

Item 5.

Post Exhibition - Environmental Strategy 2025-2030

File No: X103899

Summary

This report recommends that Council endorse the Environmental Strategy 2025-2030 (the Strategy). 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. 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, emissions, and water use and quality in our own operations and for our local area. Progress against these targets is reported annually in the Green Report.

The Strategy reinforces our commitment to working across the organisation and in partnership with the city's community with a focus on priority communities, business and grassroots organisations and all levels of government.

This revised strategy considers the other 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 organisational energy use and embodied carbon amongst other priorities for the organisation and our local area. 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.

The draft strategy was placed on public exhibition between 9 April to 9 May 2025. Public exhibition activities included a Sydney Your Say page, an online survey, promotion via social media, and 2 online briefings. Feedback on the strategy has been very positive with high community approval of the priorities and targets. Minor changes have been made post-exhibition to include information on community consultation outcomes and our sustainable investment practices.

Recommendation

It is resolved that:

- (A) Council adopt the Environmental Strategy 2025-2030 (the Strategy) as shown in Attachment A to the subject report;
- (B) 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;
- (C) authority be delegated to the Chief Executive Officer to make amendments to the Environmental Strategy 2025-2030 to correct any minor drafting errors and finalise design, artwork and accessible formats for publication; and
- (D) Council rescind the Building Finance Upgrade Policy as shown at Attachment C to the subject report and confirm that no further Environmental Upgrade Agreements will be entered into.

Attachments

- Attachment A.** Environmental Strategy 2025-2030
- Attachment B.** Environmental Strategy 2025-2030 - Full Engagement Report
- Attachment C.** Building Finance Upgrade Policy

Background

Draft Environmental Strategy 2025-2030

1. 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.
2. 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 new target to reduce energy use by 30%. 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 emissions by a further 19.2%. This responds to the resolution of Council from 23 October 2023, which requested the CEO investigate the use of renewable gas and heat pumps in aquatic centres, and to 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 and improved fuel efficiency and use of our larger vehicles, that due to unavailability cannot yet be replaced with electric models.
3. 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. The City remains committed to supporting the uptake of renewable energy in our local 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.
 - (c) 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.

4. 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

Support for priority communities

5. The City recognises the need to support individuals to live more sustainably, no matter their financial status or cultural background. Engagement with priority communities during the development and exhibition of the Strategy supports this and provides context to implementation activities. These considerations have 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
6. The focus on renters is part of a broader commitment to supporting our priority communities - those people who are disproportionately affected by climate change.
7. We have identified multiple ways to achieve this, including:
 - (a) 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. This will be provided via the City's communications channels and other organisations such as the Tenants Union, Better Renting, the Rental Commission website and real estate agents.
 - (b) Partnering with frontline community organisations on research and programs, including through our grants programs to help address this issue.
 - (c) Advocating 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 to 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), including apartments, with disclosure required at time of lease as well as of sale.

Public exhibition and engagement

8. The strategy included 2 periods of consultation - 28 October to 12 December 2024 and 9 April to 9 May 2025.

Engagement with priority communities

9. The draft strategy placed on public exhibition was developed with input from initial engagement with priority community groups in December 2024:
 - (a) households living on low incomes (\$50,000 - \$90,000 per year)
 - (b) people who rent (privately or through social or community housing)
 - (c) people where English is not their first language. This session was conducted in Mandarin.
 - (d) people living with disabilities. This session was conducted during the public exhibition period on 29 April 2025.
10. A total of 38 community members took part in the consultation across the 4 focus groups. Participants represented a cross-section of our community in age and which suburb they lived in. Of total participants, 63% of participants were renters, 70% were born overseas, 44% identified as LGBTQI+ and 64% speak a language other than English.
11. During the initial engagement, 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.
12. Focus group participants also identified a range of barriers that make it hard for them to live sustainably and respond effectively to climate-related impacts:
 - (a) Waste remains the main consideration in people's sustainability actions. Reduction, reuse and accessing recycling facilities is very important. We have accounted for feedback to improve our communications and access to information on waste reduction support as part of the implementation of the strategy.
 - (b) The cost of living is a major barrier to sustainable living. Many focus group participants noted that cost of living pressure was the key barrier to not being able to live sustainably or act in their day-to-day lives.
 - (c) Many participants reported living in buildings with poor insulation, inadequate heating or cooling and limited ventilation, among other issues. Many participants, particularly those living in rental apartments, also identified their lack of decision-making power to amend their living environments to withstand climate related impacts.
 - (d) Participants emphasised the importance of increasing green infrastructure to mitigate urban heat, enhance liveability and wellbeing and improve biodiversity.

