

## Sustainable Futures Committee

**Meeting Date:** Wednesday, 19 July, 2017  
**Location:** Jervis Bay Rooms, City Administrative Centre, Bridge Road, Nowra  
**Time:** 4:00pm

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### Agenda

1. **Apologies**
2. **Confirmation of Minutes**
  - Sustainable Futures Committee - 6 April 2017 ..... 1
3. **Declarations of Interest**
4. **Reports**
  - SF17.4 Energy Management Internal Audit Report ..... 5
  - SF17.5 Streetlight LED Project..... 6
  - SF17.6 NSW Climate Change Fund - opportunities..... 8
5. **General Business**



## **Membership**

Mayor  
All Councillors  
General Manager  
David Brawn  
Oisin Sweeney  
Robert Hayward  
Peter McVay  
Lorraine Larri

Quorum – Five (5)

## **Purpose**

1. To make recommendations to improve Councils response to potential impacts of climate change.
2. To improve sustainability within the Shoalhaven Local Government area.
3. Develop a Prioritised Action Plan that will empower the Shoalhaven Community to be more sustainable and improve the sustainability of Council operations and activities.
4. Identify and action funding opportunities which will improve Council's sustainability and its understanding and readiness of potential impacts of climate change.
5. Identify ways to educate the community about sustainability and the potential impacts of climate change.
6. Display strong leadership to the community by recommending sustainability and resilience building actions to Council for consideration.

## MINUTES OF THE CLIMATE CHANGE ACTION COMMITTEE

**Meeting Date:** Thursday, 6 April 2017  
**Location:** Jervis Bay Rooms, City Administrative Centre, Bridge Road, Nowra  
**Time:** 4.00pm

The following members were present:

Clr Amanda Findley – Arrived at the meeting at 4.40 pm  
Clr Joanna Gash – Arrived at the meeting at 4.57 pm  
Clr John Wells  
Clr Patricia White  
Clr John Levett  
Clr Nina Cheyne  
Clr Kaye Gartner  
Clr Greg Watson  
Clr Mark Kitchener

Others present:

Carmel Krogh – Director, Shoalhaven Water  
Tim Fletcher – Director, Planning, Environment and Development  
Ben Stewart – Director, Assets and Works  
Sara McMahon – Unit Manager, Governance  
Kelie Lowe – Section Manager, Environmental Services  
Elizabeth Dixon – Environmental Planner/Sustainability  
Gordon Clark – Section Manager, Strategic Planning  
Jane Lewis – Section Manager, Recreation Community and Culture

### Election of Chairperson

**RESOLVED** (Clr Gartner / Clr Levett)

That Councillor White be appointed as the Acting Chairperson for the meeting of the Climate Change Action Committee.

CARRIED

### Apologies / Leave of Absence

An apology was received from Clr Alldrick and Russ Pigg

## Confirmation of the Minutes

Nil

## Declarations of Interest

Nil

## REPORTS

### CC17.1 Streetlight LED project

**HPERM Ref:  
D17/98852**

The Committee discussed budget, possible savings to Council and the long term costs of the Streetlight LED project.

It was noted that the business plan will be prepared by Assets and Works.

### **Recommendation (Item to be determined under delegated authority)**

That Council prepare a business case which includes the following:

1. Detailed comparisons of proposed technologies (including lifespan of the technologies);
2. Consideration of projected increases in energy and service costs;
3. Options for program roll-out, including timeframe comparisons, and the estimated costs, savings, and payback periods;
4. Data related to expected carbon reduction levels for the options presented;
5. An outline of the next steps for Council, including a summary of procurement options;
6. Comparison of the bulk change compared with other projects such as the purchase of Green Power, and
7. Summary and recommendations about external funding opportunities

### **RESOLVED** (Clr Gartner / Clr Cheyne)

That Council prepare a business case which includes the following:

1. Detailed comparisons of proposed technologies (including lifespan of the technologies);
2. Consideration of projected increases in energy and service costs;
3. Options for program roll-out, including timeframe comparisons, and the estimated costs, savings, and payback periods;
4. Data related to expected carbon reduction levels for the options presented;
5. An outline of the next steps for Council, including a summary of procurement options;
6. Comparison of the bulk change compared with other projects such as the purchase of Green Power, and
7. Summary and recommendations about external funding opportunities

CARRIED

**CC17.2 Planning Environment and Development Services - Sustainability Status Report****HPERM Ref: D17/24647**

Elizabeth Dixon, spoke about the Waste and Sustainability Improvement Payment program (WaSIP) in relation to the previous committee (known as the Shoalhaven Sustainable Committee) and explained that while the Committee did not have a budget, it did have input into how funds from the WaSIP was spent.

