

## **TARGETS**

### **Greenhouse gas emissions from building energy use**

- State-wide target to return greenhouse gas emissions from building energy use to 2000 levels (1.5 million tonnes) by 2019/20, with interim targets of 1.74 million tonnes by 2010/11, 1.67 million tonnes by 2013/14 and 1.59 million tonnes by 2016/17.
- Agencies to continue to purchase a minimum of 6% GreenPower by 2010/11, with the exception of Area Health Services.

### **Water**

- State-wide target to reduce total potable water consumption by 15% by 2010/11 (from 2005/06 levels).

### **Environmental performance of buildings**

- Government owned or tenanted office buildings over 1000m<sup>2</sup> to:
  - obtain a NABERS rating (National Australian Built Environment Rating System) by 31 December 2008;
  - achieve and maintain a NABERS rating of 4.5 stars for energy and water by 1 July 2011, where cost-effective; and
  - where new or refurbished, achieve and maintain 2011 targets from 18 months of the first occupancy, where cost-effective.
- Tenanted buildings to include Green Lease Schedule in all new or negotiated leases or when exercising a lease option, where practical.
- The Government has also committed to set NABERS targets in Government office buildings for waste and indoor environment by 30 June 2009. Agencies will be advised of any requirements related to this commitment, once these targets have been set.

### **Cleaner Government Fleet**

- Government fleet to achieve an average "environment performance score" of 12/20 by 2007/08 (new ongoing targets will be set in 2008).
- Government fleet to achieve a 20% reduction in greenhouse gas emissions by end 2007/08, based on 2004/05 performance (new ongoing targets will be set in 2008).

### **Waste, Recycling and Purchasing**

- Agencies to purchase products and appliances where relevant, available and fit for purpose, with:
  - a minimum 4-star rating under the Minimum Energy Performance Standards Scheme (MEPS); and/or
  - a minimum of 4-star rating under the Water Efficiency Labelling and Standards Scheme (WELS) or Smart Approved WaterMark products and services (for outdoor use).
- A minimum of 85% of all copy paper purchased by NSW Government in 2014 to contain recycled content.

- Agencies, from the commencement of the 2008/09 financial year, to specify inclusion of at least one recycled content option as part of each publication quote sought.

## ACTION STRATEGIES

Responsibility for coordination of commitments, coverage, benchmarks, implementation and reporting relating to these targets are set out in the five action strategies below:

1. Office buildings
2. Health facilities
3. Educational facilities
4. Fleet Management
5. Waste, Recycling and Purchasing

### 1. Office Building Strategy

Around 70% of Government agencies predominantly occupy office buildings. These offices account for 10% of building energy use. Space cooling, ventilation and lighting are the three most significant sources of greenhouse gas emissions, with lighting having the greatest potential for abatement.

<b>Delivery</b>	Coordinated by Department of Environment and Climate Change (DECC). Assistance from State Property Authority, the Government Architect and Department of Planning, and in Sydney through Sydney Water's Every Drop Counts Business Program.
<b>Coverage</b>	All office buildings owned or occupied by NSW Government budget dependent agencies. Covers agencies which predominantly occupy office buildings (70% of agencies).
<b>Benchmarks</b>	<i>Ratings</i> <ul style="list-style-type: none"><li>• Government owned or tenanted office buildings over 1,000m<sup>2</sup> to obtain a NABERS rating (National Australian Built Environment Rating System) by 31 December 2008.</li><li>• Ratings to be updated if there has been a change in the estimated rating or if it has been three years since the last accredited NABERS ratings.</li></ul> <i>Efficiency benchmarks to be achieved, where cost-effective</i> <ul style="list-style-type: none"><li>• Government owned or tenanted office buildings over 1,000m<sup>2</sup> to:<ul style="list-style-type: none"><li>- achieve and maintain a NABERS rating of 4.5 stars for energy and water by 1 July 2011;</li><li>- meet targets when set for NABERS ratings for waste and indoor environment; and</li><li>- where new or refurbished, achieve and maintain 2011 targets from 18 months of the first occupancy.</li></ul></li></ul>
<b>Identifying and implementing actions</b>	<ul style="list-style-type: none"><li>• State Property Authority to facilitate least-cost ratings for Government office premises by establishing a panel of assessors to undertake ratings for Government at a fixed cost, and acting as liaison between assessors and agencies.</li><li>• DECC / State Property Authority to develop sustainability toolkit for Government office tenancies with advice on strategies to meet requirements.</li></ul>

	<ul style="list-style-type: none"> <li>• Government tenanted buildings to include a Green Lease Schedule in all new or negotiated leases, where practical.</li> <li>• Government Architect / State Property Authority / DECC to collaborate in development of template fitout brief for office tenancies to assist agencies meet these requirements.</li> <li>• Financing through NSW Treasury Loan Fund and/or Climate Change Fund.</li> </ul>
<b>Reporting</b>	<p>Reporting as outlined below.</p> <p>Aggregated report by DECC (using data directly where possible for example, from utility contracts), with assistance from the Department of Commerce and State Property Authority.</p> <p>Agencies encouraged to also report in individual annual reports.</p>

