

Item 3.

Public Exhibition - Environmental Strategy 2025-2030

File No: X103899

Summary

This report recommends that Council endorse the draft Environmental Strategy 2025-2030 (the Strategy) to be placed on public exhibition. The strategy sets the directions, priorities, and targets to continue to reduce our operational and local area environmental footprint for the next 5 years.

This is a revision of the Environmental Strategy 2021-2025, endorsed by Council in July 2021 and replaces the Climate Emergency Response 2020. It builds on existing programs and initiatives to set our pathway towards our 2030 and 2035 targets. As with the previous strategy, it commits us to a set of targets for improvement in energy, water use and quality, and greening in our own operations and for the local government area. Progress against these targets is reporting annually in the Green Report.

The strategy reinforces our commitment to working across the organisation and in partnership with the city's community of residents, business and grassroots organisations and all levels of government.

This revised strategy considers the 12 environmental and sustainability related strategies across the organisation, including the forthcoming Waste Reduction and Circular Materials strategy 2025, and aligns with their targets and strategic priorities.

The strategic directions of this strategy are:

Direction 1 - Resilient and efficient operations

Direction 2 - Efficient and climate resilient buildings

Direction 3 - Regenerative and inclusive city

Direction 4 - Strong foundations for growth

The strategy outlines 17 priorities across these 4 directions, committing to a program of work to reduce our energy use and embodied carbon. It includes a new priority to focus our collaboration and advocacy for renters to enable them to make their homes more efficient and comfortable in extreme heat and cold.

Recommendation

It is resolved that:

- (A) Council note the finalisation of the Environmental Strategy 2021-2025 and the significant achievements delivered during that period;
- (B) Council approve for public exhibition the draft Environmental strategy 2025-2030 (the Strategy) for a period of 4 weeks, as shown in Attachment A to subject report;
- (C) Council note the finalisation of the Climate Emergency Response 2020 and its replacement with this new revised Environmental Strategy 2025-2030;
- (D) Council note that the Environmental Strategy 2025-2035, including any recommended changes, will be reported to Council for adoption following the exhibition period;
- (E) authority be delegated to the Chief Executive Officer to make minor editorial amendments for clarity or correction of drafting errors prior to the exhibition of the draft Environmental Strategy 2025-2035; and
- (F) Council note the engagement report summarising consultation for the development of the draft Environmental Strategy 2025-2035, as shown at Attachment B to the subject report.

Attachments

- Attachment A.** Draft Environmental Strategy 2025-2030
- Attachment B.** Draft Environmental Strategy Engagement Report from Sydney Your Say

Background

1. The City of Sydney's first Environmental Strategy was published in June 2016, with the second iteration in July 2021. Each iteration has built on the successes and learnings of the one before; as well as responding to rapidly changing external conditions.
2. Sustainability, environmental responsibility and resilience are core to our overarching organisational strategy: [Sustainable Sydney 2030-2050: Continuing the vision](#), and to delivery of Direction 2: Leading environmental performer.
3. The Environmental Strategy 2025 - 2030 is part of a suite of strategies that support delivery of this direction. This also includes:
 - Greening, open spaces and biodiversity – see our [greening Sydney strategies](#)
 - Climate resilience – see the [resilience strategy](#)
 - The green economy – see our [economic development strategy](#)
 - Public transport and other transportation such as cycling and walking – see our [transport and access strategies](#)
 - Waste and the circular economy – note our forthcoming waste reduction and circular materials strategy
4. This most recent iteration of the Environmental Strategy has been developed in parallel with, and aligned to, the updated Community Strategic Plan.
5. The City reports annually against all our sustainability strategies through the Green Report. The Green Report documents progress towards operational and local area targets and objectives.

Conclusion of the Environmental Strategy 2021 - 2025

6. The Environmental Strategy 2021 - 2025 was endorsed by Council in July 2021. It included 23 actions under 4 Directions. Progress on delivery of this strategy is reported annually in the Green Report.
7. Significant progress against our operational objectives and targets has been made, including:
 - (a) 76% reduction on our operational emissions from our 2006 baseline, as of June 2024.
 - (b) Fleet emissions have reduced by 13% against our 2014 baseline, through the electrification of our passenger vehicle fleet
 - (c) Two electric bin collection vehicles came online in 2023 and now collect litter bin waste up and down the light rail line from Circular Quay to Central Station.
 - (d) 92% of operational waste diverted from landfill in 2023/24. This is through programs like our uniform recycling program with Upparel and the use of our 2 food dehydrators which diverted 7.4 tonnes of food waste into soil conditioner used in our parks.