Jane Lewis spoke about Council's initiatives across Recreation, Community and Culture facilities. It was also noted that there are a range of public programs including King & Queen of Green, the Waste Expo, workshops for composting, waterwise education initiatives and reclaimed water management.

**Recommendation (Item to be determined under delegated authority)**

That the Committee accept the sustainability status report for information.

**RESOLVED** (Clr Gartner / Clr Wells)

That the Committee accept the sustainability status report for information.

CARRIED

**Introduction of Items as Matters of Urgency****RESOLVED** (Clr Gartner / Clr Wells)

That the following addendum reports be introduced as matters of urgency:

1. CC17.3 Climate Change Action Committee - Draft Terms of Reference including change of name

CARRIED

The Chairperson ruled the matters as ones of urgency as they relate to urgent business of Council and allowed their introduction.

**ADDENDUM REPORTS****CC17.3 Climate Change Action Committee - Draft Terms of Reference including change of name****HPERM Ref: D17/107794**

Clr Gartner suggested that in order to act on decisions and instigate projects, or even support community initiatives such a community solar energy, this committee will need funds, therefore the Committee recommendation to Council should be:

- The previous budget of the Committee or \$200,000 per annum, whichever is higher, be reinstated.
- The Committee recommend either a recurring budget sum, or an operating budget to be reviewed annually.

Clr Findley – arrived at 4.40 pm

Clr Gash – arrived at 4.57 pm

**Recommendation**

That Council

1. Change the name of the Climate Change Action Committee to the Sustainable Futures Committee
2. Adopt the Sustainable Futures Committee Terms of Reference as attached to this report
3. Appoint a Chairperson to the Committee
4. Appoint a Councillor for the membership selection committee
5. Advertise for applications for membership
6. Allocate a budget for the operations of the Committee

**Recommendation** (Clr Gartner / Clr Cheyne)

That Council

1. Change the name of the Climate Change Action Committee to the Sustainable Futures Committee
2. Adopt the Sustainable Futures Committee Terms of Reference as attached to this report
3. Appoint Clr White as Chairperson to the Committee and Clr Gartner as alternate chair
4. The membership selection committee include the Chair and alternate Chair
5. Advertise for applications for membership
6. Consider funding in the 2017-18 budget to provide adequate resourcing to implement the actions of the committee with the intention of the allocation to be self-funding.

Clr Wells left the meeting at 5.22 pm

There being no further business, the meeting concluded, the time being 5.25 pm.

Clr White  
ACTING CHAIRPERSON

## **SF17.4 Energy Management Internal Audit Report**

**HPERM Ref:** D17/151803

**Group:** General Manager's Group  
**Section:** Executive Strategy

**Attachments:** 1. Confidential Report - Energy Management (Confidential - under separate cover)

### **Purpose / Summary**

The purpose of the report is to table the Energy Management Internal Audit report to the Sustainable Futures Committee for consideration which was performed in 2016.

### **Recommendation (Item to be determined under delegated authority)**

That the Sustainable Futures Committee

1. Receive and note the contents of the report.
2. Provide any further directions to Council on energy management.

### **Options**

1. Receive the report and provide directions.
2. Receive the report, provide directions and/ or obtain further information.

### **Background**

As per the approved 2016/ 2017 internal audit plan, review on energy management was conducted with a focus on electricity. The report has been finalised and tabled at the Risk and Audit Committee meeting in October 2016.

The report provides recommendations on improving energy management practices at Council. Recommendations relate to opportunities to improve on areas such as energy management roles and responsibilities, sustainable procurement practices and Council's policies & procedures on energy management.

Detailed report is attached.



## SF17.5 Streetlight LED Project

HPERM Ref: D17/164715

**Group:** Assets & Works Group  
**Section:** Asset Management

### Purpose / Summary

To consider a business case for converting existing streetlights to more energy-efficient Light Emitting Diode (LED) lights

### Recommendation (Item to be determined under delegated authority)

That

1. The report on the business case for converting existing streetlights to LED lights be received for information
2. Council applies for grants for LED streetlight conversion

### Options

1. Receive the report for information and apply for grants. (Recommended)

Implications: Due to the capital cost upfront the lowest cost option without grant funding is to convert streetlights to LED through Endeavour Energys standard replacement of all of its lamps over the next 12 years. In this case, Council will not need to divert its own funds for LED conversion.