## 2. Health Facilities Strategy

<b>Delivery</b>	Responsibility of NSW Health. Assistance from DECC.
<b>Coverage</b>	All health facilities, accounting for 53% of total NSW Government building energy use.
<b>Benchmarks</b>	Use to assist in measuring environmental performance.
<b>Identifying and implementing actions</b>	<p>Sites that emit approximately 35% of NSW Health's total greenhouse gases have had either an Energy Performance Contract or a Government Energy Efficiency Investment Program project undertaken.</p> <p>A NSW Health Sustainability Strategy is being developed to target sites where the greatest savings opportunities can be obtained.</p> <p>The preliminary site listing will direct attention to investigate energy and water savings strategies at sites responsible for a further 50% of NSW Health's greenhouse emissions.</p> <p>Financing will be provided through NSW Treasury Loan Fund and/or Climate Change Fund.</p>
<b>Reporting</b>	<p>NSW Health annual report.</p> <p>Reporting as outlined below.</p>

## 3. Educational Facilities Strategy

<b>Delivery</b>	Responsibility of Department of Education and Training. Assistance from DECC.
<b>Coverage</b>	All educational facilities.
<b>Benchmarks</b>	Use to assist in measuring environmental performance.
<b>Identifying and</b>	Schools Energy Efficiency and Rainwater Tank Programs under Climate Change

<p><b>implementing actions</b></p>	<p>Fund – including lighting upgrades, student energy savings projects, installation of rainwater tanks, audits and water retrofits</p> <p>TAFE facilities - lighting upgrades, power factor correction and solar programs will continue.</p> <p>Savings opportunities will be identified through Water Savings Action Plans in Sydney, and other monitoring programs proposed by DET.</p> <p>Implement cost-effective actions by June 2011, including strategies to target high end uses.</p> <p>Financing through NSW Treasury Loan Fund and/or Climate Change Fund.</p> <p>Education outcomes delivered through Sustainable Schools Program.</p>
<p><b>Reporting</b></p>	<p>DET annual report. Reporting as outlined below.</p>

#### 4. Fleet Management Strategy

<b>Delivery</b>	Coordinated by Department of Commerce.
<b>Coverage</b>	All NSW Government agencies.
<b>Benchmarks</b>	NSW Clean Car Benchmarks.  All NSW Government agencies to use E10 blends (or other alternative fuels), where this is practicable, available and cost-effective.
<b>Identifying and Implementing Actions</b>	<ul style="list-style-type: none"> <li>• For the Government fleet to improve the average “environment performance score” using the NSW Clean Car Benchmarks, to 12/20 by 2007/08</li> <li>• For the Government fleet to progressively reduce annual greenhouse gas emissions to achieve a 20% reduction by 2007/08 (based on 2004/05 performance).</li> <li>• Agencies with fleets of 25 to 99 cars are required to have at least one petrol/electric hybrid fuel technology vehicle. For fleets comprising 100 or more vehicles, one per cent of the fleet must be hybrid vehicles.</li> <li>• New Government fuel contracts to require availability of E10 blends (or other alternative fuels).</li> <li>• Motor vehicle purchasing requirements for all agencies to require vehicles to be compatible with E10 blends (or other alternative fuels), consistent with the Cleaner NSW Government Fleet Policy.</li> </ul> <p>New fleet management targets will be released in 2008.</p> <p><i>Guidelines for Fleet Managers have been developed to assist managers with this initiative.</i></p>
<b>Reporting</b>	For fleet improvement, reporting as outlined below.  Consolidated monthly reporting to Chief Executive Committee via Department of Commerce on use of ethanol.

#### 5. Waste, Recycling and Purchasing Strategy

<b>Delivery</b>	Coordinated by DECC.
<b>Coverage</b>	In relation to Waste Reduction and Purchasing Plan (WRAPP) - all NSW Government agencies and State-Owned Corporations.  In relation to other requirements – all budget dependent agencies.
<b>Identifying and Implementing Actions</b>	All NSW Government agencies and State-Owned Corporations are required to develop and implement a Waste Reduction and Purchasing Plan (WRAPP) to reduce waste in four areas – paper products, office equipment and components,

