c) Thirteen per cent of these attendees requested a member of the Indigenous Engagement team to be present during their meeting.
26. An additional briefing session targeting the activation of the CBD by businesses and creatives was held over Zoom on Thursday 13 August 2020, 12pm to 1:30pm, which 80 people attended.

EMMA RIGNEY

Director City Life

Cathy Brown, Grants Officer