2. Fund LED streetlight conversion (Not recommended)

Implications: This is the most costly option. Due to the large capital outlay there are no financial 'savings' associated with this option, but it may be considered on environmental grounds.

3. Make some other recommendation

### Background

The Climate Change Action Committee resolved at its meeting on 6 April 2017 (CC17.1) that Council prepare a business case which includes the following:

1. Detailed comparisons of proposed technologies (including lifespan of the technologies);
2. Consideration of projected increases in energy and service costs;
3. Options for program roll-out, including timeframe comparisons, and the estimated costs, savings, and payback periods;
4. Data related to expected carbon reduction levels for the options presented;
5. An outline of the next steps for Council, including a summary of procurement options;

6. *Comparison of the bulk change compared with other projects such as the purchase of Green Power, and*
7. *Summary and recommendations about external funding opportunities*

The report to the Climate Change Action Committee on 6 April 2017 advised

*If supported, the Shoalhaven City LED (Light Emitting Diode) Street Lighting Project has the ability to convert up to 6,200 traditional street lights (mercury vapour) into energy efficient LED technology..... Council staff may undertake further investigation and report back on the opportunities of alternative suppliers, future tariffs, pay-back periods and potential funding options for the capital program.*

Further discussions have been held with Endeavour Energy (EE) to confirm assumptions on which to base a business case for Council to fund the conversion of existing streetlights to LED lamps.

Council currently pays an average of about \$0.14/KWhr. This value and all the costs supplied by EE in its costs modelling spreadsheet were used to undertake a series of Net Present Value analyses. NPV is used to compare the current and future costs of a range of options, expressed in 'today's' dollars. The LED project only involves 'costs' as there is no revenue for Council in any of the options. Consequently, the lowest net present cost option should be pursued, if viewed from a purely financial perspective. However it is critical to consider the sustainability initiatives.

The lowest cost option for Council was the 'Do Nothing' option where EE continues to convert its network of streetlights to LED at about 400 to 500 lamps per year. At this rate, EE will replace all its lamps in just over 12 years. Any of the options where Council contributes to the earlier conversion of streetlights to LED are more costly than the Do Nothing option.

Consequently, there is no real pay-back period as savings cannot be realised unless Council funds the upgrades or grants are sourced. EE has confirmed that it agrees with these net present cost calculations because Council currently enjoys a relatively cheap cost of electricity. EE believes there will be little difference in net present costs between options when the electricity price reaches \$0.20/KWhr. This is an over 40% increase on the current price and there is no reliable method of predicting future electricity price increases.

At present, there do not appear to be any compelling reasons to divert Council funds to LED street light conversion. If, however, other-than-Council funds were secured for the project, Council would immediately benefit from lower annual electricity charges for street lighting.

### **Community Engagement**

Not applicable in this instance.

### **Financial Implications**

The business case demonstrates that without grant funds the Do Nothing option provides the least overall cost to Council. This option has EE replacing all its streetlights with LED lamps over a 12 year period.

It is therefore recommended that no Council contribution is made to LED upgrading, unless it is grant funded. Ideally a grant program is sourced to support any LED roll out or alternative business models developed.

## **SF17.6 NSW Climate Change Fund - opportunities**

**HPERM Ref:** D17/165882

**Group:** Planning Environment & Development Group  
**Section:** Environmental Services

### **Purpose / Summary**

To alert Council to the opportunity for a briefing from the Office of Environment and Heritage about the new NSW Climate Change Fund and the adaptation and resource efficiency funding that it offers.

### **Recommendation (Item to be determined under delegated authority)**

That Council invite staff from the Office of Environment and Heritage to present to the August meeting of the Sustainable Futures Committee on:

1. Opportunities for funding through the NSW Climate Change Fund and associated programs; and
2. Lessons learnt from other councils implementing resource efficiency projects.

### **Options**

1. That Council invite staff from the Office of Environment and Heritage to present to the August meeting of the Sustainable Futures Committee on funding opportunities through the NSW Climate Change Fund and associated programs.

Implications: Council will be up to date with funding opportunities and in a good position to take advantage of them.

2. Do not invite OEH to present to Council.

Implications: Miss an update regarding new funding opportunities.

### **Background**

The NSW Cabinet is currently considering the business cases for the Climate Change Fund. It is anticipated that details, including funding opportunities for local government, will be released in July 2017.

The Office of Environment and Heritage have offered to brief the Sustainable Futures Committee on opportunities to access climate change adaptation and resource efficiency funding. They are also willing to share lessons learnt from other councils they have been working with on these issues.