13. Community engagement to inform the Community Strategic Plan, the Resilience Strategy 2023-2028 and the [Resilient Sydney Strategy](#), were also considered.

Key findings from Sydney Your Say

14. The draft Strategy was placed on exhibition from 9 April to 9 May 2025. A Sydney Your Say webpage provided information on the targets, directions and strategic priorities of the strategy with a downloadable, accessible copy of the strategy. The page was visited 2,602 times during the exhibition period and the Strategy was downloaded 230 times. 70% of respondents to the survey were already aware of our Environmental Strategy. There were 28 completed survey responses and we received 12 submissions from community members and groups, peak bodies and businesses.
15. There is overall support for all the proposed priority areas, driven by concerns around climate change and the impact on people's lives.
16. Though our targets are supported, 61% of respondents thought our targets are not ambitious enough. Respondents would like to see more action through all levels of government and more action on emissions reductions, biodiversity and tree protection.
17. Feedback was specifically sought on a new priority - Priority 9: Support renters' access to energy efficient and climate resilient homes. 82% of respondents thought this was very or somewhat important. Some respondents were concerned about how the effectively the proposed measures would be delivered, citing concerns about the cost and noting the need for state government to take a lead role in supporting renters.

Key findings from online briefings and submissions

18. An online community briefing was held on 16 April 2025. A separate briefing for businesses, community groups, industry bodies and other local government areas was held on 30 April 2025.
19. The engagement demonstrated community support for our operational and local area focus on electrification of buildings and moving away from fossil gas use. The community is also supportive of the priorities and targets of the strategy, especially net zero and emissions reduction targets and regeneration of local area waterways and land.
20. The priorities of business match our own in prioritising sustainable procurement practices, environmentally responsible asset management and reducing their emissions through electrification of buildings and fleet.
21. Feedback from businesses demonstrated that we had the correct priorities with most responses supporting electrification of buildings and reducing reliance on fossil gas. There is also strong backing for the City of Sydney to advocate and support renters to access energy efficient and climate resilient homes and to continue encouraging the uptake of renewable electricity
22. Eight submissions were received from businesses, organisations and peak bodies. Submissions were broadly supportive, with some recommendations offered to further strengthen the strategy's impact, equity and deliverability.

Post exhibition edits

23. The engagement activities demonstrated broad support for the Strategy as drafted. Some minor editorial changes have been made to correct inaccuracies.
24. The 'What we heard from the community' section has been updated to reflect additional feedback provided during the public exhibition period.
25. An explainer on our sustainable investment practices has been included in Direction 4: Strong foundations for delivery. For many years, the City of Sydney has advocated for the development of investment products that support the principles of environmental and social sustainability. In the current investment climate, it is important to highlight our investment approach to encourage others to do the same.

Key Implications**Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision**

26. 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.

Key Implications

Strategic alignment - other policies and strategies

27. This most recent iteration of the Environmental Strategy has been developed in parallel with, and aligned to, the updated Community Strategic Plan.
28. In 2018, Council adopted the Building Upgrade Finance Policy (first adopted by Council in 2011), which specified the circumstances under which the City of Sydney 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 Government promoted EUAs as a tool to fund upgrade works improving the environmental and sustainability performance of existing buildings.
29. The City entered into a total of 4 EUAs that commenced between 2013 and 2015. There has been no further uptake of EUAs since 2015.
30. The NSW Government is no longer actively supporting EUAs due to low uptake over time and other forms of finance being more easily available. Since their introduction, delivery of environmental improvements to buildings is supported by a much wider range of financial supports and incentives which have made EUAs unappealing in the market. The City's final EUA was finalised in May 2025. Given this form of support is longer considered strategically significant or a priority, it is proposed that the Building Upgrade Finance Policy be rescinded and Council confirm that no further environmental upgrade agreements will be entered into.

Organisational Impact

31. 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.
32. 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.
33. 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

34. 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 (for example pollution) and environmental sustainability (for example 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

35. 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

36. 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

37. 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

38. 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. Operational funding may be sought each year through the annual budgeting process by teams responsible for delivering actions.

Relevant Legislation

- 39. Local Government Act 1993
- 40. Protection of the Environment Operations Act 1997

Critical Dates / Time Frames

- 41. Work to implement the strategy will begin immediately upon adoption.

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