Sustainability Incentive Scheme - Operating Guidelines Review

Strategic Alignment - Our Environment

Public

Tuesday, 1 July 2025

City Planning Development and Business Affairs Committee

Program Contact:
Sarah Gilmour, Associate Director Park Lands, Policy & Sustainability

Approving Officer:
Ilia Houridis, Director City Shaping

EXECUTIVE SUMMARY

The purpose of this report is to:

- provide the outcomes of the Sustainability Incentives Scheme (SIS) for 2024/25, and
- outline minor amendments to the Sustainability Incentive Scheme Operating Guidelines (Operating Guidelines) for implementation from 1 July 2025.

The Sustainability Incentive Scheme (SIS) has been operating since 2015 and is a key driver for community action towards a low carbon and circular economy as set out in the Strategic Plan 2024-2028 and the Integrated Climate Strategy 2030.

At its meeting on 13 February 2024, the Council noted the environmental outcomes from the SIS program and approved amendments to restructure the program to enable smaller scale and larger scale incentive, and incorporate embodied carbon through adaptive reuse, to be implemented from 2024/25 (Link 2).

In line with the priorities in the Integrated Climate Strategy, the SIS provides incentives for action that deliver tangible emissions savings.

In 2024/25, SIS invested $226,000 in 121 projects and leveraged $8.03 of community investment for every dollar spent. The estimated cumulative annual emissions reduction for projects approved in 2024/25 is estimated to be 2,930 tCO_2e. This figure is equivalent to saving the annual emissions of 293 households.

Administration has completed the annual review of the SIS program to ensure alignment with the Integrated Climate Strategy and identify adjustments to account for technological advancements, and State and Federal Grant offerings. The Operating Guidelines are amended to be consistent with Council's Funding Programs Policy adopted on 11 June 2024 (Link 1).

RECOMMENDATION

The following recommendation will be presented to Council on 8 July 2025 for consideration

THAT THE CITY PLANNING, DEVELOPMENT AND BUSINESS AFFAIRS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the environmental outcomes of the Sustainability Incentives Scheme for 2024/25 as outlined in Item 7.1 on the Agenda for the City Planning, Development and Business Affairs Committee held on 8 July 2025.
2. Notes amendments to the Sustainability Incentives Scheme Operating Guidelines as contained in Attachment A to Item 7.1 on the Agenda for the City Planning, Development and Business Affairs Committee held on 1 July 2025.

3. Notes the Chief Executive Officer, or delegate, will finalise the amended Sustainability Incentives Scheme Operating Guidelines as contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Planning, Development and Business Affairs Committee held on 1 July 2025 and review related documentation and terms and conditions publicly available on the City of Adelaide’s website for consistency with the amendments to the Sustainability Incentive Scheme.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Environment Support a 50% reduction in the city's community greenhouse gas emissions by 2030 from the 2020 baseline with an ambition to be net zero by 2035
Policy	The Funding Programs Policy (Link 1) provides for Funding Programs to be reviewed and approved by Council on a four-year basis, in the year following the adoption of the Council's Strategic Plan.
Consultation	Changes to the Sustainability Incentives Scheme (SIS) will be communicated on the City of Adelaide website.
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The SIS is reviewed annually to ensure alignment with the Integrated Climate Strategy and identify adjustments to account for technological advancements, and State and Federal Government grant offerings.
25/26 Budget Allocation	The 2025/26 Annual Business Plan and Budget adopted on 24 June 2025 includes an operating budget of $233,000 for the Sustainability Incentive Scheme. The 2024/25 Annual Business Plan and Budget included $226,000 to deliver the Sustainability Incentives Scheme which was fully expended by March 2025.
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	The SIS has been ongoing since 2015, with regular reviews of incentive offerings to ensure alignment with Council and community needs. The Funding Programs Policy provides for Funding Programs to be reviewed and approved by Council on a four-year basis, in the year following the adoption of the Council's Strategic Plan. The next programmed review of the Operating Guidelines is 2029.
24/25 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Purpose

1. The purpose of this report is to provide the outcomes of the Sustainability Incentives Scheme (SIS) for 2024/25 and outline amendments to the Sustainability Incentive Scheme Operating Guidelines (Operating Guidelines) for implementation from 1 July 2025.