- (e) 15% reduction in the use of potable water since 2006. Projects include the use of smart irrigation systems in parks, an extensive rainwater tank repair program, and partnering with Royal Prince Alfred Hospital to recapture clean medical water to clean our streets.
8. In our local area, we have also achieved consequential outcomes:
- (a) 41% reduction in local area emissions since 2006, as of June 2023.
 - (b) New net zero planning rules came into effect on 1 October 2023, requiring net zero energy in new buildings and major redevelopments in the local area. They will make buildings more every efficient and require the use of renewable electricity.
 - (c) Our sustainability programs such as Better Building Partners, Sustainable Destinations Partnerships and CitySwitch are all helping to our business community to contribute to reaching our local area targets.
 - (d) We have invested in organisations and initiatives that help drive innovation and change through our grants such as the new Greenhouse Climate Tech Hub near Circular Quay launched in October 2023, supported by a \$31 million City of Sydney accommodation grant; the \$60,000 grant awarded to Barnardo's to install a solar system at their Ultimo offices; and we also funded Dempstah, a textile design company, to trial the processing of used clothing that would be sent to landfill into yarn for reuse.

Draft Environmental Strategy 2025-2030

9. The Environmental Strategy 2025-2030 is a revision of the Environmental Strategy 2021-2025. Programs and initiatives that continue to be effective will carry through to the new strategy, while we have added new areas of focus to respond to changed external conditions and feedback from the community.
10. Through community engagement to inform the Community Strategic Plan, the Resilience Strategy 2023-2028 and the next Resilient Sydney Strategy, climate change and living more sustainably remain a priority to our community of residents, workers and businesses.
11. The strategy includes a revised set of targets for our own operations:
- (a) We have retained and updated our target to reduce operational emissions by 85% and have also set a target to reduce energy use by 30%. While our switch to 100% renewable electricity in 2020 has significantly reduced our operational emissions, it is vital to consider overall energy use. Reducing our use of electricity, gas and petrol allows us to reduce our pressure on the energy networks, save money and reduce our emissions further.
 - (b) We have also committed to eliminating the use of fossil gas by 2030 in our own operations. Reaching this target will reduce our operational emission by a further 19.2%. This responds to the ROC 10.1 from 23 October 2023 and our commitment to the Global Cooksafe Coalition.

- (c) The fleet emissions target has been revised to take account of the rapidly evolving electric vehicle market. Our passenger and light commercial fleet will be converted to fully electric vehicles; and we will improve the fuel efficiency and use of our larger vehicles, that due to unavailability cannot yet be replaced with electric models.
12. Most of our local area targets carry through to 2030, with 3 revisions:
- (a) The local area renewable electricity target (50% by 2030) has been removed. This target has been exceeded by the Federal government's ambition to have 82% renewable electricity by 2030. In addition, we are unable to measure the proportion of renewable electricity at a local area level and have had to report the NSW average as a proxy. The City remains committed to supporting the uptake of renewable energy in our local and area and this is addressed in the strategy.
 - (b) Modelling now provides us with the ability to better understand the pollution components in our water run-off and the impacts of our interventions to improving water quality. The water health targets have been revised to account for this deeper statistical analysis.
13. The residential water use target has been revised to take account of changed external conditions. The previous target of 170L/person/day required the realisation of several developments that have not transpired: increased BASIX water requirements being introduced by the NSW state government, increased uptake of recycled water in the local area; and continued Sydney Water efficiency program funding. Therefore, we propose adjusting the target to match recent usage (average of last 5 years): Reduce residential potable water use to 204L/person/day by 2030.
14. The strategy outlines 4 directions and 17 supporting strategic priorities:
- (a) Direction 1 - Resilient and efficient operations
 - (i) Priority 1: Reduce direct operational emissions and energy use by electrifying our buildings and fleet
 - (ii) Priority 2. Deliver environmental sustainability through responsible asset planning and management
 - (iii) Priority 3. Build water resilience in our operations with increased efficiency and non-potable water use
 - (iv) Priority 4. Practise sustainable procurement to reduce supply chain emissions and create circular economy opportunities
 - (b) Direction 2 - Efficient and climate resilient buildings
 - (i) Priority 5. Drive electrification of all buildings and reduce reliance on fossil gas
 - (ii) Priority 6. Support communities to reduce embodied carbon
 - (iii) Priority 7. Encourage community uptake of renewable electricity including onsite solar

