Department of Climate Change,
Energy, the Environment and Water

NSW GOVERNMENT

NSW Climate Change Fund

Annual Report 2024–25

Acknowledgement of Country

The Department of Climate Change, Energy, the Environment and Water acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contributions to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

NSW Climate Change Fund
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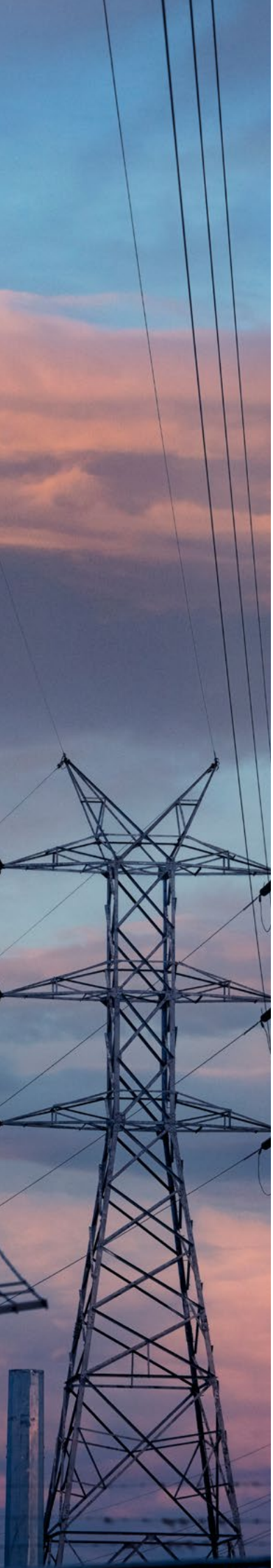

Jeremy Park / DCCEEW

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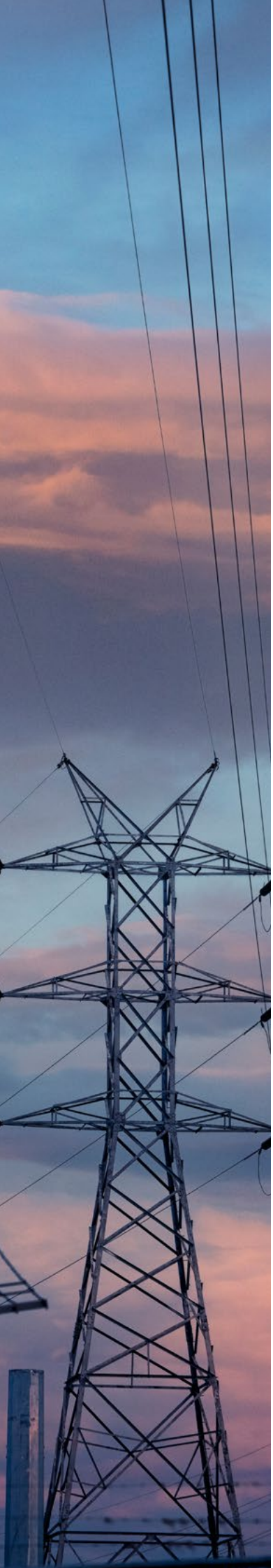

Jeremy Park / DCCEEW

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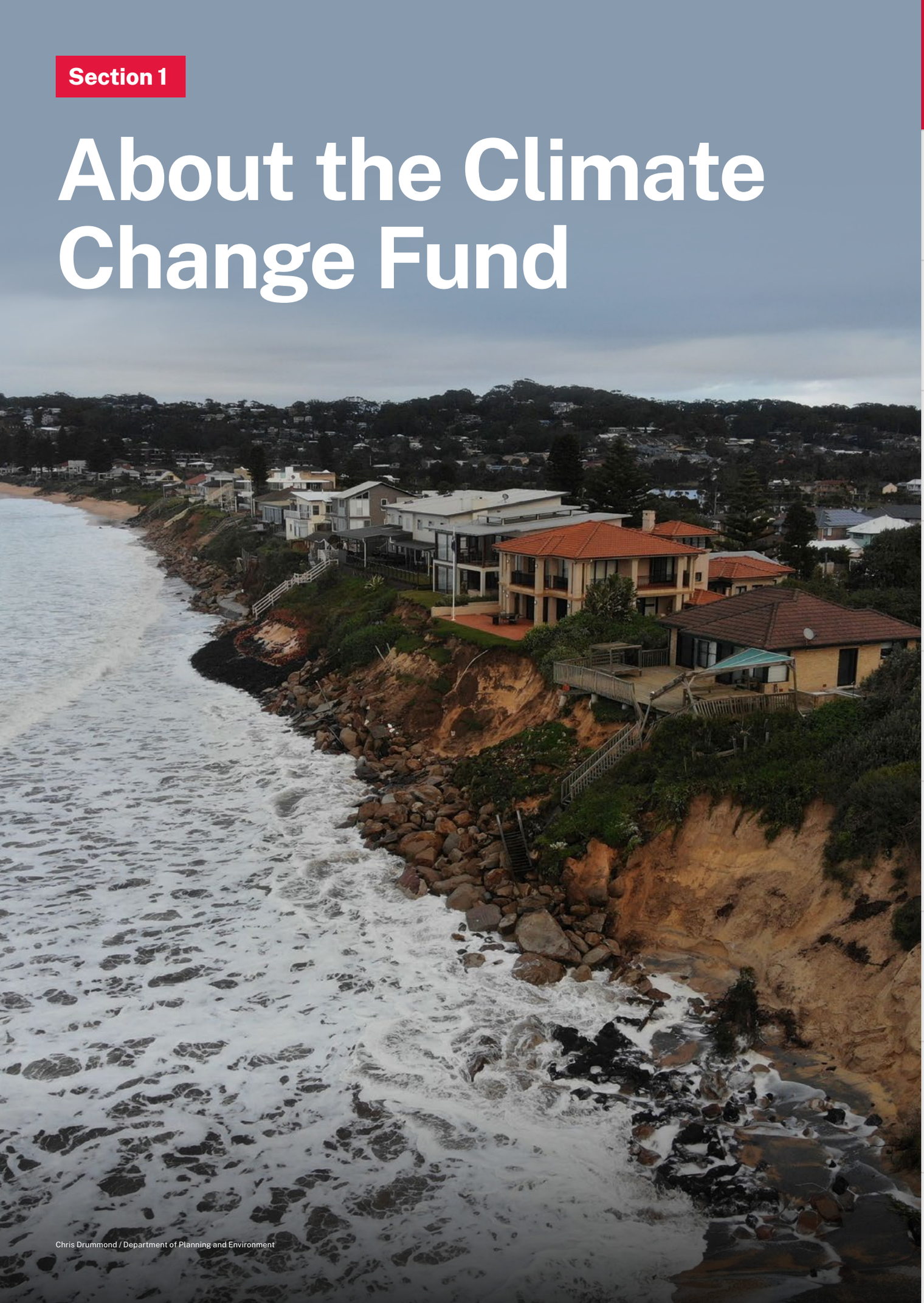
Section 1

About the Climate Change Fund



Chris Drummond / Department of Planning and Environment

Katherine Griffiths / DCCEEW

The Climate Change Fund (the Fund) was established in 2007 under Part 6A of the *Energy and Utilities Administration Act 1987* (the Act) to address the impacts of climate change, encourage water and energy savings, and increase public awareness and acceptance of the importance of climate change.

The Minister for Climate Change and Minister for Energy has a statutory responsibility for the Fund. This includes approving funding allocations for measures (programs) that promote a purpose stated under the Act. The Minister also provides an annual report to parliament on the Fund's performance.

The NSW Department of Climate Change, Energy, the Environment and Water (the department) administers the Fund on behalf of the Minister. The Fund achieves its objectives through a range of programs delivered across various NSW government agencies. Each program reports on its outcomes with reference to key performance indicators. These are outlined under the key results for each program.

The purposes of the Fund, as stated by the Act, are to provide funding:

a. to reduce greenhouse gas emissions, and the impacts of climate change associated with water and energy activities

b. to encourage water and energy savings and the recycling of water

c. to reduce the demand for water and energy, including addressing peak demand for energy

d. to stimulate investment in innovative water and energy savings measures

e. to increase public awareness and acceptance of the importance of climate change and water and energy savings measures

f. for contributions made by the State for national energy regulation.

The current funding cycle is from 2022–23 to 2029–30. The Fund's programs align with one or more of these purposes. They are included in this report.

Climate Change Fund Administration Committee

The Climate Change Fund Administration Committee is an Advisory Committee established under Part 6A, Division 5 of the Act.

The Committee includes representatives from the department and plays an advisory role in managing the Fund on behalf of the Minister. It provides strategic governance, oversees Fund administration and ensures programs are delivered effectively across NSW.

As part of its oversight responsibilities, the Committee examines the Fund's current budget and identifies potential financial risks and budget pressures. It also advises the Minister on the suitability of new funding proposals or the expansion of existing programs.

The Committee meets regularly to maintain robust oversight of the Fund. In 2024–25, it convened 10 times to assess Fund performance and provide strategic guidance.

The Chair exercises decision-making authority in accordance with the Instruments of Delegation and provides recommendations to the Minister that are consistent with the Fund's legislative purpose, as outlined in the Act.

Section 2

2024–25 program highlights

Katherine Griffiths / DCCEEW

Increased public awareness and acceptance of climate change, and water and energy savings measures by:

conducting almost

5,200

EV test drives and holding EV workshops and webinars for about 850 people on fleet transition planning, fire risk assessment and management, and battery diagnostics

engaging with

2,138

individuals at 62 On-Farm Carbon Advice events

working with

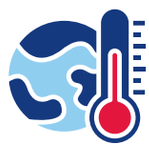
3,225

students from 68 schools to plant 9,929 trees and bush tucker gardens on school grounds

delivering more than

90

presentations to government agencies to build awareness of new climate change projections via NARCliM

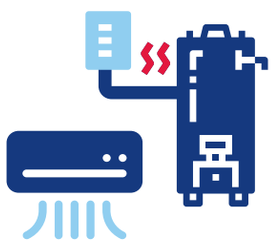


Reduced the demand for water and energy and encouraged savings by:

upgrading

1,832

air conditioners and 537 heat pump hot water systems to deliver about 5,920 MWh of annual electricity savings and 750 MWh of annual gas savings



helping around

6,000

students from 35 schools learn how to identify opportunities to improve water use in their schools

supporting

170

buildings to achieve a NABERS rating, reflecting a growing commitment to energy benchmarking across the built environment

awarding more than

$13 million

for energy upgrade projects in social housing funding

Stimulated investment in innovative water and energy savings measures by:

providing more than

270

clean-tech startups with opportunities to connect, develop new ideas and refine their business models through Ecosystem grants

delivering

6.49 MW

of electricity generation and 4.99 MW of energy storage capacity through regional community solar farm projects

Reduced greenhouse gas emissions and the impacts of climate change by:

protecting an additional

53,000 ha

of ecologically important habitat through 106 new conservation agreements

planting

161,550

trees through Greening our City partnerships, enhancing shade, biodiversity and cooling benefits in urban environments

containing

96%

of bushfires that started on NPWS managed lands within the park boundary (target 85%), and 80% to less than 10 ha (target 80%)

increasing the green infrastructure program by

45%

in the Upper Hunter Valley catchment year on year, to mitigate flood impacts and provide habitat for native flora and fauna

providing about

680

NSW Government employees with access to Climate Risk Ready information and training to support identification of critical risks and opportunities

adding

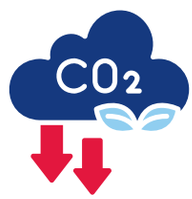
113,042 ha

of new land to national parks and removing 76,900 feral animals to help support healthier, more resilient environments

providing

$2.5 million

to support First Nations organisations to deliver carbon projects



Section 3

How we deliver

Sylvia Liber / DCCEEW

This report is organised into 5 overarching themes that reflect the collective impact of funded programs. The programs under each theme provide a narrative of how they have performed and delivered outcomes.

Building a low-emissions future

The NSW Government is driving the shift to a low-emissions future by investing heavily in hydrogen, clean technologies, renewable manufacturing and net zero planning capability.

Making clean energy more affordable and reliable

Through the Fund, we are ensuring clean energy is more accessible, affordable and reliable for the people of NSW.

Working together for NSW

We work with businesses, landowners and NSW Government agencies to facilitate the transition to more sustainable energy solutions and reduced emissions.

Adapting to climate change

Through our work with local governments, communities and NSW Government agencies, we are strengthening resilience and managing risks to vital infrastructure affected by climate change.

Protecting the environment

Communities across the state are seeing real action on climate change, healthier ecosystems, and stronger protection for local biodiversity.

Section 4

Building a low-emissions future

Katherine Griffiths / DCCEEW

The NSW Government is driving the shift to a low-emissions future through major investments in hydrogen, clean technologies, renewable manufacturing and net zero planning capability. The Fund is at the centre of this work, helping to deliver low-carbon solutions that strengthen our energy infrastructure.

The Fund is partnering with industry and the community to speed up progress towards our net zero targets. This includes promoting the uptake of electric vehicles (EVs), improving energy and water efficiency, and supporting industries with high emissions to reduce their carbon footprint. We're also investing in local manufacturing capacity to deliver critical components to our emerging renewable energy sector.

We are focused on deepening our understanding of the costs of climate change and creating the right conditions to attract new investment in NSW for the clean energy transition. We're empowering businesses to make smarter, more informed decisions that save money and protect the environment.

Together, these initiatives are building a safer, more reliable energy network for our state while helping households and businesses save on power bills. They foster innovation, collaboration and community engagement, ensuring that local governments, businesses and residents are all contributing to the transition to a more sustainable future.

We know that a thriving, sustainable NSW economy benefits everyone, creates more and better jobs, improves how we make and do things, and drives prosperity and wellbeing for the people of NSW.

This section highlights some of the ways the Fund is delivering real change as we progress towards a low-emissions future. All programs are in line with section 34F of the *Energy and Utilities Administration Act 1987*.

4.1 Accelerating Net Zero Buildings

The outcomes of the Accelerating Net Zero Buildings program help owners of non-residential buildings transition to net zero emissions by improving building performance and lowering the embodied carbon in buildings. Embodied carbon is a measure of the greenhouse gas emissions associated with the construction of a building, and during operations over its lifetime.

In 2024–25, the Fund contributed $1 million to the Accelerating Net Zero Buildings program, which aimed to reduce the demand for water and energy, including addressing peak demand for energy.

The program achieved the purpose under the Act by providing incentives, tools and support to drive large-scale energy efficiency and emissions reductions in the built environment. A key initiative is the National Australian Built Environment Rating System (NABERS), now a leading global assessment of the environmental performance of buildings.

The program has now closed and the NABERS Embodied Carbon rating tool has been incorporated into the broader NABERS program.

Key results

Launching embodied carbon rating tool

The program launched a national Embodied Carbon rating tool in November 2024, filling a crucial gap in decision-making around sustainable building design and construction processes. The NABERS tool is now incorporated into numerous national and state policies.

In 2024–25, 88 people completed the first round of training to become embodied carbon assessors. In the month after the training, 50 joined the waitlist for the next course. This shows that engineering, design, construction and developer businesses are engaging with the tool.

Improving NABERS uptake

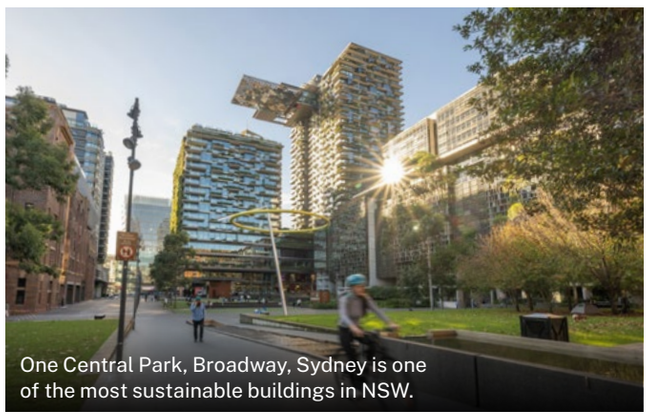
Thirty-one staff from 10 councils completed a course designed to increase awareness of NABERS commitment agreements, demonstrating a strong engagement from both metropolitan and regional areas.

Sector-wide adoption has expanded significantly, with NABERS ratings implemented across warehouses, shopping centres, residential aged care, retirement living, offices, hotels and apartment buildings. This broad uptake reflects a growing commitment to energy benchmarking and continuous improvement across the built environment.

Since the program started in 2021, 7 new building projects have entered into NABERS commitment agreements during the design phase, each setting energy efficiency targets that exceed the requirements of the National Construction Code 2022.