Background

2. SIS has been operating since 2015 and is a key driver for community action towards a low carbon and circular economy as set out in the Strategic Plan 2024-2028 and the Integrated Climate Strategy 2030.
3. At its meeting on 13 February 2024, the Council noted the environmental outcomes from the SIS program and approved amendments to restructure the program, and incorporate embodied carbon through adaptive reuse to be implemented from 2024/25 (Link 2).
4. At that same meeting the Council approved amendments to restructure the program, to remove some incentives and enable new smaller scale and larger scale incentives in line with the priorities in the then draft Integrated Climate Strategy that deliver tangible emissions savings, subject to 2024/25 budget.

Outcomes of 2024/25 SIS program

5. In 2024/25, SIS invested $226,000 in 121 projects and leveraged $8.03 of community investment for every dollar spent.
6. The estimated cumulative annual emissions reduction for projects approved in 2024/25 is estimated to be 2,930 tCO_2e. This figure is equivalent to saving the annual emissions of 293 households.
7. Projects have been delivered across all five incentive categories: 1. smart and green energy; 2. active transport, 3. climate ready buildings, 4. greening; and 5. resource recovery.
8. Funding was fully allocated by March 2025, with the Administration actively managing pre-committed projects to ensure the full expenditure of the 2024/25 budget allocation.
9. Estimated savings in energy and resources diverted from landfill for projects approved in 2024/25 are provided in the table below.

Category	Annual Savings	Equivalency
Electricity	13,960 MWh	2,790 households' electricity consumption
Gas	1,160 GJ	325 households' gas consumption
Diversion from landfill	30,000 kg	8.6 SME's waste to landfill

Proposed Amendments to Sustainability Incentives Scheme

10. Administration has completed the annual review of the SIS program to ensure alignment with the Integrated Climate Strategy and identify adjustments to account for technological advancements, and State and Federal Government grant offerings.
11. The following is a summary of amendments to the Operating Guidelines (**Attachment A**):
    - 11.1. Program specific eligibility criteria is presented under the five program categories.
    - 11.2. Replacement of the former Home Energy/Sustainability Assessments, Shared Solar and Energy Smart Buildings incentives with a combined Climate Smart Buildings Category that supports strata buildings and adaptive reuse projects.
    - 11.3. Amending the Thermal Efficient Windows or Doors incentive to increase accessibility of this incentive by maintaining the total system U-value requirement, but removing the Window Energy Rating Scheme rating requirement.
    - 11.4. Amendment of the eligible property types for the Commercial Green Waste Diversion incentive to better support apartments and higher density dwellings with no green waste collection service.
    - 11.5. Reduction in the incentive quantum offered for E-bikes and Energy Storage in accordance with the Funding Programs Policy Principle 3 – Value for Money, from $800 to $500 and $2,000 to $1,000 respectively.
    - 11.6. Inclusion of a new statement in the Terms and Conditions for the avoidance of doubt regarding requirements under the National Construction Code.

11.7. Amendments are consistent with Council's Funding Programs Policy adopted on 11 June 2024 (Link 1).

11.8. Items that do not meet Principle 3 – Value for Money in the Funding Programs Policy, are delivered through other means, or have limited to no impact on carbon emission reduction have been removed:

11.8.1. EV demand management

11.8.2. Digital water meters

11.8.3. Retailer Energy Productivity Scheme top up

11.8.4. Performance ratings and Climate Active Certification

11.8.5. Business sustainability training support

11.8.6. Hard waste collection and Reusable takeaway containers

11.8.7. Commercial dishwashers

12. A marked-up version of the amended Operating Guidelines is provided (Link 3).

Next Steps

13. The amended Operating Guidelines will be included on the City of Adelaide Policy Register.

14. Administration will review related documentation and terms and conditions publicly available on the City of Adelaide's website for consistency with the amendments.

15. The 2025/26 funding round for SIS opens on 1 July 2025.

DATA AND SUPPORTING INFORMATION

Link 1 – City of Adelaide Funding Programs Policy

Link 2 – City Planning, Development and Business Affairs Committee – Agenda – Tuesday – 6 February 2024

Link 3 – Sustainability Incentive Scheme Operating Guidelines marked-up version

ATTACHMENTS

Attachment A – Amended Sustainability Incentives Scheme Operating Guidelines

- END OF REPORT -