- (iv) Priority 8. Build water resilience through encouraging water efficiency in homes and businesses
 - (v) Priority 9. Support renters' access to energy efficient and climate resilient homes
 - (c) Direction 3 - Regenerative and inclusive city
 - (i) Priority 10. Enhance and regenerate waterways and land through restorative practice and managing environmental risk
 - (ii) Priority 11. Support cultural, social, and economic outcomes for Aboriginal and Torres Strait Islander peoples through environmental action
 - (iii) Priority 12. Improve walking, cycling and zero emissions transport options for everyone
 - (iv) Priority 13. Provide inclusive access in the community to reduce, reuse and repair instead of buying new
 - (d) Direction 4 - Strong foundations for delivery
 - (i) Priority 14. Understand and manage our climate risk
 - (ii) Priority 15. Produce transparent reporting and inclusive communications
 - (iii) Priority 16. Use and share data to drive efficient and clear decisions
 - (iv) Priority 17. Strengthen employee and community expertise to drive environmental outcomes
15. Due to our long commitment to, and investment in, environmental action, we have already significantly reduced our operational environmental footprint. *Direction 1 - Resilient and efficient operations*, outlines how we will continue to reduce the impact of our operations through reducing energy use, electrification and building water resilience. We will also focus on managing and designing our assets for efficiency and prioritising the use of recycled materials and lower carbon products to reduce embodied carbon. Further reductions in emissions will be slower to come to fruition than in the past, as we have already addressed all but the hardest to eradicate emissions sources.

Support for priority communities

16. During community engagement undertaken to inform the strategy, we heard from renters in private and social housing about the barriers that impede their participation in sustainable practices. This includes their ability to easily access sustainability programs and services, the inability to make changes to a home they don't own, and cost of living challenges. Based on this, a new strategic priority has been included which commits us to collaboration, advocacy and education to support renters to make their homes more energy efficient and comfortable in extreme heat and cold.
17. The focus on renters is part of a broader commitment to supporting our priority communities - those people who are disproportionately affected by climate change.

18. In August 2024, Council passed Resolution 11.3 'Incentives for Sustainability', which asked the Chief Executive Officer to "consider the feasibility, costs and potential social and environmental benefits of establishing an Incentives for Sustainability program referring to the City of Adelaide's program or other programs, including additional incentives for switching to a 100 per cent accredited GreenPower electricity plan"
19. The City of Adelaide's program provides rebates of up to 50% on the cost of a range of items that help residents to live more sustainably. These include e-bikes and e-scooters, solar panels, external shading devices and energy efficient appliances. Given that there are many low-value grants being provided to individuals, the grant program requires substantial staff time to administer. This approach is different from the City's environmental grants program that works at a more strategic level to support building owners to decarbonise at a whole of building level. It would not be possible to incorporate a rebate program for individual residents within our existing grants budget and resourcing.
20. The City recognises the need to support individuals to live more sustainably, no matter their financial status or culture background. This has been included in several strategic priorities within the strategy:
 - (a) Priority 9: Support renters' access to efficient and climate resilient homes
 - (b) Priority 11: Support cultural, social and economic outcomes for Aboriginal and Torres Strait Islander people through environmental action
 - (c) Priority 12: Improve cycling and zero emissions transport options for everyone
 - (d) Priority 13: Provide inclusive access to reduce, reuse and repair instead of buying new
21. We believe the best way to achieve this is through the provision of information tailored for apartment dwellers and renters about available state and federal government grant funding, renters' rights, updates to rental laws and relevant City of Sydney sustainability programs and services, such as clean up services useful at the end of a lease. We would do this through our own communications channels and through those of other organisations such as the Tenants Union, Better Renting, the Rental Commission website and real estate agents. We would also look at partnering with frontline community organisations on research and programs, including through our grants programs to help address this issue. We would also advocate for structural change that will support more equitable access to the benefits of decarbonisation and support in adapting to the changing climate, such as updating the minimum rental standards in NSW include minimum energy efficiency standards, and requiring the disclosure of the energy performance of existing residential dwellings (proposed under the NSW Government's Consumer Energy Strategy) include apartments and that disclosure is required at time of lease as well as of sale.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

22. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This strategy is aligned with the following strategic directions and objectives:
- (a) Direction 2 - A leading environmental performer - By providing the roadmap and details through our targets, strategic priorities and action on how the City of Sydney will continue to lead in environmental sustainability.
 - (b) Direction 4 - Design excellence and sustainable development - The Strategy has a focus on electrification of new buildings.
 - (c) Direction 5 - A city for walking, cycling and public transport - Inclusive access to zero emissions transport such as walking, cycling and available public transport is considered in strategic priority 12.
 - (d) Direction 6 - An equitable and inclusive city - Inclusivity is embedded through the strategy, particularly Direction 3 with focus on actions supporting cultural, social and economic outcomes for Aboriginal and Torres Strait Islander people. The strategy also identified the importance of supporting priority community groups who are disproportionately affected by climate change.
 - (e) Direction 7 - Resilient and diverse communities - The strategy has a focus on asset design and managing climate risk, so our infrastructure, services and communities are prepared to withstand and adapt to the shocks and stresses of climate change.