The program has inspired owners to measure and improve the energy performance in their buildings and by the end of 2024–25, the program supported 170 buildings to achieve a NABERS rating. Of these, 127 buildings received a successful rating thanks to energy efficiency improvements and a tailored action plan.

NABERS assessor engagement has been a key driver of success, with 21 NABERS assessor companies participating and many more promoting the offer throughout the program.



Jessie Lindsay / DCCEEW

One Central Park, Broadway, Sydney is one of the most sustainable buildings in NSW.

4.2 Business Decarbonisation

The Business Decarbonisation program helps businesses make low-cost improvements and take practical steps to shift towards net zero emissions.

In 2024–25, the Fund contributed $3.3 million to the Business Decarbonisation program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities. It also aims to stimulate investment in energy savings measures and reduce the demand for energy, including addressing peak demand for energy.

The program achieves the purposes under the Act by helping businesses identify energy-saving opportunities, conducting feasibility studies and providing long-term net zero planning support.

Key results

Throughout this funding cycle, program participants continued to advance their decarbonisation journeys, supported by sub-metering insights and strategic planning for net zero.

Metering and monitoring

In 2024–25, the Business Decarbonisation program's Metering and Monitoring Planning Initiative developed 19 metering and monitoring plans. These plans improved participants' understanding of metering, energy-consuming processes and energy use.

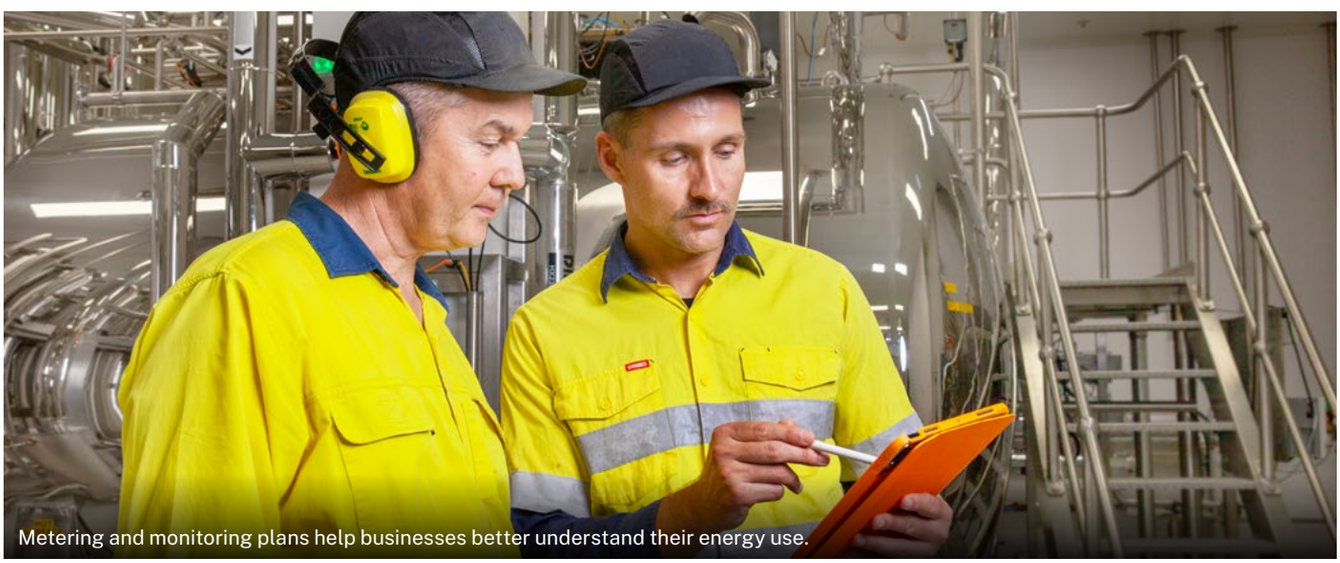
The past financial year also saw the completion of the first round of the Metering Plan Implementation Grants, with $1.3 million disbursed to 23 projects for upgrades to their metering and monitoring systems.

Planning for net zero

Another $1.3 million was granted to 46 projects as part of the Net Zero Planning Grant. After an initial net zero readiness assessment, grantees develop an emissions inventory, net zero action plan and net zero target or conduct other eligible activities.

A Net Zero Business Guide, published in 2024–25, helps businesses plan and implement actions to cut emissions. The guide is available on Net Zero Business Guide | NSW Climate and Energy Action. It aims to:

- prompt initial discussions and planning
- help businesses identify gaps in established net zero plans
- provide direction about next steps.



Metering and monitoring plans help businesses better understand their energy use.

Martin Kovel / DCCEEW

4.3 Clean Technology Innovation

The Clean Technology Innovation program supports research, development and commercialisation in the emerging clean technology solutions ecosystem, especially in industries where they do not exist.

In 2024–25, the Fund contributed $11.1 million to the Clean Technology Innovation program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities. It also aims to stimulate investment in energy savings measures.

The program achieves the purposes under the Act by investing in the next wave of NSW-led innovative clean technology solutions. It reduces barriers and increases the likelihood of breakthroughs and success for these solutions.

Key results

Throughout this funding cycle, the Clean Technology Innovation program has supported the development and commercialisation of clean technologies through targeted funding and ecosystem support.

Connecting and innovating

The Fund supported significant advances in research and development in 2024–25, with 3 entities progressing towards commercialisation:

- Enosi completed upgrades to its Powertracer platform and secured its first international commercial engagement.
- Gridcognition piloted and validated its 24/7 Carbon-Free Energy optimisation software at commercial sites in NSW and secured a commercial contract.
- Rux Energy finalised metal-organic frameworks technology for a hydrogen storage solution suitable for industrial users.

Across the portfolio, 80% of active projects advanced at least one technology readiness level during the year and 60% of projects reported improved emissions reduction potential, commercial competitiveness or export capability. All funded projects established formal collaborations with research institutions, corporates or government, reinforcing a connected innovation ecosystem.

Supporting startups

In 2024–25, over 270 startups operating in sectors including agriculture, technology, energy and sustainable materials were supported by 5 Clean Technology Innovation Round 1 Ecosystem stream grant recipients. The recipients run programs that help startups connect with each other, develop new ideas, and improve their business models. Since the program started in 2023, more than 470 startups have been supported.

Five of the 11 projects funded in Round 1 are now fully acquitted, having achieved their intended outcomes.

Supporting product lifecycle

Funds were also allocated to new endeavours at the conclusion of Round 2 of the program under the broader Net Zero Manufacturing Initiative:

- Under the Commercial Readiness Stream, $26.2 million was awarded to 13 grantees, with projects underway.
- Under the Project Development Stream, $1.7 million was awarded to 7 grantees, with projects progressing.

Did you know?
Our grantee MicroTau is reducing aviation emissions by using shark skin as its inspiration. It aims to reduce aerodynamic drag by applying a film to aircraft based on the microstructures that help sharks glide through water – cutting fuel use and carbon emissions.

Case study

Clean energy storage offers new life to old mineshafts

In a 4-storey warehouse in Port Kembla, a Wollongong-based company is pioneering an energy storage technology that repurposes decommissioned mineshafts into gravitational energy storage systems (GESS). If successful, Green Gravity's technology could bring new life to the region's closed mining assets, storing and supplying hundreds of megawatt hours of electricity to the Illawarra Urban Renewable Energy Zone. This technology offers a scalable alternative to chemical batteries.

"Our GESS technology harnesses excess renewable energy in the middle of the day and stores or time-shifts this energy to times in the day when there is increased demand, like at night," says Tania Jones, Manager Sustainable Market Development at Green Gravity, which has received funding as part of the Clean Technology Innovation program.

The system will draw on daytime solar power to lift heavy weights – each between 60 and 80 tonnes – up vertical mineshafts. During the evening shoulder of high electricity demand, the weights will be lowered back down the mineshaft to drive a regenerative motor to produce electricity.

"Because the regenerative motor is working to brake the descent of the weights, it acts like a generator, creating electricity to supply back into the grid," Tania explains.

Unlike batteries, the process uses no chemicals or water. Energy is stored as gravitational potential rather than electrochemical charge. The infrastructure repurposes existing hoists, header frames and electricity distribution lines and substations at mine sites, to minimise costs and the environmental impact.

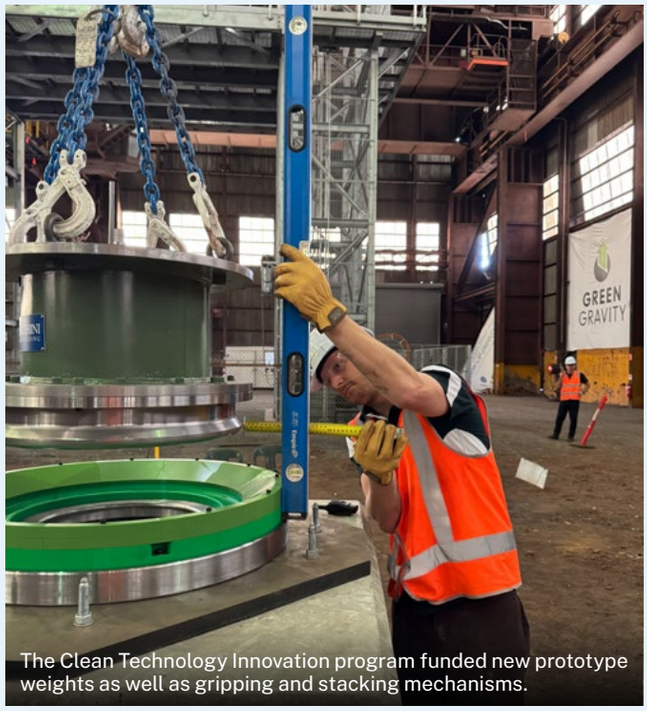
Mineshafts in the Illawarra region are ideal for Green Gravity's purposes because of their depth and proximity to transmission infrastructure. Typically, each mineshaft is about 500 metres deep. Two shafts working in parallel could deliver 10–15 MW over 8 hours, about enough to power 3,000 homes. The region has more than 30 potentially suitable shafts, with similar NSW mining regions under review like the Hunter to the north, and Cobar, Orange and Broken Hill to the west, under review.

In June 2023, Green Gravity commissioned a first-of-a-kind above-ground prototype called The Gravity Lab™, a 12-metre high structure that mimics 2 parallel mineshafts, lowering sixteen 500-kilogram weights in sequence to demonstrate gravitational energy storage. Green Gravity used the Clean Technology Innovation program funding to prototype heavier weights and refine gripping and stacking mechanisms before deploying them in a nearby disused mineshaft in a field demonstration.

Out of the 95,000 mines in Australia, 85,000 are closed or abandoned[1], presenting a circular opportunity for Australia to repurpose its mining legacy for energy storage. Given the right depth and conditions for deploying GESS technology, Green Gravity have identified gigawatts of stored energy potential.

"The regions and communities in which these mines exist also possess the skillsets and supply chains to support GESS deployment and operation. Skills transition from mining and regional job creation in renewable energy can occur," Tania says.

The technology offers regional economic renewal by re-employing mining expertise in a clean energy context. When existing infrastructure and disturbed land are used to make the sun's energy available during the night, NSW will be a step closer to meeting its renewable energy targets.



Green Gravity

The Clean Technology Innovation program funded new prototype weights as well as gripping and stacking mechanisms.

1 Australian Mines Atlas (ga.gov.au) | Department of Industry, Science, Energy and Resources

4.4 Electric Vehicles

The transport sector accounts for 20% of NSW's greenhouse gas emissions, nearly half of which come from passenger vehicles. By incentivising the transition to EVs and powering them with renewable energy, the NSW Government aims to advance towards net zero emissions by 2050.

In 2024–25, the Fund contributed $5.9 million to the EV program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities. It also aims to increase public awareness and acceptance of the importance of climate change, and water and energy savings measures.

The program achieves the purposes under the Act through the EV Fleet Incentive stream, co-funding NSW fleets to help them acquire EVs and charging infrastructure. The program offers 2 funding options: kick-start funding to support smaller fleets and/or fleets keen to pilot EVs; and competitive bidding suitable for large volumes of EVs. The program also supports fleet managers in their electrification journeys.

Key results

Driving change and funding impact

In 2024–25, the program significantly advanced its outcomes by supporting the adoption of EVs and smart chargers, contributing to an increase in registered EVs across NSW. Through funding and engagement activities, the program has accelerated the shift to cleaner transport.

From 1 July 2024 to 30 June 2025, the number of registered EVs in NSW increased from 65,755 to 90,510. This includes electric passenger vehicles (about 96% of the total), goods vehicles and vehicles with 2 or 3 wheels.

During the financial year, the EV Fleet Incentive encouraged some of this 38% increase in EV adoption by:

- co-funding 1,822 EVs and 670 smart chargers, worth $16 million, for organisations ready to adopt EVs at scale
- supporting 492 EVs and 390 smart chargers for smaller organisations or those interested in piloting. Of these, 188 applications for fleets were approved for kickstart funding worth $5.62 million.

Grant Turner / DCCEEW

Fleet managers and members of the public attended EV test drive days, clocking up almost 5,200 test drives.

Investing in clean transport

Over 5 grant rounds since December 2021, the Fleet Incentive scheme has provided $35.5 million to support the purchase of 4,472 EVs and 1,497 smart chargers, abating about 122,622 tonnes of carbon emissions over the typical fleet retention period (usually around 4 years). That's the same as growing over 2 million urban tree seedlings for 10 years. Our Fleet Incentive scheme has contributed to roughly a quarter of EV sales to businesses in NSW since 2022–23.

Educating and engaging

To spread the word about EVs in 2024–25, the program supported webinars and workshops attended by about 850 people involved in fleet transition. Topics included EV knowledge, fleet transition planning, fire risk assessment and management, battery health and diagnostics, and EV model availability.

Five EV test drive days were organised for fleet managers in Sydney and regional NSW, with 375 professionals attending. Extra days were included for the public, clocking up almost 5,200 test drives.

Responding to market shifts

As the EV market grows, new categories of buyers are replacing early adopters. In 2024–25, fleet managers expressed concern about transition planning and making depots EV ready, especially when procuring light commercial vehicles and trucks. The program responded by temporarily boosting incentives between November 2024 and June 2025.

Public information, including drive days and general EV information for fleet managers, such as a vehicle emissions star rating, was also delivered under the Transport Consumer Information stream, which ceased in June 2024.

Case study

University of Wollongong drives sustainability with EV fleet and campus charging

The University of Wollongong is cutting emissions and operating costs by adding EVs to its fleet and installing public charging infrastructure. The initiative is part of a long-term strategy to reduce the university's carbon footprint and engage its staff and the community in sustainable transport solutions.

"Maintenance costs for EVs are much lower," says Max Chiodo, Associate Director of Services at the University of Wollongong. "EVs are also so much more efficient compared with combustion vehicles, so the decision makes itself."

The university operates across 9 campuses spread from the NSW South Coast to Sydney's CBD, with a large operational fleet to move staff and materials. As an institution dedicated to technology, the university first trialled charging infrastructure more than a decade ago at its Sustainable Building Research Centre. The Fleet Incentive scheme also supported the latest rollout of chargers in its fleet depot.

"For the operational vehicles, we knew we could charge overnight – we didn't need a fast charger. It was a relatively easy decision, aimed at keeping operational costs down," says Kathleen Packer, Executive Director Infrastructure and Property at the University of Wollongong.

The university has installed additional public fast chargers at its Wollongong campus, using other NSW Government co-funding. These are strategically located near a freeway and campus amenities. They enable fast charging to get commuters moving quickly.

"We wanted to offer charging at a location that was accessible, easy to find and brought people to part of the campus where there are other amenities," Kathleen says. "EV drivers can experience the beautiful campus we have.

"We're trying to reduce our carbon footprint, and we're also trying to engage with the community." So far, more than 5,000 drivers have used the public chargers at the campus.

The university has already replaced 2 of its fleet vehicles with battery EVs under the NSW Fleet Incentives program and will replace more as current vehicle leases expire.

The positives of EVs go beyond efficiency. "They are so quiet, and there are all these extra benefits that people have really embraced," Kathleen says, pointing out that operational staff are keen to use the EVs and are interested to know how the transition to electric is working.

With range anxiety still a major barrier for the broader uptake of EVs, Kathleen notes that the team hasn't had to deal with vehicles running out of charge on round trips between campuses.

The university's fleet program is part of a broader strategy to achieve sustainable outcomes across all its functions, while also trying to engage with the community in working towards the NSW's goal of net zero emissions by 2050.

DCCEEW

Kathleen Packer and Max Chiodo discuss how EVs are helping the University of Wollongong reduce its carbon footprint.