	<p>vegetation material, and construction and demolition material.</p> <p>In addition, all budget dependent agencies are required to:</p> <ul style="list-style-type: none"> <li>• give priority to buying materials with recycled content where they are cost and performance competitive; and</li> <li>• purchase products and appliances which have a minimum 4-star rating under the Water Efficiency Labelling and Standards Scheme (WELS), a 4-star rating under the Minimum Energy Performance Standards Scheme (MEPS) or are Smart Approved WaterMark products and services (for outdoor use). These requirements apply where products and appliances are available and fit for purpose.</li> </ul>
<b>Reporting</b>	<p>Aggregated report by DECC for budget dependent agencies on purchase of energy and water efficient products and appliances (using data directly, where possible, for example from contracts), with assistance from the Department of Commerce.</p> <p>Biennial WRAPP reporting for all NSW Government agencies over 200 staff to DECC for preparation of aggregated report. Agencies to also report in individual annual reports.</p> <p>WRAPP reporting by small agencies (less than 200 staff) required once every 3 years in their Annual reports.</p>

### **IMPLEMENTING COST-EFFECTIVE ACTIONS**

Water and energy efficiency improvements are required to be undertaken where that action will be cost-effective. "Cost-effective" is defined as having an internal rate of return of 12%, where the additional cost of achieving higher ratings is assessed against water and energy cost savings.

Where financial savings are made they may be retained by the individual agency (unless being used to repay borrowings from the NSW Treasury Loan Fund, see below). Budget allocations for budget dependent agencies will not be reduced by the cost reductions achieved through energy and water efficiency improvements.

### **Accessing Finance**

To implement cost-effective energy and water efficiency upgrades, agencies can apply to the \$40 million NSW Treasury Loan Fund, with borrowings from the Fund repaid with the savings generated. The Fund may be accessed in two ways:

1. Performance Contracts (PC) – where a third party 'water and energy services company' identifies and implements the projects and guarantees the annual savings for a number of years.
2. Government Energy and Water Efficiency Investment Program (GEEIP) – smaller projects of less than \$500,000 capital cost (or less than \$1 million for Department of Health projects). Projected savings are independently verified by a third party.

In addition, agencies can apply to the Climate Change Fund demonstrating why the project would not proceed without funding assistance.

The DECC website provides details on accessing the NSW Treasury Loan Fund and the Climate Change Fund: [www.environment.nsw.gov.au](http://www.environment.nsw.gov.au).

## **REPORTING**

Specific streamlined reporting requirements are outlined below:

- For budget dependent agencies which operate predominantly in office buildings, water and energy will be reported centrally by DECC.
- Small agencies (less than 200 staff) are only required to report once every three years: in their annual report on waste and purchasing; and to DECC on water and energy (if not covered by central report on office buildings) and on fleet where applicable.
- Other agencies will report to DECC annually on water and energy, annually on fleet where applicable, and biennially on waste and purchasing (WRAPP).

For water and energy, in addition to the central report for office buildings, DECC will also coordinate data gathering requirements of agencies through arrangements with the Department of Commerce, the State Property Authority and directly with electricity and water suppliers.

Annual reporting by agencies, where applicable, will be required by 31 October each year through a web-based reporting tool which is administered by DECC.

To strengthen accountability, overall performance of the Policy will be reported annually by DECC to the Minister for Climate Change and the Environment through the Sustainability in Government CEOs Group in the forms of:

- an annual progress report summarising energy and water consumption, fleet improvement, use of biofuels and waste management from key end uses including health, education, and office space; and
- a detailed whole of Government sustainability report every three years summarising energy and water consumption, fleet improvements, biofuels and waste at an agency level.

The reporting requirements will apply for 2007/08 and beyond, and will expire after five years (2011/12) unless renewed, consistent with the recommendations of the Internal Government Red Tape Review.

## **ADDITIONAL SUPPORT FOR AGENCIES**

In addition to the action strategies above, DECC will coordinate overall support for agencies in understanding and implementing the policy. This will include:

- a Sustainability in Government network, including website, newsletters and regular forums;
- development of diagnostic tools, guidelines and case studies;
- training and technical advice, including access to energy efficiency expertise;
- support to identify and implement cost-effective measures through management and technical reviews (audits);
- a centralised data management system; and

- facilitating access to finance as outlined above, including issuing guidelines for the NSW Treasury Loan Fund and Climate Change Fund.

**Further information**

DECC website for NSW Treasury Loan Fund, Performance Contract and GEEIP application forms and case studies: [www.environment.nsw.gov.au](http://www.environment.nsw.gov.au)

National Australian Built Environment Rating System: [www.nabers.com.au](http://www.nabers.com.au)

Australasian Energy Performance Contracting Association (for performance contracting information): [www.aepca.asn.au](http://www.aepca.asn.au)

Water Efficiency Labelling and Standards (WELS) Scheme: [www.waterrating.gov.au](http://www.waterrating.gov.au)

Energy Efficiency Labelling and Standards (MEPS) Scheme: [www.energyrating.org.au](http://www.energyrating.org.au)

Department of Commerce website for information on purchase of water efficient products and appliances: [www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)

Department of State and Regional Development (for information on biofuels): [www.biofuels.nsw.gov.au](http://www.biofuels.nsw.gov.au)