Strategic alignment - other policies and strategies

23. In 2018, the City adopted the [Building Upgrade Finance Policy](#), which specified the circumstances under which the City of Sydney Council would enter into an Environmental Upgrade Agreement (EUA). An EUA is a finance mechanism that enables building owners to access finance through a tripartite agreement between a building owner, a finance provider and the Council. The NSW State Government promoted EUAs as a tool to fund upgrade works improving the environmental and sustainability performance of existing buildings. The NSW Government is no longer actively supporting EUAs due to low uptake over time and other forms of finance being more easily available.
24. The City's final EUA is due to finish in May 2025. Therefore, it is proposed that the Building Upgrade Finance Policy should be rescinded when the final version of this Environmental Strategy is brought to Council for adoption.
25. In 2019, Council declared a climate emergency, stating that climate change poses a serious risk to the people of Sydney. In 2020 Council adopted the [Climate Emergency Response](#) - a document outlining key actions the City was taking on climate change. While the City stands firm on the urgency of climate action, the Climate Emergency Response Document itself has been superseded by the actions included in this Environmental Strategy 2025-2030, and the Resilience Strategy 2023 - 2028.
26. Therefore, it is recommended that the Climate Emergency Response be closed out and replaced by this Environmental Strategy 2025-2030.

Organisational Impact

27. The revision of strategy included an in-depth consultation with staff across the organisation. All actions, initiatives and programs and resources required in the delivery of the strategy are being considered in the budget and business plans of responsible teams.
28. Individual projects, programs and initiatives to deliver this strategy will be reported through the City's annual operational plans over the life of the strategy.
29. Direction 4 - Strong foundations for delivery includes measures to understand our operational climate risks and actions to further develop staff capacities to deliver the strategy.

Risks

30. The Environmental Strategy 2025-2030 is within the City of Sydney's risk appetite and tolerance as per the Environmental and Sustainability risk category in the City of Sydney Risk Appetite Statement which states:
 - (a) We recognise the critical importance of environmental protection and sustainability in our operations and decision-making. We are committed to minimising our negative impact on the environment and striving for a more sustainable future. We accept that sometimes environmental protection (e.g. pollution) and environmental sustainability (e.g. cleaner energy) place us at opposite ends of the risk appetite spectrum.
 - (b) We are dedicated to actively identifying and addressing environmental risks associated with our activities and services. We prioritise prevention and proactive measures to minimise our ecological footprint, conserve resources and protect ecosystems.
 - (c) We have no appetite for decisions, activities and practices that result in long term or irrevocable environmental damage.
 - (d) We have minimal appetite for non-compliance with environmental laws, regulations and industry standards. In many cases we strive to exceed base level legal requirements and engage in sustainable practices that align with the best interests of the environment and the priorities of our community.
 - (e) We have an open appetite for changes to procedures and practices to accommodate improved environmental outcomes.
 - (f) We embrace innovative solutions and emerging technologies that enable us to minimise environmental risks and enhance sustainability. We actively explore and invest in sustainable alternatives, renewable energy sources and efficient resource utilisation.
 - (g) We have robust risk management in place to minimise environmental incidents, adapt to climate change impacts and to enhance our resilience against unforeseen challenges.

Social / Cultural / Community

31. Inclusion and climate equity is a key consideration throughout all actions included in the strategy. The needs of priority communities who are disproportionately impacted by climate change are addressed specifically through Priorities 9, 12, 13 and 15. Priority communities include, but aren't limited to, people living with disabilities and their carers, renters, those with chronic physical and mental health conditions and people who are new to the city and English is not their first language.

Environmental

32. This strategy will help the City to manage environmental risk and protect our natural environment; and also to strengthen the sustainability of our built environment, reduce resource use and adapt to climate change.

Economic

33. This strategy aligns with the recently released Economic Development Strategy 2025 - 2035. It supports the Economic Development Strategy's aim of *"transitioning our economy to shield ourselves from the impacts of climate change and realise the opportunity to grow green industries and jobs."*

Financial Implications

34. This strategy includes actions that have capital and operational funding implications. Actions requiring capital funding have already been incorporated into the long-term financial plan. Additional operational funding will be sought each year through the annual budgeting process by teams responsible for delivering actions.

Relevant Legislation

35. Local Government Act 1993
36. Protection of the Environment Operations Act 1997

Critical Dates / Time Frames

Commencement of public exhibition for a period of 4 weeks	April 2025
Conclusion of public exhibition	May 2025
Final strategy submitted to Council for endorsement	Mid 2025

Public Consultation

37. This draft strategy was developed with regard to the findings of public consultation that took place in November and December 2024. The Engagement report is attached.
38. Insights from consultation activities undertaken during the development of the Resilience Strategy 2023-2028 and Sustainable Sydney 2030-2050: Continuing the Vision were also taken into consideration.
39. Subject to endorsement by Council, the strategy will be placed on public exhibition for 4 weeks. Further consultation will be via a Sydney Your Say page and through further focus groups with members from priority communities living within the local area.

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