4.5 Emerging Energy

The Emerging Energy program provides grant funding to help develop and commercialise large-scale, dispatchable electricity storage projects in NSW.

The program has supported 15 projects at different stages of development, with the aim of reducing investment barriers for emerging technologies and promoting affordable, reliable and clean energy across NSW.

In 2024–25, the Fund contributed $1.8 million to the Emerging Energy program, which aims to reduce the demand for energy, including addressing peak demand for energy, and to stimulate investment in energy savings measures.

Current funding is used to meet commitments under existing grant agreements. The program is closed to new applications.

The program achieves the purposes of the Act by reducing investment barriers to innovative clean energy technologies and enabling the development of necessary energy storage infrastructure to meet the NSW Government's net zero and clean energy goals.

Key results

Supporting essential energy storage

Energy storage plays a vital role in reducing emissions by capturing excess renewable energy, such as from solar, and supplying it when renewable generation is low and energy demand is high. The Emerging Energy program is supporting a range of energy storage technologies, including virtual power plants (VPPs), batteries, compressed air and pumped hydro storage, to ensure low-emissions energy is available when it is needed most.

The program has delivered 80.3 MW of new storage capacity across 6 completed projects, with another 5 projects underway.

Providing power where it's needed most

In 2024–25, the SolarHub Smart Distributed Batteries project in southeastern NSW added 1.9 MW of battery storage into a VPP. The VPP links household batteries through smart technology, storing excess electricity when supply is high and releasing it when supply is low. This provides fast frequency control that prevents too much solar supply from destabilising the grid while ensuring reliable, low-emissions power is available during peak demand.

Also, in 2024–25, ACEN Australia commenced construction of the New England Battery Energy Storage System near Uralla. With support from the program, this 50 MW/2-hour battery will store solar energy from ACEN's 720 MW New England Solar Farm, making the renewable power available when the grid needs it most.

The program also funded feasibility studies for the Oven Mountain Pumped Hydro Energy Storage project. Pumped hydro is essential to supporting a grid that increasingly depends on intermittent renewable generation, and these studies mark an important first step in delivering large-scale, long-duration storage for NSW.

DCCEEW

The program supports energy storage solutions to ensure renewable energy, such as from solar, is available when it's needed most.

4.6 Emissions Intensity Reduction

The Emissions Intensity Reduction program supports hard-to-abate industries in NSW to accelerate their transition to net zero emissions, without compromising their contribution to the economy and workforce.

In 2024–25, the Fund contributed $6.8 million to the Emissions Intensity Reduction program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities. It also aims to increase public awareness and acceptance of the importance of climate change and energy savings measures.

The program achieves the purposes under the Act by supporting hard-to-abate mining and manufacturing industries to decarbonise their plant, equipment, facilities and processes. It also fosters low-emissions industrial supply chains and infrastructure, while helping Hunter and Illawarra industries plan for decarbonisation.

Key results

Making progress on reducing emissions

Since its inception in 2021 until 30 June 2025, the program has led to the abatement of 1.114 million tonnes of carbon dioxide equivalent, at an average cost of $11.48 per tonne. This is equivalent to removing about 500,000 cars from the road for a year.

Supporting Orica Tertiary Abatement Project

In 2024–25, the Orica Tertiary Abatement Project was responsible for a 424,830-tonne reduction in emissions from the chemical firm's operations near Newcastle. This is equivalent to taking about 200,000 cars off the road for a year. Now fully operational, the site will continue to eliminate about 500,000 tonnes of emissions each year.

Developing industrial decarbonisation plans

The program has also developed industrial decarbonisation plans that set out pathways to net zero by 2050 for the mining and manufacturing sectors in the Hunter and Illawarra. Developed in close consultation with local industry, these plans outline infrastructure, technology, and potential market, policy and regulatory reforms to drive the activation of low-carbon industrial regions in NSW. The team is now working to develop next steps for the plans' findings.

4.7 Hydrogen

The NSW Hydrogen Strategy sets the path and vision to establish a green hydrogen industry in NSW, enabling the decarbonisation of hard-to-abate sectors. The strategy provides incentives and grant funding to facilitate investment in emerging technologies and establish local supply chains.

In 2024–25, the Fund contributed $14.1 million to the Hydrogen program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with water and energy activities. The program provides funding for contributions made by the state for national energy regulation.

The program achieves the purpose of the Act by providing production incentives, establishing green hydrogen hubs and aiming to support the development of a demonstration network of hydrogen refuelling stations and hydrogen-powered trucks.

Key results

Supporting an alternative to fossil fuels

Hydrogen produced with renewable energy is key to making NSW a low-carbon economy, providing a clean alternative to fossil fuels for industry and freight.

The Fund is supporting the scaling of hydrogen technology in NSW through direct funding and regulatory incentives. Eligible hydrogen production projects can apply for discounts on their electricity network charges. In 2024–25, a 10 MW project was awarded these concessions, reducing a key cost input for hydrogen production. From the start of this funding cycle, 76 MW of electricity network concessions have been awarded to hydrogen projects.

Establishing a hub for a clean economy

The Hydrogen program took a significant step in 2024–25 when the Good Earth Green Hydrogen and Ammonia hub project near Moree reached its final investment decision point. When fully operational, the project is expected to have a contracted firm green hydrogen production of at least 863,000 kg a year.

By 2030, the Moree project, Hunter Valley Hydrogen Hub and Illawarra Hydrogen Technology Hub are currently expected to use renewable energy to produce at least 5,978,000 kg of green hydrogen a year.

The hubs are expected to become operational from early 2027, following delays due to the need to source additional funding from the Commonwealth and align with their emerging and associated funding timelines.

Renewable fuels and workforce analysis

The Renewable Fuel Scheme is a key action under the NSW Hydrogen Strategy. This market-based certificate scheme will provide a financial incentive to increase green hydrogen production. The scheme is expected to commence in 2026.

To support hydrogen as its role is established in a low-carbon economy, NSW is leading a national hydrogen workforce analysis assessment, complemented by the existing Basic Hydrogen Safety Skill Set.

Did you know?

Now in its second year in NSW, the Hydrogen Grand Prix program (H2GP) saw 15 schools from across the Hunter and Illawarra regions compete for the honour of representing NSW at the prestigious H2GP World Finals in Germany. Thanks to support from the Port of Newcastle, 2 NSW teams earned the opportunity to compete at this year's event.

The H2GP puts power in the hands of high school students, with teams from around the world racing hydrogen-powered remote-controlled cars that they've designed and built. Students explore renewable energy, engineering design and teamwork, while also building valuable connections with employers and education providers.

4.8 Renewable Manufacturing Fund

The Renewable Manufacturing Fund supports the NSW transition to reliable renewable energy by supporting local manufacturing of renewable energy components, to grow local supply chain capacity and capability. This includes co-investing with industry in innovative Australian technologies to increase investor confidence in commercially viable and scalable renewable industries in NSW.

In 2024–25, the Fund contributed $6.8 million to the Renewable Manufacturing Fund program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities.

The program achieves the purposes under the Act by investing in local manufacturing capacity and capability to deliver critical components for NSW's emerging renewable energy sector. This includes the local manufacturing of plant, equipment and processes for renewable energy generation, storage and transmission projects integral to a clean energy future.

Key results

Supporting decarbonisation

The program supports the development of products and industries that are needed to decarbonise the NSW economy.

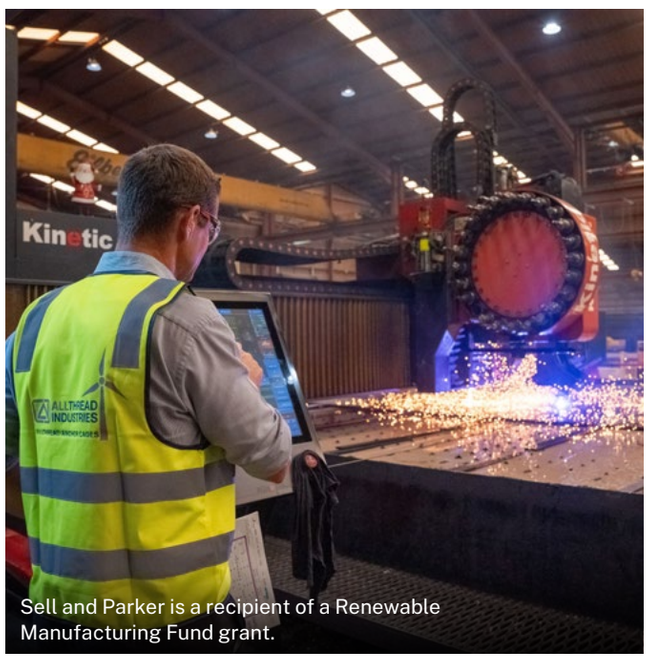
As a grant program, it focuses on expanding and establishing local manufacturing of plant, equipment and processes needed to produce renewable energy and low-carbon products using commercialised technology.

Providing funding for renewable manufacturing

The Renewable Manufacturing Construction Ready Stream opened for applications in February 2024. It received 41 expressions of interest and 11 detailed applications.

Applicants requested about $685 million in funding from the program. About $113 million in funding is expected to be awarded in the first round.

The first round of funding is expected to attract significant private sector investment through co-contributions and project resourcing, which will create new employment opportunities as projects get underway.



Mel Garrick / DCCEEW

Sell and Parker is a recipient of a Renewable Manufacturing Fund grant.

4.9 Sustainable Councils

The Sustainable Councils program works with NSW local councils to accelerate their transition to net zero. The program builds capacity, provides technical resources and offers expert advice to help NSW councils reduce their carbon emissions.

In 2024–25, the Fund contributed $1.1 million to the Sustainable Councils program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with water and energy activities. It also aims to encourage water and energy savings and water recycling, and reduce the demand for water and energy, including peak demand for energy.

The program achieves the purposes under the Act by catalysing and accelerating the net zero transition in the local government sector, in line with State commitments to reach net zero emissions by 2050.

Key results

In 2024–25, the Sustainable Councils program continued to support local governments across NSW to accelerate their transition to net zero.

Providing new round of Joint Organisation grants

The Joint Organisation Net Zero Acceleration (JONZA) program began its second round in 2024–25, with grants awarded to 9 regional Joint Organisations covering 70 councils across regional NSW. The JONZA grant funds a Net Zero Manager for each Joint Organisation to drive council-related net zero activities in the region and act as a point of contact for other NSW climate change programs. JONZA serves as an umbrella initiative, with an array of projects delivered to, and in partnership with, the grant participants.

Supporting electric vehicles

The program supported several Joint Organisations and councils to test and implement EV solutions. The program also helped Joint Organisations gather data about grid capacity to support EV charging and fleet transitions. The Riverina East Regional Organisation of Councils leveraged this work to purchase 9 EVs.

EV trials enabled mayors, general managers and decision-makers across 20 regional councils to experience driving an EV.

A policy framework was developed to help councils installing EV charging infrastructure on their land. Six educational videos were created to upskill councils and the community on EVs, along with an interactive tourism map that makes it easier for EV drivers to find local services and amenities near EV chargers in regional NSW.

The number of EV chargers at Hunter Joint Organisation council facilities grew from 32 to 79 over the year, while community chargers increased from 23 to 61. The number of Hunter Joint Organisation councils committed to transitioning to EV fleets rose from 4 to 7.

Using meters to cut energy costs

The program supported the Far North-West Joint Organisation to engage its councils in monitoring energy use and driving down emissions. A review of network tariffs for 4 councils identified potential savings of up to $63,000 a year.

The Central NSW Joint Organisation implemented Direct Metering Agreements for its councils' small sites, saving about $49,500 a year.

DCCEEW

Coonamble Council Acting General Manager Phil Perram, and Joint Organisation Net Zero Manager Ellen O'Brien at Coonamble's EV trial.

Planning for net zero

The program commenced work to design, build and roll out an emissions inventory tool to help councils measure and benchmark greenhouse gas emissions. The platform will be launched in the second quarter of 2025–26, enabling NSW councils to establish an emissions baseline to measure and track council progress towards net zero emissions.

Providing support for grant applications

The program supported 13 councils in developing and submitting grant applications, resulting in 9 councils being awarded almost $6 million in grant funding through the Australian Government's Community Energy Upgrades Fund. These successful projects, valued between $200,000 and $3 million, aim to upgrade council energy infrastructure and reduce both costs and emissions. All projects are in the initiation phase.

Sharing knowledge through webinars

Since July 2022, the program has also delivered webinars for more than 1,000 attendees. These share practical tools – such as the EV Total Cost of Ownership comparison calculator – and upskill council officers on net zero topics.

Driving reductions in community emissions

In 2024–25, regional and metropolitan councils across NSW – including Kiama, Sutherland and the Far North West Joint Organisation councils – used the NSW Net Zero Community Emissions Guide and Strategy Template developed by the program to advance and finalise their net zero operational and community emissions plans. These strategies commit councils to drive proactive, direct action to reduce emissions and accelerate progress toward net zero.

The program funded licences for councils to access a community emissions data platform and a community emissions forecasting app. This has enabled 33 metropolitan councils and 15 regional councils to prioritise investment in evidence-based net zero strategies, action plans and investment priorities.

Case study

Building a powerful community with connected solar and batteries

Councils on the NSW South Coast heard loud and clear that residents wanted to take part in the renewable energy revolution, but how could they help? The Illawarra Shoalhaven Joint Organisation has made it easier for ratepayers to connect to a virtual power plant (VPP), allowing them to share cheap, clean energy and help stabilise the local electricity network.

As solar systems appear on more and more rooftops around NSW, householders are eager to learn how to make the most of their investment. Solar energy that is not used on-site during the day is exported to the grid, often for a low return. Homeowners who add a battery to their system have an advantage, but may miss out on selling their stored energy because they don't know when peak wholesale prices are very high.

The Illawarra Shoalhaven VPP will store surplus solar energy for use during peak demand, reducing costs and improving grid reliability. "It's going to be a 'community power plant', and I think a lot of us are interested in that idea," says Simon Wallace-Pannell, Sustainable Councils Program Manager at the NSW Department of Climate Change, Energy, the Environment and Water.

Councils can reduce emissions in 2 ways, Simon explains. They can examine their own assets and operations, such as swimming pools and council buildings, and develop strategies to improve their efficiency. They can also help residents and local businesses take part in the clean energy transition by offering incentives.

The Illawarra Shoalhaven VPP forms part of the Joint Organisation Net Zero Acceleration initiative, a Sustainable Councils program initiative that enables clusters of councils to work together on emissions reduction. In this case, collaboration led to a single procurement process with ShineHub as both technology provider and energy retailer. This streamlined model delivers regional consistency, broader participation and simplified approvals.

With multiple installers and battery brands available, people often lack the time or capacity to do the necessary due diligence. The VPP offer through ShineHub simplifies the process by reducing the number of choices, making the decision easier for ratepayers.

Community engagement has been central, with solar and battery education sessions offering locals the chance to learn about technology and rebates. Councils also tapped community organisations to spread the word.

With supportive councils, engaged residents and a delivery model in place, the Illawarra VPP demonstrates how local governments can accelerate the shift to net zero while empowering their communities.

DCCEEW

Solar and battery education sessions offered locals the chance to learn about the technology and rebates available.

4.10 Sustainable Finance

The Sustainable Finance program is a collaboration between the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW), and NSW Treasury.

The program identifies and develops products and provides advice to drive Treasury's contribution to achieving NSW's climate change strategic priorities as the State's principal fiscal and economic adviser.

In 2024–25, the Fund contributed $1.6 million to the Sustainable Finance program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities. It also increases public awareness and acceptance of the importance of climate change and energy savings measures.

The program achieves the purposes under the Act by identifying and quantifying the key climate-related financial risks to the State associated with both natural disasters and economic transition. The objective is integrating climate risks into fiscal planning, enabling NSW Treasury to make informed decisions that support emissions reduction policies and investments, in turn ensuring government budgets and strategies are consistent with net zero pathways.

The NSW Sustainable Finance website was developed and is being maintained as a central repository for the State's policies, regulations, data and news related to environmental, social and governance matters. The website is designed to engage government agencies, investors, industry stakeholders and the wider public.

Key results

Evaluating climate risks to the economy

Since its launch in 2024, the program has been developing a Climate Vulnerability Assessment methodology to quantify the impacts of climate risks to NSW's finances.

In 2024–25, an inventory was created of physical and transition risk impacts that may affect NSW's finances. The team began modelling the impacts of climate risks, specifically on capital expenditures. This will help improve understanding of the impact of climate change on NSW finances.

During the year, the program consulted key stakeholders across government, investors and industry to identify potential gaps and enabling mechanisms to position NSW as a leader in sustainable finance. The stakeholders represented DCCEEW, Investment NSW, NABERS and the Energy Corporation of NSW (EnergyCo), as well as investors, developers, incubators/accelerators, and institutional and retail banks.Insights and recommendations were compiled into a reference report to inform future actions and strategic decisions.

Supporting a net zero future

The program has also been developing a sector-agnostic methodology to help policy teams identify optimal government interventions to support the net zero transition at the sector level. The team identified 2 pilot subsectors – manufacturing sector and commercial buildings subsector (under the built environment sector) as case studies to develop the methodology in collaboration with DCCEEW.

Improving information on sustainable finance

Creating the Sustainable Finance website was the first activity initiated by the team to position NSW as a sustainable finance leader. The website serves as a whole-of-government platform centralising data, policies and initiatives. During the year, the website was periodically maintained and is being updated based on stakeholder feedback.

Did you know?
The NSW Sustainable Finance website is the first of its kind in Australia – a centralised platform dedicated to sustainable finance. It acts as a one-stop shop, bringing together strategies, policies, data and resources from multiple NSW Government agencies under one roof.

Section 5

Making clean energy more affordable and reliable

Katherine Griffiths / DCCEEW

The NSW Government is committed to making clean energy more affordable and reliable for the people of NSW.

Renewables, including solar, wind and backup storage, have already overtaken coal-fired power as the most affordable energy source, and NSW is making the most of its natural advantages.

The NSW Government is setting the standard as we upgrade our electricity network to deliver cleaner, more affordable and more reliable energy for communities across the state.

With the backing of the Fund, a diverse mix of renewable technologies will power our state. Looking ahead, solar, wind farms and large-scale energy storage, such as pumped hydro and big batteries, will work alongside rooftop solar and household batteries. With 1 in 3 households generating their own electricity with rooftop solar, renewable energy is already making a difference in our everyday lives.

The Fund has supported households to install solar panels and batteries, which lower energy bills and encourage clean energy use. Additionally, in key government buildings, smart battery systems are improving energy storage and management, contributing to a more stable grid and lower costs, ultimately saving taxpayers money.

Upgrades to social housing have improved energy efficiency, extending clean energy benefits to those needing it most. Community-led renewable energy projects, including NSW's first community solar garden, are also giving households without access to rooftop solar the opportunity to take part in the renewable energy transition.

These investments are making clean energy more affordable and reliable, delivering tangible benefits for the people of NSW – from lower energy bills and a more stable grid to greater access to renewable energy solutions.

This section highlights how these initiatives are making clean energy more affordable and reliable in NSW. Together, we're building an energy system that will keep the lights on and drive down energy costs for decades to come. All programs are in line with section 34F of the *Energy and Utilities Administration Act 1987*.

5.1 Liddell Response

The Liddell Response program helps secure the NSW energy system by partially funding the development and operation of the Tallawarra B fast-start gas-fired open-cycle power station at Yallah, near Wollongong.

Tallawarra B provides 320 MW of capacity and is Australia's first peaking power station that is capable of running on a blend of gas and green hydrogen. It backs up renewable generation, providing reliable power to NSW, and lowering emissions intensity through the forecast use of green hydrogen and commitments to offset direct emissions.

In 2024–25, the Fund contributed $0.5 million to the Liddell Response program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy generation.

The program achieves the purposes under the Act by setting new benchmarks for gas generators using green hydrogen, offsetting emissions, and providing fast-start backup generation that complements renewable energy sources.

Key results

The Tallawarra B gas peaking power station came online in June 2024. In its first year, it recorded more than 150 commercial starts, showing its ability to respond quickly and reliably during periods of high demand.

In 2024–25, operator EnergyAustralia continued working with potential suppliers to source green hydrogen for use at the plant and issued a standing offer to the market to purchase up to 200,000 kg of green hydrogen per year.

Since coming online, it has provided backup power generation during peak demand, directly helping to ensure secure, reliable energy for the people of NSW.

Energy Australia

Tallawarra B is already showing its ability to respond quickly and reliably during periods of high demand.

5.2 NSW Electricity Infrastructure Roadmap

NSW is leading a significant upgrade of Australia's electricity network, building the infrastructure needed to keep the lights on.

The Electricity Infrastructure Roadmap (Roadmap) outlines how the State will transition the electricity network to ensure reliable, affordable and clean energy for everyone. It integrates a range of renewable technologies, including solar and wind farms, large-scale energy storage solutions like pumped hydro, big batteries and new network infrastructure. With the Roadmap in place, the electricity sector is forecast to contribute 53% of the emissions reductions needed to meet the legislated 2030 target.

The Renewable Energy Zones and priority network projects are key components of the Roadmap and are projected to enable more than $77 billion in private sector investment in the NSW economy by 2035.

In 2024–25, the Fund contributed $11.7 million to the Roadmap, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities.

The Fund has contributed critical funding to the Roadmap by supporting the Energy Corporation of NSW (EnergyCo) to deliver the Renewable Energy Zones.

Key results

Supporting more affordable clean energy

From the start of this funding cycle in 2022, we've locked in:

- more than two-thirds of the minimum required 12 GW of renewable energy generation
- 40% of the 2 GW of long-duration storage required by 2030
- almost two-thirds of the 28 GWh of long-duration storage required by 2034.

This will bring more renewable energy into the grid and put downward pressure on electricity prices.

Benefitting local communities through long-term service agreements

The Roadmap incentivises investments and reduces investment risk in electricity generation, storage and firming infrastructure through long-term energy service agreements. To date, 5 tenders have been completed. This has resulted in long-term energy service agreements being awarded to 3 wind farms, 4 solar farms, 7 long-duration storage projects and 4 firming infrastructure projects.

Local communities and economies are benefitting from these renewable energy generation projects. Preliminary data shows that about 36% of their workforce comes from local regions, and they spend around 13% of contract values in local supply chains. First Nations employees account for around 2% of the Roadmap workforce.

Mike Terry / DCCEEW

The Roadmap integrates a range of renewable technologies, including solar and wind farms, large-scale energy storage solutions and new network infrastructure.

Building more Renewable Energy Zones

In 2024–25, the Central-West Orana Renewable Energy Zone reached financial close and major construction began. The project will deliver at least 4.5 GW of new network capacity by 2028. In May, EnergyCo awarded access rights to 10 projects in the Renewable Energy Zone, with a total of 7.15 GW of renewable energy generation and storage capacity. By 2031, these projects will power 2.7 million homes in peak periods, avoiding 10.3 million tonnes of carbon emissions each year.

Additionally, EnergyCo granted access rights to 4 wind, solar and large-scale battery projects in the South West Renewable Energy Zone, with a combined generation capacity of 3.56 GW.

Did you know?

When commissioned, the Waratah Super Battery Project is expected to be one of the most powerful battery energy storage systems in the world. It is located at the site of the former Munmorah coal-fired power station. It is actively bolstering energy security for NSW's grid, acting as a 'shock absorber' in case of power line outages due to events like lightning strikes and bushfires.

5.3 Regional Community Energy Fund

The Byron Bay Solar Farm and Battery Storage Facility

The outcomes for the Regional Community Energy Fund program are to increase renewable energy generation, improve energy reliability and help communities save money on electricity bills through community-led projects. The program is now closed.

Launched in 2019, the Fund initially awarded $15.4 million for 7 renewable energy projects in regional NSW, to deliver secure renewable energy and greater energy resilience, with 5 projects that progressed to delivery. The Byron Bay and Grong Grong schemes were completed, while funding for the remaining 3 was terminated on 30 June 2025 due to ongoing delays in delivery.

In 2024–25, the Fund contributed $3.1 million to the Regional Community Energy Fund, which aimed to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities.

The program achieved its purpose under the Act by funding community energy projects that created dispatchable renewable energy, directly reducing greenhouse gas emissions.

Key results

Celebrating solar success stories

The program delivered 2 completed projects. The Byron Bay Solar Farm and Battery Storage Facility comprises a 4.99 MWh solar farm and a 10 MWh lithium-ion battery storage system, generating enough renewable energy to power roughly 2,311 homes for 30 years. Meanwhile, Haystacks Solar Garden at Grong Grong is a 1 MWh solar farm.

The 2 completed projects have:

- generated 6.49 MW of electricity
- achieved 4.99 MW/10 MWh of energy storage capacity
- resulted in $14.7 million in private investment.

Ending funding

The Goulburn Community Dispatchable Solar Farm is nearing completion. When commissioned, it will consist of a 1,200 kWh solar photovoltaic system and an 800 kWh battery for energy storage. The program funding for the project has ended. However, the grantee will continue work to deliver the project with their own funding.

The 3 projects that were not completed within the funding timeframe are likely to contribute a further 11 MW in energy generation and 11.09 MW in storage capacity. These projects are proceeding with funding from alternate sources. They have attracted nearly $38.8 million in private funding.

5.4 Safeguard Acceleration

The Safeguard Acceleration program supports the expansion of the Energy Security Safeguard (Safeguard). It assists the Safeguard's growth by stimulating the uptake of new and underserved market opportunities under the Peak Demand Reduction Scheme and the Energy Savings Scheme.

In 2024–25, the Fund contributed $3 million to the Safeguard Acceleration program, which aims to encourage energy savings, reduce energy demand and address peak demand for energy.

The program achieves the purpose under the Act by supporting energy and peak demand savings upgrades in sectors and regions that have been underserviced by the Safeguard. It offers accredited businesses fixed price certificate contracts to establish new business models and help expand their installer networks to deliver energy and peak demand savings upgrades through the Safeguard.

Key results

Enabling substantial energy savings

Safeguard Acceleration has motivated many households and small businesses to implement energy efficiency upgrades through the Safeguard. This includes upgrading 2,807 air conditioners and 635 heat pump water heaters, which are expected to save each customer an average of $715 a year on their energy bills. Importantly, 90% of surveyed customers said they'd consider another energy efficiency upgrade through the Safeguard after receiving our program offer.

These upgrades have already achieved about 7,750 MWh of electricity and 760 MWh of gas savings for NSW since the program offers commenced in late 2023. Over the lifetime of the installed systems, they should deliver about 55,584 MWh of electricity and 28,080 MWh of gas savings. Households and small businesses that receive these upgrades should achieve around $22.5 million in energy bill savings, with an average of $6,533 per customer.

Since introducing our contracts, 200 new installers are working under the Safeguard for the first time to service regional NSW and 105 installers are servicing metropolitan Sydney. This has enabled us to deliver 81% of all household upgrades in regional areas.

Increasing savings for customers and businesses

In 2024–25, the program:

- awarded $5.95 million through 13 contracts with businesses accredited to deliver energy efficiency technology upgrades. These contracts reduce the risk for our suppliers establishing new business models and delivering energy efficiency technology upgrades to sectors and regions underserviced by the Safeguard
- upgraded 1,832 air conditioners and 537 heat pump water heaters in households and small businesses in NSW, providing about 5,920 MWh of annual electricity savings and 750 MWh of annual gas savings
- completed 5 commercial and industrial electrification upgrades, which over their lifetimes are expected to save about 19,000 MWh of gas, reducing bills by $1.8 million. This means that each business should save an average of $50,000 a year on its energy bills
- supported the Aboriginal Housing Office to choose highly efficient air conditioners to install through their social housing upgrade program. It has already upgraded 233 households while integrating the Safeguard incentives into procurement processes for future upgrades
- increased the number of heat pump hot water brands and models available under the program by 55%. This has driven competition, attracted more installers to the Safeguard and improved choices and after-care service for customers.

Case study

Expanding energy-efficient appliance installations across NSW

The Safeguard Acceleration program is cutting energy use and easing pressure on the grid by helping households and small businesses across NSW install more energy-efficient technologies. The program expands the reach of the NSW Government's Energy Security Safeguard (the Safeguard, making high-performance air conditioners and heat pump water heaters more widely available across regional NSW.

Since the program's launch in 2022, participating installers have upgraded more than 2,800 air conditioners and 635 heat pump water heaters. The program has delivered 81% of all household upgrades in regional areas by providing incentives to increase the number of installers in harder-to-reach areas.

Improving the Safeguard in Northern NSW

The Safeguard Acceleration program developed a Certificate Supply Contract targeting Northern NSW, as only 9 air conditioning upgrades had occurred in this region under the Safeguard. Since the contract commenced in December 2023, 311 installations have occurred, enabling households in 85% of this region to access a discounted air conditioner upgrade through the Safeguard.

"Our role is to identify opportunities to expand the Safeguard's reach and help businesses fill the gaps by providing them with financial support," explains Brendan Cosgrove, Manager of the Safeguard Acceleration program. "It has taken us a while to figure out the market challenges, but we're really starting to see the number of installations go up across the state."

The benefits are clear for both customers and installers. Heat pump water heaters use 60–75% less energy than conventional gas or electric units, significantly reducing emissions and household bills. High-efficiency air conditioners deliver energy savings while improving comfort and reducing reliance on inefficient plug-in devices. These upgrades support grid stability by cutting energy demand and help avoid the need for new power infrastructure, creating a win-win for the state and consumers.

Benefitting installers and consumers

Installers who partner with contracted suppliers can secure a higher fixed price for the upgrades they deliver under the Safeguard. This provides financial certainty for installers and allows them to offer customers more attractive discounts. This significantly reduces the upfront cost for customers to install energy-efficient air conditioners or heat pump water heaters.

Since its inception, the program has focused on delivering greater product choice for consumers and installers through the Safeguard. This includes supporting locally manufactured brands like Rheem, Rinnai and Dux through the program.

In turn, this has opened the Safeguard up to a wider network of installers who were previously reluctant to participate because they weren't able to access incentives for the brands they had longstanding relationships with.

This has enabled these new installers to use the incentives provided through the program to offer their customers energy-efficient heat pumps and provide adequate after-care services.

Rhett Bedford from Hot Water Maintenance, Port Macquarie, says, "Safeguard Acceleration's incentives are a valuable tool for getting customers considering a heat pump water heater over the line.

"Being able to factor in a discount from the Safeguard Acceleration Program gives me something to work with when I'm putting together a price for a customer," he says. "This allows me to offer heat pump water heaters to customers at a cheaper price."

Tim Mellis from Solahart, Newcastle, agrees that the Safeguard has made the brand more affordable. "Solahart is Australian made, so our water heaters are slightly more expensive. Being able to offer customers a bigger discount through the Safeguard Acceleration program definitely helps with sales."

5.5 Social Housing Energy Performance Initiative

The Social Housing Energy Performance Initiative aims to boost the energy efficiency of social housing properties in NSW. The initiative helps lower tenants' energy bills and ensures their homes stay cooler in summer and warmer in winter.

In 2024–25, the Fund contributed $6.5 million to the Social Housing Energy Performance Initiative, which aims to encourage energy savings and increase public awareness and acceptance of the importance of addressing climate change, including through energy savings measures.

The initiative achieves its purpose under the Act by installing energy-efficient equipment and supporting home improvements in social housing to enhance energy savings and comfort. These upgrades will benefit social housing properties across the state. These upgrades mean less energy drawn from the grid and fewer emissions, benefitting everyone – not just those in social housing. The program also boosts public awareness of energy savings measures.

Key results

Funding social housing energy upgrades

Co-funded by the Australian and NSW governments, the $175 million program launched in 2024 with a target of approximately 24,000 social housing upgrades. Since then, around 8,000 homes have been upgraded through the Housing Portfolio and the Aboriginal Housing Office, and targeted support to Aboriginal Community Housing Providers. Upgrades have included heat pump water heaters, electric cooktops, ceiling insulation, draught proofing, air conditioners, solar photovoltaic systems, window shading and ceiling fans, to reduce energy bills and keep homes cooler in summer and warmer in winter.

Expanding federal funding

Significantly, the Australian Government announced a $500 million expansion to its program funding nationally in November 2024. NSW will receive an additional $145.3 million investment in the program as part of this expansion. This will enable the program to provide energy upgrades for up to an additional 13,500 NSW social housing properties.

Awarding grants and co-funding

In 2024–25, 22 grants totalling over $13 million were awarded to community housing providers for energy upgrades in their properties. Projects to evaluate and deepen the reach of the program were also funded.

Internal projects included developing tenant empowerment activities and impact tracking tools. This included engaging directly with tenants to deepen understanding of the tenant experience of receiving upgrades, to improve outcomes for householders.

Katherine Griffiths / DCCEEW

Tenants shared their experiences of receiving an energy upgrade.

5.6 Sustainable Homes

The Sustainable Homes program aims to enhance energy efficiency in NSW households and boost demand for sustainable homes. The program team is responsible for Action 19 of the Consumer Energy Strategy, which will introduce voluntary disclosure of home energy ratings at the point of sale or lease in 2025, beginning with trials.

In 2024–25, the Fund contributed $1 million to the program. The Sustainable Homes program successfully secured an additional $8 million of funding across 2024–25 to 2026–27 through the Consumer Energy Strategy to deliver disclosure of home energy ratings and investigate minimum energy efficiency rental standards. These are the 2 key foundational elements in the Fund's business case for the Sustainable Homes program.

The Sustainable Homes program aims to encourage energy savings. It also aims to reduce energy demand, including addressing peak demand, and increase public awareness and acceptance of the importance of addressing climate change and energy efficiency.

The program achieves its purposes under the Act by helping NSW households identify and implement cost-effective energy upgrades, lower energy bills, increase home value and promote environmental benefits. It also prepares the market for policy and market shifts, facilitating the transition to sustainable homes in NSW.

Key results

Marking an Australian first

The Australian Capital Territory has had mandatory disclosure of home energy performance ratings since 1999. But NSW is the first jurisdiction to trial and commit to implementing disclosure as part of the National Home Energy Ratings Disclosure Framework.

Collaborating on home energy rating scheme

In 2024–25, the Inter-Governmental Disclosure Working Group was established and facilitated 5 workshops to coordinate the implementation of voluntary home energy ratings at the point of sale or lease in NSW. Members include stakeholders from NSW Fair Trading, the Office of the Registrar General, the NSW Department of Planning, Housing and Infrastructure's Building Sustainability Index team, Homes NSW, the Commonwealth Government Disclosure team and the Nationwide House Energy Rating Scheme (NatHERS).

On behalf of the Commonwealth, states and territories, the program engaged with representatives of the real estate and property technology sectors to explore the opportunities, challenges and drivers of integrating home energy ratings into their processes for residential property sales and leases. Engagement took place through 6 real estate expert round tables and 6 property technology interviews. These showed that training real estate agents early is key to introducing voluntary home energy ratings. The results are summarised in the Insights from a real estate sector engagement report.

Training real estate agents

The program team also developed training for real estate agents to provide them with the skills, knowledge and resources to support their clients with home energy ratings. This training will be delivered as part of the voluntary home energy rating trials in 2025–26.

The program also developed a discussion paper exploring the application of home energy ratings in the point-of-sale contract and engaged with the Law Society of NSW and the Australian Institute of Conveyancers (NSW Division). This will inform consultation with the broader sector in 2025–26.

Did you know?
Since 2004, all new homes in NSW must meet the Building Sustainability Index (BASIX) standards as part of the development application process. Most homes built before 2004 do not meet any minimum energy efficiency requirements, so they tend to be colder in winter and hotter in summer.

Case study

Energy-smart agents get ahead of the game

Australia has some of the coldest and least energy-efficient homes in the developed world. The average home built before 2004 is rated just 1.8 stars out of 10 for energy efficiency.[2] This is estimated to include more than 70% of Australian homes.[3] This impacts the health, wellbeing and budget of householders.

With energy performance fast becoming a key factor in how homes are marketed and sold, knowing a dwelling's Whole-of-Home Energy Rating can be useful – for both real estate agents and potential buyers.

Managed by the Nationwide House Energy Rating Scheme, these ratings – which are similar to the star ratings on energy-efficient appliances – are based on an assessment of a house or apartment's entire energy performance. This includes the amount of energy it uses for lighting, heating, cooling, hot water systems, appliances and pool or spa equipment. It also includes the home's orientation and layout, along with its construction methods and materials, including insulation.

However, many real estate agents aren't using this valuable information, which can help buyers and renters understand the whole picture of a home's energy use, comfort and affordability.

To address this situation, the NSW Government has teamed up with the Australian Government and real estate professionals to design and pilot a new training program to help agents understand and use Home Energy Ratings in their daily work. This initiative is part of broader efforts by the department to ensure the real estate sector is ready when NSW transitions to mandatory Home Energy Rating disclosures.

The training program is the result of a year-long engagement with industry leaders, including CEOs, agents and franchise leaders, who helped shape the format and content. It covers how the ratings system works, how to access information about a property's energy efficiency, the energy demand from appliances and renewable energy features, and how to answer buyers' common questions. The program provides agents with clear explanations, practical tools and real-world examples that help them to understand and use Home Energy Ratings effectively in their work, assist their clients and buyers, and become more successful agents. The national pilot program has met with approval from participants.

"We know that some homes just feel 'better' and now we can point to the rating and explain why in terms of comfort and cost," says John Cunningham from Cunninghams Real Estate in Balgowlah. "It's changed the way I talk to both vendors and buyers."

By participating in the trial, agents are helping to shape how energy performance is included in the real estate conversation in NSW.

"This is about being future-ready," says Emily Yip, Director, Community and Home Programs, Department of Climate Change, Energy, the Environment and Water. "We're proud to be working with industry to make these changes practical and beneficial for everyone."

2 K Cranney, 2021, *It's in the stars! How scientists figure out your home's energy rating*, CSIRO, 30 September, viewed 27 August 2025, https://www.csiro.au/en/news/All/Articles/2021/September/its-in-the-stars-how-scientists-figure-out-your-homes-energy-rating

3 M Boseley, 2024, 'Why so many Australian homes are either too hot or too cold', *The Guardian*, 3 July, viewed 27 August 2025, https://www.theguardian.com/news/ng-interactive/2024/jul/03/why-so-many-australian-homes-are-either-too-hot-or-too-cold

Section 6

Working together for NSW

Matt Beaver / DCCEEW

The Fund works with businesses, landowners and NSW Government agencies to facilitate the transition to more sustainable energy practices and lower emissions. By breaking down barriers and providing incentives, we support these groups to build skills, improve carbon management practices and adopt clean technologies.

Our support helps businesses cut operating costs and boost competitiveness by adopting more efficient and sustainable practices. Landowners benefit from better land management techniques that lift productivity while reducing environmental impacts. For government agencies, this means managing public resources and infrastructure more effectively, creating a cleaner environment and improving public services.

The Fund also engages with governments worldwide to share knowledge and learn from international successes. This collaboration allows NSW to incorporate best practices and innovative approaches in its climate projects, accelerating its transition to net zero.

This section highlights how working together – locally and internationally – strengthens NSW's progress towards a sustainable, low-emissions future. All programs are in line with section 34F of the *Energy and Utilities Administration Act 1987*.

6.1 Net Zero Commission

The Net Zero Commission is an independent statutory body established under the *Climate Change (Net Zero Future) Act 2023*.

The Commission's role is to:

- monitor, review and provide advice and recommendations to the Minister for Climate Change on progress towards NSW's emissions reduction targets and adaptation objective
- monitor and review action currently being taken in NSW to address climate change, including the environmental, social and economic impacts as well as action related to the NSW Government's strategies, policies and programs
- identify and recommend action that should be taken by the NSW Government to address climate change
- educate and inform the NSW Government, businesses, organisations and individuals to promote action to address climate change.

The Commission commenced operations in July 2024 with the appointment of 7 commissioners and the NSW Chief Scientist and Engineer. The Commission is supported by a Chair appointed by the Minister for Climate Change and a team of staff.

In 2024–25, the Fund contributed $4.8 million to, the Net Zero Commission, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities.

Key results

In 2024–25, the Net Zero Commission delivered its first annual report, assessing NSW's progress towards the state's greenhouse gas emissions targets and climate adaptation readiness. The report identified that many of the foundational elements for NSW to commence the transition towards net zero are in place, but all sectors of the economy will need to play their part in meeting NSW's legislated targets.

In its report, the Commission also assessed NSW's progress towards delivering the public adaptation commitments in the NSW Climate Change Adaptation Strategy and highlighted work that should be prioritised.

The Joint Standing Committee on Net Zero Future monitors and reviews the Net Zero Commission's functions. In March 2025, the Committee held an inquiry into the Commission's annual report and issued 4 recommendations.

The Net Zero Commission released a consultation paper in April 2025 to invite insights on a variety of topics to help inform their advice to NSW Government. It also engaged with external stakeholders via a series of roundtables and direct meetings.

In June 2025, the NSW Government accepted the findings of the Net Zero Commission's annual report and the Standing Committee. It recognised the urgency for action to address climate change and that more action is needed for NSW to meet its net zero targets. See the NSW Government response.

The Commission uses Fund resources to deliver its functions under the *Climate Change (Net Zero Future) Act 2023*. The Commission's workplan is published on its website.

6.2 Net Zero Futures Policy Forum (International Collaboration)

The Net Zero Futures Policy Forum supports the NSW Government in learning, collaborating and connecting with other governments, both domestically and internationally, to accelerate our transition to net zero emissions.

In 2024–25, the Fund contributed $0.9 million to the Net Zero Futures Policy Forum, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with water and energy activities.

The forum achieves the purposes under the Act by connecting NSW policymakers with their peers, ensuring NSW policies are informed by international experience and global best practice in emissions reduction.

Key results

Learning from international experience

Since the forum began in 2021, the NSW Government has strengthened its connections with international peers addressing climate change. Collaborative projects, such as the Net Zero Futures Policy Forum and Mediterranean Climate Action Partnership, have given NSW access to diverse government policy ideas and case studies.

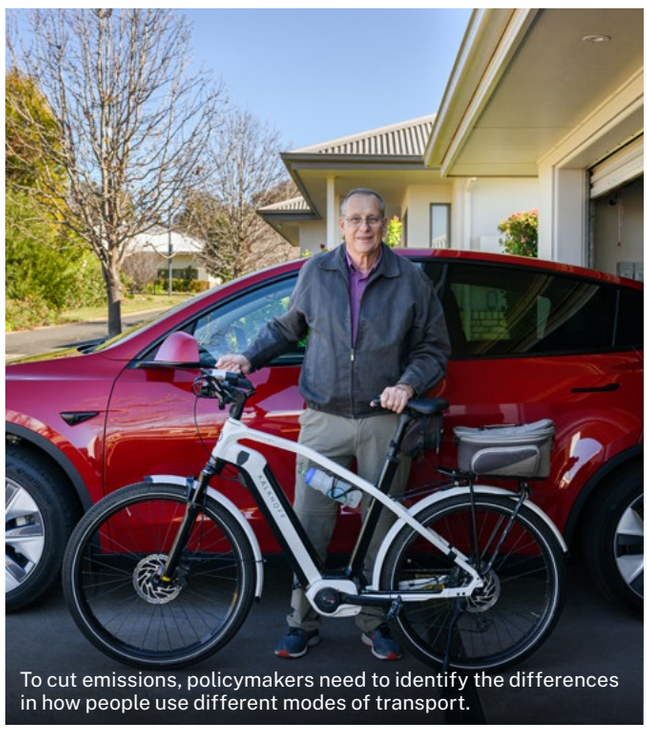
Bilateral agreements with governments like Denmark and Finland have helped the NSW Government understand the energy transition and industrial decarbonisation.

NSW policies have been refined following participation in international events, such as the Conference of the Parties to the United Nations Framework Convention on Climate Change.

Hosting events

In 2024–25, the Net Zero Futures Policy Forum (International Collaboration) hosted 4 Learn, Engage and Discuss sessions, covering various policy topics and international perspectives.

The forum also established a Community of Practice on Carbon Dioxide Removals this year to upskill NSW policymakers and other governments in this emerging area.



Jeremy Park / DCCEEW

To cut emissions, policymakers need to identify the differences in how people use different modes of transport.

Did you know?

About 29% of all trips in the Netherlands are by bicycle but in the UK it's only 2%. However, both countries have similar transport emissions per person because some motorists in the Netherlands drive a lot. This means that to cut emissions, policymakers need to identify the differences in how people use different modes of transport.

6.3 Primary Industries Productivity and Abatement

The Primary Industries Productivity and Abatement program (PIPAP) supports farmers and land managers to reduce emissions, improve carbon management and enhance biodiversity alongside production.

The program aims to scale up and sustain this activity over the long term by facilitating access to environmental markets and accelerating finance for natural capital and low-carbon farming.

In 2024–25, the Fund contributed $8.3 million to the PIPAP program, which aims to reduce greenhouse gas emissions and the impacts of climate change associated with water and energy activities. It also aims to increase agricultural and land sector awareness and acceptance of the importance of climate change and water and energy savings measures.

The program achieves the purposes under the Act by targeting emissions reductions and increased carbon sequestration, and supporting abatement in agriculture and the land sector. It provides incentives for farmers and land managers to reduce emissions and enhance sequestration in soils, vegetation and blue carbon ecosystems. The program is also building the capacity and expertise of support agencies to assist land managers with developing and implementing carbon projects.

Market Development

PIPAP is working to improve the commercial viability of carbon abatement in agriculture and the land sector and enable access to private finance. This will ensure that carbon outcomes and other benefits can be scaled up and sustained beyond the period of government funding.

Key results

Launching the Low Carbon Landscapes grant

The Low Carbon Landscapes grant, launched in 2024–25, will support the initial stages of project development for landscape-scale, high-quality carbon abatement projects, up to the point where they are able to secure investment. More than 90 people attended an information session about the grant round, and the grant website had more than 1,620 page views during the application period. A total of 33 applications were received, which are currently being assessed.

Gathering business insights for environmental markets

A number of major businesses were interviewed to understand their requirements as buyers or investors in environmental markets. This revealed a preference for carbon abatement projects that:

- deliver co-benefits aligned with the business's nature-related dependencies or impacts
- use standardised metrics and third-party verification
- generate outcomes within their value chains
- foster collaboration with Indigenous peoples.

Did you know?
Sheep can be quite hesitant to step onto in-paddock scales to be weighed, but they are much happier to do it with another sheep by their side.

Building capacity in native seed systems

A study was commissioned in 2024–25 to improve understanding of supply and demand for native seed and identify how constraints can be resolved. These constraints are currently a major barrier to scaling up revegetation for carbon abatement and nature restoration in NSW. The program also funded the North Coast Regional Seedbank to strengthen regional capacity in native seed collection, processing and storage. The project delivered 5 regional collection plans, 6 workshops (with more than 60 attendees), 3 online training videos and a print guide.

Collaborating on carbon credits

Throughout the year, the team has been engaging in work led by the Australian Government and third-party proponents to develop new or improved methods for the Australian Carbon Credit Unit Scheme. The team also commissioned CSIRO to update its Landscape Options and Opportunity for Carbon abatement Calculator (LOOC-C) tool to include the Plantation Forestry method for NSW, to improve the visibility of the opportunity this method presents for landholders in the state.

On-ground Implementation

PIPAP aims to promote carbon action in the land and primary industries sector. It invests in building capacity in carbon management and in on-ground projects to deliver abatement and support participation in carbon markets.

PIPAP invested $4.17 million in funding grants, research and partnerships in 2024–25. To help land managers understand carbon projects, the team delivered or contributed to 74 events, resources and funded projects during the year.

Key results

Supporting carbon projects

From the start of this funding cycle, PIPAP has directly supported the registration and implementation of 26 carbon projects under the Australian Carbon Credit Units Scheme.

In 2024–25, 18 of the carbon projects registered in NSW under the scheme were directly supported by PIPAP, compared with 5 the previous year. High Impact Partnership grantees delivered 13 projects and Living Carbon grantees delivered 5.

PIPAP committed $541,698 to 6 projects through the Living Carbon grants in 2024–25. These projects are expected to abate 162,366 tonnes of carbon dioxide equivalent across 441 hectares over the next 25 years.

Connecting on-ground action to emissions reductions

PIPAP provided $550,000 for the Department of Primary Industries and Regional Development (DPIRD) to develop and pilot the Livestock Emissions Dashboard. This dashboard will use real-time weights from livestock scales in the paddock to calculate the emissions intensity of the herd. This will enable farmers to see a direct link between actions taken on the farm and changes in greenhouse gas emissions.

Engaging communities in carbon solutions

In 2024–25, the Carbon on Country partnerships initiative was launched, with $2.5 million available to support Aboriginal organisations delivering carbon projects.

Four NSW Aboriginal organisations are partnering with the team to co-design environmental planting projects that will be owned and managed by the partner Aboriginal organisation.

This year, the On-Farm Carbon Advice program, funded by PIPAP in partnership with DPIRD, has delivered 8 outreach events and 54 education and training events, with a combined attendance of 2,138 people learning about carbon management.

Flooding impacts on regional activities

Extreme weather this year brought numerous challenges. Some events needed to be cancelled due to flooding in the North Coast and MidCoast regions, and some planting projects were impacted by seedling losses. Extreme weather events also make producers hesitant to commit to planting projects due to uncertainties around plant survival and growth.

Case study

Aligning carbon reduction with the business of farming

Within the quiet surrounds of the Riverina, Koolawarra is being rejuvenated. Some paddocks that once carried crops have been replanted with a mix of native vegetation, looking beyond the next harvest to prioritise the land's long-term health. The project demonstrates how carbon farming can work alongside longstanding agricultural practices, supported by the Primary Industries Productivity and Abatement program's Living Carbon grant program.

Koolawarra is a 394-hectare property about 13 kilometres west of Henty in NSW. The landowners have set aside around 30 hectares across 4 sites, direct seeding more than 8 Acacia species and Dodonaea, with eucalypt tube stock, to establish permanent native cover. Once these plantings mature, they'll provide habitat for threatened local species.

The revegetation will also generate Australian Carbon Credit Units, which the landowners can hold towards the farm's carbon-neutral status or sell for additional income. Crucially, this is still a working farm, with the carbon plantings sitting alongside grazing and a soil carbon project.

What makes Koolawarra's work distinctive is the landowners' commitment to measuring co-benefits. They are using the independent Accounting for Nature framework and developing an environmental account to monitor for improved biodiversity outcomes. This may add value to their credit units.

"Our land has been cropped for a while. We've had soil sampling done and realised that yields were not as good as they once were," says landowner Virginia Leitch. "We decided it was time to transition to a more diverse cultivation of the property. There wasn't a lot of trees left, and cattle benefit from the shade and shelter from the wind."

The planting design will create corridors along riparian areas, improving conditions for livestock. The project has also promoted local collaboration, with Riverina Local Land Services staff providing advice and support with mapping, project design, grant applications, and monitoring and reporting requirements.

Areas cleared through grazing, harrowing and burning are now ready for planting. The Riverina Local Land Service has completed baseline monitoring. Unfortunately, severe weather has temporarily halted planting. This delay is a stark reminder that primary producers in a unique position to implement climate positive action by reducing emissions and sequestering carbon are also among those most affected by climate change.

Importantly, Koolawarra is showing how carbon farming can be a practical option for other producers. By starting with select parcels of land, the owners are testing how a carbon project fits with their existing farming business model to maintain viability. Their work shows that, with the right support structures and buy-in from landowners, revegetation projects can open new revenue streams and deliver measurable environmental outcomes.

Darren Grigg, Griggmedia / DCCEEW

Koolawarra is transitioning to more diverse cultivation, which will increase shade for cattle and open a new revenue stream through carbon farming.

6.4 Sustainability Advantage

Sustainability Advantage partners with government, business and industry to build capability to drive ambitious and tangible action to reduce emissions, embed circularity and restore nature.

Impact at scale is achieved by supporting good practice, catalysing collaborations, growing capability, strengthening leadership and showcasing successful sustainability pathways. Sustainability Advantage works with a network of over 900 organisations, comprising government, business and industry, to boost commitment and action to achieve and exceed net zero emissions targets, a circular economy and the positive restoration of nature. This is underpinned by the United Nations Sustainable Development Goals.

In 2024–25, the Fund contributed $0.9 million to the Sustainability Advantage program, which aims to increase public awareness and acceptance of the importance of climate change and water and energy savings measures.

The program achieves the purposes under the Act by raising awareness of the NSW Government's net zero commitments and supporting the development and scaling of market-based net zero and circular economy solutions. It also fosters collaborations to address sustainability challenges and provides actionable steps and insights for organisations to manage their environmental impact.

Key results

Building sustainability leaders

In March 2025, senior government executives attended the NSW Positive Impact Leaders Program in Sydney. Over the past 4 years, 160 senior executives across NSW Government have completed this program, which the team developed in collaboration with the Cambridge Institute for Sustainability Leadership. This initiative provides government leaders with essential knowledge to integrate sustainability thinking into their decision-making.

In addition, Sustainability Advantage has supported 15 leaders and practitioners to participate in Cambridge Institute for Sustainability Leadership residential programs across government and business to actively respond to challenges through resilient business models. Since 2015, this partnership has assisted more than 100 participants to join an extensive global alumni network.

Building skills and sharing experience

Sustainability Advantage designed and delivered targeted accelerator initiatives in 2024–25, helping industry leaders secure a sustainable and economically prosperous future for NSW.

These included:

- the Sustainability Advantage Circular Economy Leadership Accelerator, held over 5 months in the Hunter Region, to support medium to large organisations to address a place-based circular economy approach. The accelerator was co-funded by Sustainability Advantage, the NSW Environment Protection Authority, the University of Newcastle and Dantia, and demonstrates strong collaboration in the circular economy and net zero transition in the region
- the Sustainability Advantage Sustainable Value Chain Engagement Leadership Accelerator completed by more than 30 participants from 17 organisations. Participants were supported to build capability within their organisation and engage their value chain stakeholders to reduce Scope 3 emissions
- an executive briefing detailing new policies and mandates to guide emissions reduction efforts for senior leaders across NSW Government. It attracted 47 participants across 27 entities and assisted recruitment for 2 public sector–focused accelerators
- the Sustainability Advantage Government Agency Leadership Accelerator – Net Zero, which is supporting agencies to monitor, report and act on emissions reduction, with 115 participants across 56 NSW Government entities

DCCEEW

Sustainability Advantage networking forums are important catalysts for projects, collaborations and invention.

- the Sustainability Advantage Government Agency Leadership Accelerator – Food Organics, held over 5 months. This accelerator aimed to increase the skills, knowledge and confidence of participating agencies to develop and implement best practice waste management plans and practices to divert food waste from landfill, increase recycling, reduce greenhouse gas emissions and identify cost efficiencies. This partnership with the NSW Environment Protection Authority is supporting 36 participants from 7 NSW Government agencies and 3 universities. It aims to help them meet the requirements of new Food Organics and Garden Organics mandates.

Delivering on sustainability

This year, Sustainability Advantage organisations also collaborated and implemented more than 100 sustainability projects. Participants have used forums and masterclasses to focus their skills on achieving sustainable goals. The Sustainability Advantage Recognition Scheme has celebrated the achievements of 35 members this year, reinforcing long-term environmental, economic, cultural and social success.

Did you know?

Sustainability Advantage organisations received 5 trophies at the 2024 NSW Sustainability Awards for their outstanding sustainability achievements. Read about their achievements in the Banksia Foundation 2024 NSW Sustainability Success Stories.

Case study

Working together to reduce emissions is easy when others show you how

Sustainability Advantage designed and delivered the Sustainable Value Chain Engagement Leadership Accelerator, helping organisations take a critical step towards sustainability by tackling Scope 3 emissions. Scope 3 emissions are the indirect greenhouse gas emissions from a company's 'value chains'. They aren't directly produced by the company, but ultimately, result from their activities.

More than 30 participants from 17 organisations across a broad range of industry sectors have already engaged with the initiative to build capability and confidence within their organisation to understand their Scope 3 emissions and engage their value chain stakeholders. Participating industries include food and beverage, mining, textiles, construction, pharmaceuticals and academia.

Scope 3 emissions typically make up the largest share of an organisation's carbon footprint, spanning upstream activities like supplier production and downstream factors such as product use and disposal. Yet, they remain the most complex to measure and reduce.

The accelerator brings the relevant parties together to show them what's possible, then it is almost like the veil is lifted.

Through interactive learning modules, tailored expert guidance and sector-focused collaboration, the accelerator equips participants to monitor Scope 3 emissions across procurement; transport and distribution; staff commuting and consumer use of products. It breaks this down into manageable segments that aren't so overwhelming for organisations.

Ombeline Even, the Sustainability Program Manager at Coca-Cola Europacific Partners, says the accelerator was a great forum to share common challenges across different industries and build relationships. "We explored how to involve the whole supply chain and support our suppliers in the reduction of their carbon emissions. The feedback from the suppliers has been very positive: in addition to knowledge sharing and providing them with practical ways to reduce their carbon footprint, we also strengthened our engagement and relationship with them."

The accelerator encourages organisations to identify quick wins as well as explore harder-to-abate areas. An easy one is stationery, where a firm can easily switch to a carbon-neutral product. Cutting emissions in transport is harder and might involve using electric vehicles for high-frequency urban distribution routes and continuing with conventional heavy vehicles for long hauls in the short term.

"The exchange across the different participants and learning about their journey was extremely valuable and reinforced the benefits of the Sustainability Advantage network," said Ombeline.

The accelerator also fosters a collaborative spirit, even among business competitors, to push down emissions across shared suppliers. It's not uncommon for an industry leader to take the lead in an accelerator and inspire an entire sector to commit to ambitious targets.

The result for everyone is stronger carbon literacy, better data collection, confidence in engaging suppliers and an actual reduction in emissions.

Coca Cola

Coca Cola's Ombeline Even says that involving the supply chain in reducing emissions has strengthened relationships.

6.5 Sustainable Government

The Sustainable Government program focuses on projects that impact at scale to deliver resource efficiency, net zero emission pathways and renewable energy generation on government-owned assets.

The program includes the separately funded Renewable Energy Infrastructure Investment program, which facilitated the development of renewable energy infrastructure on government land assets. This program has now closed.

In 2024–25, the Fund contributed $1.7 million to the Sustainable Government program. An additional $0.2 million was allocated to the Renewable Energy Infrastructure Investment program in 2024–25.

The Sustainable Government program aims to reduce greenhouse gas emissions and the impacts of climate change associated with energy activities. It also aims to encourage energy savings and reduce the demand for energy, including addressing peak demand for energy.

The program achieves the purposes under the Act by helping NSW Government agencies meet targets under the Net Zero Government Operations Policy, which replaced the Government Resource Efficiency Policy in December 2024.

Key results

Developing a framework for monitoring carbon reduction

The program helps agencies reduce their costs and environmental impacts by improving resource efficiency and fostering additional renewable energy development in NSW. The program is revising its strategy, objectives and activities to align with the new policy.

As part of this, the Sustainable Government program developed a new monitoring and reporting framework for the 2024–25 reporting year, to help agencies meet the reporting requirements of the new policy.

It introduced 2 new solutions to help agencies implement the reporting requirements:

- the Greenhouse Gas Emissions Accounting and Reporting Guidelines, which include a methodology for estimating emissions without complete data and a reporting template for emissions reporting. The guidelines have been formally adopted by the Audit Office for greenhouse gas emissions assurance for first-year climate-related financial disclosure reporting entities
- the Net Zero Accelerator (formerly the Carbon Zero Accelerator), which was co-funded by the Fund to assist agencies and departments with emissions reporting and estimating abatement opportunities.

Leading the way with energy savings

NSW Government agencies confirmed that they had implemented 147 energy-saving projects in 2023–24. These projects will save 13.6 million kWh a year, bringing the total energy saved over the program's 10-year life to 1,060 million kWh.

Rooftop solar systems on NSW Government sites generated 122 GWh in 2023–24. This puts the government on track to exceed its solar target of 126 GWh by December 2024 under the NSW Net Zero Plan Stage 1.

The program has been a key driver for NSW Government buildings to demonstrate sustainability by obtaining ratings under the National Australian Built Environment Rating System (NABERS) and Green Star systems. This helps build support for these ratings systems and the NSW Government's sustainability credentials. Out of 25 NSW Government–owned buildings, 16 now have a NABERS energy rating exceeding the previous Government Resource Efficiency Policy target of 5 stars.

In 2024–25, the Sustainable Government program also assisted NSW schools and TAFE in examining opportunities to install solar power systems, battery storage, low-energy lighting and smart energy controls. More than 200 MW of solar and 50 MW of battery storage have been identified, and funding options are being examined.

Investing in renewable energy infrastructure

The Renewable Energy Infrastructure Investment program has now been adopted as the policy action 6 of the Net Zero Government Operations Policy to catalyse government land for renewable energy infrastructure investment.

The program is currently going through an end-of-program evaluation and has demonstrated strong evidence for scalability to further contribute to the NSW Electricity Infrastructure Roadmap and the net zero by 2050 target set under the *Climate Change (Net Zero Future) Act 2023*.

Transport for NSW

Rooftop solar on Government sites generated 122 GWh in 2023–24.

6.6 Water Conservation in Greater Sydney

The Water Conservation in Greater Sydney program outlines government policy, investment and support for water efficiency across government, water utilities, the private sector and communities to improve the efficient use of water.

In 2024–25, the Fund contributed $3.6 million to the Water Conservation in Greater Sydney program, which aims to encourage water savings and water recycling, reduce the demand for water, stimulate investment in water saving measures, and increase public awareness of the importance of these measures.

The program achieves the purposes under the Act by providing a consistent government approach to water efficiency in NSW, reviewing and improving NSW Government regulatory instruments, building capacity across NSW and incentivising community uptake of water efficiency.

Key results

Supporting policy change

In collaboration with the Department of Planning, Housing and Infrastructure, work progressed in 2024–25 to explore how the Building Sustainability Index (BASIX) policy could more effectively drive water savings.

Completed projects that will contribute to the evidence base to support policy change include:

- BASIX Rainwater Tank and Landscape Model Review, to identify options to improve water efficiency and more accurately account for residential water use
- BASIX Climate Data, to understand the likely climate over the life of a dwelling to inform updates to the underlying rainfall and evaporation datasets used in BASIX
- BASIX Water and Green Cover, to enhance the accuracy of water efficiency calculations by accounting for the water-saving values of landscape elements, such as trees, shrubs and deep soil
- a cost-benefit analysis methodology and ready reckoner tool to test the cost-effectiveness of new water policy options.

Improving water efficiency

During the year, the program also:

- worked with NABERS and the NSW Government Architect to review the non-residential water standards in the Sustainable Buildings State Environmental Planning Policy 2022, to identify improvements that would lead to long-term community water savings in new buildings
- entered the discovery phase for DataDrop, an online tool to provide large non-residential customers with more access to data on water use, trends and leak alerts. This phase included stakeholder interviews and a proof-of-concept prototype
- established a residential washing machine exchange program that will target up to 13,000 low-income households over the coming year and deliver an estimated 260 million litres of annual water savings and $3.25 million in household cost reductions
- scoped and procured a drought preparedness project to better prepare Sydney councils for possible water restrictions
- reached about 6,000 students from 35 schools with its Water Efficiency in Schools education program, with 92% of teachers reporting improved confidence in delivering water-efficiency education in the classroom and all schools identifying ways to make their school more water efficient (this initiative was only partially funded by the Fund)
- commenced development of a NSW Water Sensitive Urban Design Guide to provide a consistent policy position across the state. Water-sensitive urban design helps retain water in our landscape, meaning less drinking water is required for urban cooling and greening.

Case study

How today's leak-spotters will fill tomorrow's talent pool

Richard Bulley / DCCEEW

Students learn to conduct a water audit to find and fix leaks across the school.

Water is something that isn't always top of mind for any of us – and that's a problem. Water utilities, councils and state agencies struggle to get the message across about water efficiency. Recognising this challenge, the Department of Climate Change, Energy, the Environment and Water partnered with the NSW Department of Education to roll out the Water Efficiency in Schools program.

The initiative uses environmental educators from across NSW to deliver hands-on, practical water education directly in classrooms.

Launched in 2022, the program sought to address a gap in water-efficiency education within schools by equipping teachers with skills to integrate water-wise thinking into lessons. In 2024–25, the program expanded to 38 schools, including 9 hard-to-reach regional schools in western and south-western NSW.

Using local educators is key to the program's success. To avoid adding pressure to already stretched classroom teachers, the educators deliver the content themselves, spending up to 5 days at each school.

The priority was to engage with students and teachers to provide the necessary skills for them to continue the program after the educators move on.

"Older students have shown a knack for mentoring younger ones, and most of the teachers commit to continuing the program," says Senior Project Officer Liz Minor.

Students learn about the Australian reality of droughts and floods. From that starting point, they can understand the importance of water efficiency and learn strategies that can make a difference to conserving water. These activities include being shown how water-efficient showerheads work, how to replace a tap washer and conduct a water audit. Almost all participating schools find and fix leaks.

So far, the program has reached around 18,000 students. By combining local expertise, practical skills and curriculum integration, the initiative is not just improving water literacy – it's creating future water stewards for NSW.

Section 7

Adapting to climate change

Katherine Griffiths / DCCEEW

We are working with local governments, communities and NSW Government agencies to strengthen resilience and manage risks to vital infrastructure affected by climate change. Guided by data and science, the Fund addresses key climate risks such as flooding, extreme heat and coastal erosion.

We're focused on raising community awareness of risks and building the skills to handle them effectively. Our investments include:

- floodplain management to prevent and reduce flooding
- coastal and estuary management programs to guard against erosion and habitat loss
- urban cooling projects to reduce heat in cities and make hot weather more bearable.

Together, these initiatives directly benefit the people of NSW by reducing climate-related risks, and improving community safety and overall quality of life.

This section highlights examples of how the Fund is helping NSW communities adapt to climate change, building a more resilient and sustainable future. All programs are in line with section 34F of the *Energy and Utilities Administration Act 1987*.

7.1 Coastal and Estuary, and Floodplain

The Coastal and Estuary, and Floodplain programs focus on enhancing the resilience of NSW's coastal, estuarine and flood-prone areas.

These programs aim to mitigate the effects of coastal hazards, flooding and rising sea levels through comprehensive management strategies, innovative solutions and active community engagement. By integrating scientific research, policy development and practical management strategies, the programs seek to protect vulnerable communities, safeguard infrastructure and promote environmental conservation in high-risk areas.

The Fund supports 4 of the Coastal and Estuary, and Floodplain program streams: Coastal and Estuary grants, Floodplain Management, Coastal and Estuary Management, and the NSW Coastal and Flood Data Network.

7.1.1 Coastal and Estuary grants

The Coastal and Estuary grants program supports local governments in managing coastal areas. This includes reducing the risk of coastal hazards; restoring and maintaining coastal habitats; improving the health of estuaries, wetlands and coastal rainforests; and promoting sustainable management of the coastal environment. The program advances the strategic objectives of the NSW Coastal Management Framework, which supports evidence-based planning and risk-informed investment.

In 2024–25, the Fund contributed $5.6 million to the Coastal and Estuary grants program, which aims to reduce the impacts of climate change and increase public awareness and acceptance of the importance of climate change.

The program achieves the purposes under the Act by supporting local councils and communities in reducing their exposure to coastal erosion and climate change.

Key results

Through a co-contribution model, the program provides financial support to help local councils plan and implement coastal management programs under the *Coastal Management Act 2016*. From the start of this funding cycle, we've awarded $19,775,315 to 102 council projects in coastal NSW, including:

- 34 grants, totalling $6,943,635, under the planning stream
- 68 grants, totalling $12,831,680, under the implementation stream.

In 2024–25, we awarded grants totalling $3,456,766 to 26 implementation projects, $40,403 to 2 emergency projects and $2,232,843 to 7 planning projects.

Responding to coastal impacts

Funding supported coastal hazard and risk assessments, research and design, coastal vulnerability area mapping, coastal access and protection works, coastal revegetation, dune protection fencing and on-ground works. Collectively, these efforts enhance the resilience of coastal ecosystems and infrastructure, protect vulnerable communities and increase preparedness for climate-related hazards.

Significant flooding and coastal erosion impacted the delivery of grant projects across NSW this year. Consequently, the team approved several project variations to accommodate necessary changes in scope or timeframe.

7.1.2 Floodplain Management

The Floodplain Management program stream provides grants administration and supplementary technical advice regarding flooding.

7.1.2.1 Floodplain Management grants

The Floodplain Management grants program aims to reduce flooding impacts and liabilities, strengthening community resilience and minimising flood risks. The program supports local government with planning, studies and works that reduce flood risks, protect communities and promote environmentally sensitive flood management solutions. The program supports the implementation of the NSW Government's Flood Prone Land Policy by promoting evidence-based planning and risk-informed investment.

In 2024–25, the Fund contributed $7.4 million to the Floodplain Management grants program, which aims to reduce the impacts of climate change and increase public awareness and acceptance of its importance.

The program achieves the purpose under the Act by funding local councils to assess and mitigate flood risks while strengthening community resilience to flooding.

Key results

Supporting local action

Through a co-contribution model, the program enables councils to manage flood risk in a way that is technically robust, ecologically sustainable and responsive to local conditions, building long-term resilience in communities exposed to current and future flood hazards.

Since 2022, the program has supported 153 projects, providing $27,203,050 in funding to councils and eligible public land managers.

Reducing flood impacts and protecting ecosystems

Funding has directly helped councils manage flood risk by building their capacity to understand, plan for and mitigate flood impacts intensified by climate variability. By funding flood studies, risk assessments and infrastructure planning, the program strengthens resilience to extreme weather and flooding events. It supports evidence-based decision-making and proactive flood risk reduction.

The program also promotes ecologically sustainable floodplain management practices that conserve natural waterways and biodiversity, in line with the NSW Flood Prone Land Policy and the Flood Risk Management Manual. This reduces risks to lives, property and infrastructure while enhancing biodiversity conservation and contributing to more sustainable, resilient communities.

Working together through adversity

In 2024–25, the program faced significant delivery challenges due to the ongoing impacts of severe weather events, including recovery efforts following ex-Tropical Cyclone Alfred. Many councils were heavily involved in emergency responses and clean-up operations. This limited their capacity to prepare applications, meet project milestones and respond to variation requests within standard timeframes.

To support councils and ensure their continued engagement with the program, the team extended the end date of the 2024–25 grant round twice. These extensions provided critical flexibility, allowing applicants additional time to develop quality submissions and manage existing projects under difficult circumstances.

7.1.2.2 Floodplain Management (technical advice)

The Floodplain Management (technical advice) program provides supplementary technical support and guidance to government agencies and NSW councils to enable them to better understand and manage flood risk in their communities. The program supports the implementation of the NSW Flood Prone Land Policy, which aims to boost community flood risk management.

In 2024–25, the Fund contributed $1.1 million to the Floodplain Management (technical advice) program, which aims to increase public awareness and acceptance of the importance of climate change.

The program achieves the purpose under the Act by supporting local councils to develop and implement flood risk management plans, improving understanding of climate change impacts on flood behaviour, increasing public awareness of climate change, and offering grants and specialist advice for flood risk management.

Key results

Providing government and councils with flood risk support

Since 2022, the program has helped government agencies and NSW councils better understand and manage flood risk in their communities. This includes the release of updated guidance through the Flood Risk Management Manual and Toolkit. It also includes helping councils to develop and complete flood risk management plans and studies, and implement priority projects.

The program also provides technical support for major development proposals to ensure that flood risk and development impacts are considered, and support the NSW State Emergency Service during flood events, under the NSW Government State Flood Plan.

Strategically managing levees and providing major project input

In 2024–25, the program provided support for the strategic management of levees, including:

- developing 4 visual levee audits and 5 levee owners' manuals (1 new and 4 updated)
- collecting and collating levee data
- developing a levee dashboard to support emergency management planning and asset maintenance.

This work will be ongoing in 2025–26.

Additionally, in 2024–25, the program provided input into major project proposals to the NSW Department of Planning, Housing and Infrastructure to ensure potential flooding was effectively considered. These included various flood projects being delivered with funding under the Floodplain Management program and other Commonwealth funding programs.

Enhancing response and program delivery

The program team supported the NSW State Emergency Service during major flooding on the North Coast in May, working out of the State Emergency Operations Centre to help coordinate the response. They also helped collect key information from gauges following the flooding event, which will be used to help inform future flood investigations.

The Urban Flood Program Board and Operating Working Group met a number of times this year, and work is progressing on the agreed-upon work plan to support program efficiencies. The program team is also working on updating current guidance on responding to climate change, with input from relevant agencies.

7.1.3 Coastal and Estuary Management

The Coastal and Estuary Management program supports the implementation of state responsibilities under the *Coastal Management Act (2016)*. These include statewide science, the NSW Coastal Council, the review of planning proposals, technical advice to government agencies, and support for local councils to help them prepare and implement coastal management programs.

In 2024–25, the Fund contributed $2.6 million to the Coastal and Estuary Management program, which aims to reduce the impacts of climate change and increase public awareness and acceptance of its importance.

The program achieves the purposes under the Act by providing technical advice and financial support to local councils and public land managers responsible for managing the NSW coastal zone, addressing current and future coastal management challenges and opportunities, managing climate change risks, and restoring coastal habitats and estuary environments across NSW.

Key results

Strengthening coastal resilience

Coastal management programs help enhance local government and community resilience to the impacts of coastal erosion, inundation and climate change while conserving biodiversity and maintaining estuary health. Since the Coastal Management Framework was introduced in 2018, the Minister has certified 17 coastal management programs, which councils are implementing. The program has also provided technical and financial support to councils to help them prepare another 40 coastal management programs.

Boosting council action on coastal risks

In 2024–25, the program engaged with more than 95% of NSW's 56 coastal councils to develop and implement coastal management programs that set long-term strategies for managing the coast and adapting to climate change. This is despite the impact of flooding and coastal erosion, which have affected local governments' capacity to collaborate with the department.

In response to several large coastal erosion events, the team advised affected councils on the potential implications of coastal processes and climate change, and how communities could help councils manage this.

In addition to providing advice, data and information to local councils and communities, the program published 2 new guides this year:

- *Triggers and thresholds: Adaptation planning in Coastal Management Programs*
- *Implementing a coastal management program: Preparing for a performance audit.*

The department also reviewed and updated the NSW Government Resilience and Hazards State Environment Planning Policy to better define the mapping of the NSW coastal zone.

Enhancing coastal hazard risk insights

To help us better understand coastal hazard risk and inform management planning, the program collected:

- 1,575 combined days of nearshore wave data from deployed wave buoys
- 202 square kilometres of offshore seabed data to the national AusSeabed data portal
- 72.2 square kilometres of additional nearshore seabed mapping data on the NSW mid-north coast.

Collecting high-quality meteorological and coastal data is essential for protecting communities, managing environmental risks and supporting long-term climate resilience.

Deploying drone mapping technology

The program also launched the NSW CoastScan program, which delivers high-resolution drone-based light detection and ranging coverage of over 8 square kilometres of beach dune systems, extending from Wooli Beach on the North Coast to Tathra on the Far South Coast.

7.1.4 NSW Coastal and Flood Data Network

The NSW Coastal and Flood Data Network provides near real-time data on flood and estuary water levels, rainfall, tides and waves to governments, emergency services, the Bureau of Meteorology, researchers and the community. This data supports warnings for extreme weather events, emergency response planning, long-term disaster and climate change modelling, land use planning, and coastal and flood risk management planning. It is also essential in designing critical infrastructure.

In 2024–25, the Fund contributed $4.1 million to the NSW Coastal and Flood Data Network, which aims to increase public awareness and acceptance of the importance of climate change.

The program achieves the purpose under the Act by collecting physical environmental data on climate change risks, including data on coastal and flood hazards, waves and sea level rise. This data informs infrastructure design to ensure resilience to flooding and helps govern emergency responses during flood and coastal storm events, which are increasing in intensity and frequency.

Key results

Delivering near real-time data

From the start of this funding cycle, the network collected and provided data in near real-time to state and Australian Government agencies, local governments, universities, consultants, community groups and individuals, achieving data capture rates in 2024–25 of:

- 99% for flood and estuary water levels and rainfall stations (exceeding the target of 95%)
- 99.6% for ocean tide levels (exceeding the target of 95%)
- 93% for offshore wave climate data (exceeding the target of 85%).

Partnering with government

The network also worked with the NSW Reconstruction Authority; the NSW Department of Climate Change, Energy, the Environment and Water; and the Australian Government to implement recommendations from the 2022 NSW Flood Inquiry, including reinstating and installing new monitoring stations in Northern NSW.

Operating a resilient monitoring network

The network is operated and maintained by Manly Hydraulics Laboratory. In 2024–25, it helped inform emergency responses to reduce and manage coastal hazards and flood risks by collecting data from:

- 225 flood and estuary water level recording stations
- 75 rainfall monitoring stations
- 20 ocean tide monitoring stations
- 7 offshore waverider buoys.

Rebuilding and maintaining infrastructure

Following damage to monitoring stations caused by major flooding events, rebuilding and renewing damaged infrastructure and repairing riverbank erosions were key focuses for the program team this year. These efforts were carried out alongside operational work to maintain the high performance level for the NSW Coastal and Flood Data Network.

7.2 Community Resilience to Climate Change

The Community Resilience to Climate Change program aims to improve the capacity of NSW communities to withstand and adapt to climate impacts over the long term.

The program ensures communities and state government are effectively informed on how to address climate change challenges. This includes enhancing the capability of communities and government to respond to a changing climate through promoting sustainability and strengthening community networks.

The Fund supports 2 of the Community Resilience to Climate Change program streams: the Climate Change Adaptation in Action program and the Climate Science and Information program.

The programs aim to increase public awareness and acceptance of the importance of climate change and water and energy savings measures.

We're supporting, protecting and managing threatened ecosystems impacted by climate change, like this one in in the Tweed Caldera region.

Andrew Fay / DCCEEW

7.2.1 Climate Change Adaptation in Action

The Climate Change Adaptation in Action program helps the NSW Government, councils and communities adapt to climate change, safeguarding the state's prosperity and competitiveness. It focuses on:

- managing critical infrastructure risks
- protecting World Heritage assets
- embedding First Nations knowledge
- promoting climate education and engagement.

Additionally, it prepares the NSW Government for climate risks through the Climate Risk Ready NSW program.

In 2024–25, the Fund contributed $2.7 million to the Climate Change Adaptation in Action program.

The program achieves the purpose under the Act by enhancing climate change adaptation in line with the priorities of the NSW Adaptation Strategy, supporting strategic and infrastructure planning, and knowledge sharing with state and local governments.

Key results

Helping local and state government

From the start of this funding cycle, the program modelled climate risk for over 250,000 NSW Government assets using its XDI NSW Globe mapping platform and previous climate projection datasets, NARCliM 1 and NARCliM 1.5.

There are now 355 users across 16 councils and more than 50 state government entities. More than 45 users have also participated in a train-the-trainer program within NSW. This is designed to further embed climate risk into asset management within their organisations.

Our Climate Risk Ready NSW program has enabled NSW entities to consider their climate risk profile. This supports investment in adaptation, the protection of NSW's critical infrastructure and cost savings.

Supporting on-ground adaptation

The program actively supports conservation practitioners to deliver on-ground climate change adaptation through pilot projects in and near national parks and world heritage areas. It is currently running 4 adaptation projects focusing on protecting Culture and Country. These projects focus on working collaboratively with First Nations communities to identify cultural values and assets that are, or expect to be, impacted by climate change. The program also partners with communities to develop projects to protect, manage and support adaptation outcomes.

In 2024–25, the program made progress in implementing on-ground adaptation actions in the Duumal-Barray and the Tweed-Caldera regions as part of its World Heritage Area project. These actions aim to support, protect and manage threatened species and ecosystems that are currently, or are at risk of being, impacted by climate change.

Other projects included updating NSW fiscal policy frameworks to include resilience within the cost-benefit analysis. The business case guidelines and requirements for climate-related financial disclosures were also amended.

Training and awareness

Since 2022–23, around 680 NSW employees completed Climate Risk Ready information and training through the Climate Risk Ready NSW Hub (541 staff members) and executive masterclasses (220 executives). This has contributed to an increase in the number of organisations that have conducted a climate risk assessment.

The program continued its Adapt NSW Climate Education and Engagement Program by maintaining the AdaptNSW website without any downtime, ensuring visitors always have access to current information. Visitor numbers to the website remained strong, with 459,370 page views, which is consistent with last year's figures.

7.2.2 Climate Science and Information

The Climate Science and Information program provides detailed regional climate projections to help plan for climate change in NSW. It supports government and industry with up-to-date, high-resolution climate change projections. The program creates advanced climate projections for NSW and southeast Australia through the NARCliM project.

In 2024–25, the Fund contributed $1.8 million to the Climate Science and Information program.

The program achieves the purpose under the Act by providing communities, government and industry with climate projection data, tools and resources. It also offers easy-to-use applications to help people prepare for and adapt to climate change.

Key results

Understanding risk through better data

Throughout this funding cycle, the program enhanced the understanding of risk exposure to climate change by providing NSW Government agencies with access to climate projections.

In 2024–25, it released NARCliM2.0 climate projections with historical data and 2 potential greenhouse gas emissions scenarios (low and high). These include approximately 150 climate variables covering 150 years, at both 20-kilometre resolution for Australasia and 4-kilometre resolution for southeastern Australia. A third set of projections using a mid-range emissions scenario is awaiting approval for release.

Since the launch, government agencies have shown strong interest in the projections. The program has delivered more than 90 presentations to stakeholders to build awareness of NARCliM2.0's capabilities.

Seeing NARCliM2.0 in action

Agencies are now applying the data directly to key tasks. For example, NARCliM2.0 is being used to:

- estimate the impact of heatwaves on labour productivity in an upcoming edition of the NSW Treasury's NSW Intergenerational Report
- inform Land iQ – a tool designed to help government agencies streamline planning and pre-development processes
- develop the Reconstruction Authority's Disaster Risk Data and Insights Platform, which analyses the modelled costs of current and future risks posed by natural hazards under a range of population growth and climate change scenarios
- inform the NSW Expert Advisory Network on case study–based usage and uptake to support government project inclusion of climate change in decision-making
- update the NSW Treasury's Common Planning Assumptions as the agreed information source used by NSW Government to prepare proposals and strategic plans.

Building collaboration and community awareness

The program's climate projections also underpin its research collaborations and partnerships. These include the NSW Government–led Bushfire and Natural Hazards Research Centre and the Australian Research Consortium Centre of Excellence for 21st Century Weather.

The program continued to promote community awareness of the impacts of climate change this year. This included making NARCliM projections available on the NSW SEED Data Portal. Engagement with its resources has grown significantly since the release. Compared to the previous 12 months, the program achieved a:

- 76% increase in download users of Regional Climate Change snapshots
- 28% increase in views of 'Climate change in my region' webpages views
- 42% increase in users of the Climate Change Projections Interactive Map
- 780% increase in views of the NARCliM webpages on the AdaptNSW website.

The program completed the NSW Climate Data Portal, which will publish NARCliM projections data, and developed 27 additional priority climate extremes indices. These resources will be available from 2025–26.

7.3 Greening our City

The Greening our City program builds resilience to urban heat in Greater Sydney by funding urban greening projects that increase canopy cover and enhance biodiversity.

By targeting areas with fewer trees and higher temperatures, the program helps reduce the heat-island effect and builds awareness of climate change. Creating more green space results in more pleasant and attractive places to live, work and socialise.

In 2024–25, the Fund contributed $5.8 million to the Greening our City program, which aims to increase public awareness and acceptance of the importance of climate change and energy savings measures.

The program achieves the purposes under the Act by partnering with organisations and councils to strategically plant and manage urban trees and biodiverse understorey, providing grants for urban tree planting projects, collaborating on public and private land projects, and supporting community-driven planting initiatives.

Key results

Leading climate action

By enabling public participation, partnership programs have improved the program's capacity to increase vegetation, canopy cover and biodiversity while increasing awareness of the importance of climate change.

Planting for the future

Since January 2023, 7,689 students from 141 schools have planted 21,429 trees as part of Greening Australia's Cooling our Schools program. This is well on the way to the program target of 200 schools and 27,000 trees planted by the end of 2025. Almost 4,500 volunteers have participated in Greening Australia's Rewilding Sydney program and Landcare's Creating Canopies program since January 2023, across 174 sites.

Monitoring canopy cover changes and supporting councils

The program embarked on a canopy data acquisition project that will enable it to compare changes in Greater Sydney's canopy cover over time, and have continued to support local councils in delivering Greening our City grant-funded projects.

Greening in action

In 2024–25, the program:

- planted 161,550 trees through its Greening our City program partnerships, including 83,603 trees in the Rewilding Sydney program with Greening Australia, and 70,018 trees planted by Landcare's Creating Canopies program. These initiatives are enhancing shade, biodiversity and cooling benefits in key urban areas
- built environmental awareness and fostered hands-on learning while greening school environments by supporting 3,225 students from 68 schools to plant 9,929 trees and bush tucker gardens on school grounds, as part of its partnership with Greening Australia's Cooling the Schools program. For 40 of these schools, this included cultural education about plants, Connection to Country and culture
- finalised delivery of 31 council-led projects through the 2021–22 Greener Neighbourhoods Grants program. This program awarded $1.37 million to councils to increase canopy planning and urban forest coverage, and encourage community involvement across Greater Sydney.

Tom Yau / Greening Australia

The Rewilding Sydney project has planted over 150,000 trees.

These included 5 street tree masterplans (or their equivalent), 12 urban forest strategies, 11 projects focused on recognising trees as valuable assets and 3 community engagement projects. These plans and strategies provide long-term direction for expanding urban canopy and generating community benefits

- supported 7 Greater Sydney councils to complete projects under its 2022 Greening our City grant round. This included 10,111 trees and 16,086 square metres of green cover. Projects included planting street trees along main roads and in residential areas, installing advanced trees and green cover in parks and open spaces, and creating micro-forests – small plots containing dense, multilayered planting designed to support high biodiversity, enhance air quality and cool vulnerable urban areas.

Greening more cities

Following strong community engagement and extensive planting to increase tree canopy cover in Greater Sydney, the program was expanded to include 10 local government areas in the Hunter, Central Coast and Illawarra-Shoalhaven regions.

Did you know?

The Rewilding Sydney program reached 100,000 trees planted across Greater Sydney in December 2024, with the planting of 8,000 trees at Yaralla Estate in Concord. The program has now planted 157,428 trees of its target of 173,000 trees by 31 December 2025.

Case study

Restoring riverside habitat at Camden Town Farm

Camden Town Farm has been part of Camden's landscape in South-West Sydney for generations. Originally a dairy farm, the 52-hectare property was bequeathed to Camden Council in 2000 on the condition that it be maintained as open space for the town's residents to enjoy. Still a working farm producing cattle and fodder, it is now home to the Camden Community Gardens, the weekly Camden Produce Markets and the Camden Public Art Trail. Visitors can enjoy 3.75 kilometres of walkways that wind around and within the farm, just a stone's throw from the city's centre.

Most recently, the farm has become the focus of a large-scale environmental restoration project that is enhancing biodiversity, boosting farm productivity and creating new spaces for people to connect with nature. The project is delivered by the Greening Australia's Rewilding Sydney initiative, part of the Greening our City program, in collaboration with Camden Council.

"Our focus is on replanting key native species to restore the River-flat Eucalypt Forest that was present along the Nepean River and nearby creeks previously," explains Greening Australia Program Specialist Evan Freame. "By reinstating the tree and shrub layers, we're bringing back vital habitat for local wildlife."

This new green corridor will create a layered habitat for hairy-nosed wombats, small woodland birds and platypuses, while providing shade, windbreaks and soil protection for grazing livestock. The project also contributes to Greening Australia's broader urban greening goals by cooling the local environment, improving habitat connectivity and reducing ongoing maintenance by establishing self-sustaining native vegetation.

Specifically, the project involves removing dense infestations of African Olive, an invasive woody weed that provides little habitat value, and planting thousands of native seedlings in its place. Seedlings include important canopy species, such as the endangered Camden white gum, cabbage gums and forest red gums, as well as a rich mix of understorey plants and flowering species to attract pollinators.

"Including the Camden white gums was particularly significant, as there are very few mature trees left in the Camden area," says Evan.

To date, the team has planted 23,000 seedlings, including bushes, shrubs and trees, with a survival rate of around 80%. More planting is planned throughout 2025. The revegetation also creates inviting, shaded spaces for the community to enjoy, cool down and connect with the landscape. New infrastructure, including pathways, bridges, seating, water stations and lookouts, has enhanced the site's amenity for locals and visitors.

Community use is key to the project's success. As the restored areas grow and mature, they will further contribute to the site's value as a recreational hub, encouraging locals to connect with nature and helping to foster a stronger sense of environmental stewardship.

Greening our City is about creating green spaces where people live, so the community can actively engage with their environment.

"This Rewilding Sydney project transforms what was once only farmland into a vibrant space that encourages people to get outdoors, connect with nature and take pride in their local environment. The result is a living legacy where both people and nature can thrive," says Michael Gregg, Greening Australia's Land and Restoration Lead.

7.4 Hunter Valley Flood Mitigation Scheme

The Hunter Valley Flood Mitigation Scheme is an integrated system designed to mitigate the risk of minor to moderate flooding in the Hunter Valley. The scheme delivers social, economic and environmental outcomes, improving the community's resilience to the impacts of flooding.

In 2024–25, the Fund contributed $4.9 million to the Hunter Valley Flood Mitigation Scheme, which aims to reduce the impacts of climate change, and increase public awareness and acceptance of the importance of climate change.

The program achieves its purpose under the Act by managing increasing flood risks in the Hunter Valley. This includes addressing climate change-driven sea level rise and the increased frequency and intensity of storm and flood events in the Hunter River systems. It also enhances the resilience of Hunter Valley communities to climate impacts, in alignment with the *Climate Change (Net Zero Future) Act 2023*.

Key results

Ensuring operational continuity

Despite above-average rainfall and multiple flood events, the scheme delivered its planned maintenance program in full and on schedule. These works enable the scheme assets to continue to operate as designed.

It also increased green infrastructure project delivery in the Upper Hunter Valley catchment by 45% compared to 2023–24. Projects included using green infrastructure, such as log jam structures and native revegetation, to stabilise riverbanks, mitigating flood impacts downstream and providing habitat for native flora and fauna. Over 12 hectares were revegetated, with 2,607 native plant tube stock planted.

Managing assets smarter

Throughout this funding cycle, the scheme improved its spatial data, which has helped it to more efficiently deliver a maintenance program and emergency flood response. It has also taken steps to ensure it complies with the new TPP19-07 NSW Asset Management Policy. This will enable the scheme to manage flood mitigation assets more efficiently in the future.

Engaging the community

Additionally, the scheme hired a dedicated communications and engagement officer to help improve public awareness of its program. The team participated in and arranged multiple community engagements, winning a 2025 heritage award for its flood exhibition. It also carried out numerous letter drops in the Hunter Valley to update its landholder contact details for future correspondence.

Improving value for maintenance

To help ensure that funding is used effectively, the scheme appointed a new maintenance contractor for the Lower Hunter maintenance program. This provider offers considerably better value than the previous provider.

Case study

Mitigating flood risk and damage in the Hunter Valley

When record rainfall in May 2025 caused all 3 major rivers in the Hunter Valley to flood simultaneously, it quickly became apparent that this was one of the Hunter Valley's most significant flood events.

The scheme's flood intelligence systems were critical for emergency responders, providing real-time data of river heights, inundation levels and spatial data of all high-risk assets. This tool received excellent feedback from first responders during the flood event.

Mandy Bramble, NSW State Emergency Service Northern Zone Planning and Research Officer said, "Thank you for all the sitreps, photos and drone footage. This information will be very useful in the post-event wrap-up and updating our intel."

As issues began to emerge across the region, the Hunter Valley Flood Mitigation Scheme team led a multi-agency emergency response. The team worked alongside the NSW State Emergency Service, NSW Rural Fire Service and Maitland City Council to deliver emergency repairs to protect the local community and infrastructure.

At one site, 50 first responders worked for 9 hours hand placing thousands of sandbags to stabilise the Hannaway Levee which was failing due to an embankment slipping.

With a residential home endangered, the team laid special fabric over the collapsing bank to prevent further erosion and built a half-circle wall of sandbags to help reduce flooding if the levee gave way. As the area was cut off by floodwaters, drone footage provided a bird's-eye view so they could continue to monitor the site.

Selby Green, property owner at Hannaway Levee said the May flood was a disaster for their property. "We're still trying to get over it. Even now, it's challenging to bring in food and hay. The team has been so helpful during and after the flood."

"By cooperating with them, we're able to understand what the situation is first hand. It enables us to make valued decisions about the property. And they're still repairing areas along the levee. They're still supporting us," said Selby.

The multi-agency team also responded to reports of water bubbling from a levee protecting Maitland township. This was caused by water pressure from an old, abandoned irrigation pipe in the levee. The team coordinated temporary stabilisation works, constructing a sandbag 'doughnut' around the defect to equalise water pressure from the pipe and stabilise the levee.

The scheme continues to effectively mitigate minor to moderate flood risks in the Hunter Valley. It is regularly reviewed to assess the potential impacts of climate change and ensure that its infrastructure remains effective. These ongoing efforts will help safeguard the Hunter Valley for future generations.

DCCEEW

The team worked alongside emergency services and local council to protect the local community.

Section 8

Protecting the environment

Adam Baus / DCCEEW

Through the Fund, the NSW Government is reducing the impact of climate change, strengthening ecosystems and safeguarding biodiversity across the state. The Fund has improved the management of NSW national parks and increased public awareness about the importance of addressing climate change and conserving biodiversity.

The Fund has also supported farmers and landholders in adopting practices that conserve biodiversity and improve carbon management, creating sustainable and productive landscapes. In response to the growing risk of bushfires due to climate change, we support fire management programs, including hazard reduction activities, and works with First Nations organisations to conduct cultural burns. These measures help to strengthen landscape resilience, reduce bushfire risks and preserve traditional practices.

Additionally, we have raised public awareness and acceptance of climate change through advanced air quality monitoring and forecasting. This helps protect communities during poor air quality events, such as bushfires, and supports better public health.

This section highlights how the Fund is protecting the environment, increasing public awareness of climate change and helping to create a more resilient NSW. All programs are in line with section 34F of the *Energy and Utilities Administration Act 1987*.

8.1 Air Quality Monitoring and Forecasting

The Air Quality Monitoring and Forecasting program provides air quality monitoring and forecasting across NSW, informing the public about air quality issues and supporting agencies with data for risk assessment and clean air initiatives.

In 2024–25, the Fund contributed $2.5 million to the Air Quality Monitoring and Forecasting program, which aims to increase public awareness and acceptance of the importance of climate change.

The program achieves the purpose under the Act by enhancing NSW's resilience to climate change by tracking air quality in NSW across a network of stations, providing hourly updates of air quality at 100 sites and issuing daily air quality forecasts for Sydney. Through the monitoring data, alerts are sent about poor air quality, helping people reduce their exposure to air pollution and health risks.

Key results

Improving data accuracy

In 2024–25, the program supported an increase in air quality forecasting accuracy for Sydney to 78%, from 74% the previous year. This improved the timeliness of health advice and public decision-making during high-pollution events, such as hazard reduction burns and regional dust storms.

The NSW Air Quality Monitoring Network maintained strong performance, achieving 93% data availability and nearing its 95% target. Consistent data delivery to the public supports emergency response, compliance, planning and public awareness during air quality events.

During 2024–25, the NSW Clean Air Metric index reached 73. This was an improvement from 80 in 2023–24, but worse than 62 in 2022–23 when NSW experienced its cleanest air.

The rise in the Clean Air Metric since 2022–23 reflects increased exposure to fine particles that is 2.5 micrometres or less in diameter (PM2.5), mainly from climate-related events. Drier and better burning conditions, driven by patterns like El Niño, have led to more smoke from bushfires and hazard reduction burns, as well as an increase in dust storm activity. These factors have all contributed to poorer air quality across NSW since 2022–23.

Smarter forecasting tools

Since its inception, the program has progressively strengthened the evidence base for health and environmental decisions.

The program is also developing a validation protocol to compare forecasts with observations, and a hybrid AI-machine learning model, which will enhance PM2.5 and ozone forecasting and provide uncertainty estimates to support risk-based decisions.

Expanded monitoring networks, better air quality forecasts and innovative modelling tools are leading to more effective policy-making and improved preparedness for climate-driven air pollution challenges.

Did you know?
NSW has 100 air quality monitoring stations, some of which have been operational for more than 70 years.

8.2 Fire Management

The National Parks and Wildlife Service (NPWS) Fire Management program is an adaptive management initiative that mitigates the increasing risk of bushfires on communities, assets and the environment resulting from climate change.

As one of 4 firefighting authorities in NSW and the primary manager of conservation land, NPWS works with the NSW Rural Fire Service, Fire and Rescue NSW, and Forestry Corporation of NSW to manage and suppress bushfires in NSW national parks and neighbouring lands.

In 2024–25, the Fund contributed $32.9 million to the NPWS Fire Management program, which aims to reduce the impacts of climate change.

The program achieves the purposes under the Act by helping to manage and reduce the growing risk of bushfires caused by climate change, protecting communities, assets and the environment.

Key results

Reducing hazards

In 2024–25, the Fire Management program delivered 2,027 hectares of hazard reduction in Asset Protection Zones on land managed by the NPWS, exceeding the target of 1,802 hectares.

NPWS contained 96% of bushfires that started on NPWS land within park boundaries (exceeding the target of 85%) and kept 80% to 10 hectares or less in size (target 80%).

More than 27,000 hectares of Strategic Fire Advantage Zone treatments were completed, delivering landscape-scale fuel reduction and improving ecosystem resilience while mitigating bushfire risk in strategic locations.

NPWS supported the delivery of 13 community-led cultural burns on managed land, reflecting a growing commitment to cultural fire management and ecologically appropriate regimes, and exceeding the target of 8 per year.

Throughout the year, about 95% of fire-prone reserves were managed under an approved fire management strategy, ensuring strategic and risk-informed delivery across the estate.

Engaging with Aboriginal communities

Since the start of the program in 2021, NPWS has completed more than 6,600 hectares of hazard reduction burning in Asset Protection Zones and about 85,000 hectares of hazard reduction burning in Strategic Fire Advantage Zones. Growing engagement with Aboriginal communities has been a key feature, with NPWS supporting 33 community-led cultural burns.

The program has strengthened NPWS's capabilities in bushfire management. On average, NPWS delivers around 75% of hazard reduction burning across NSW. This has been achieved despite limited suitable weather windows for prescribed burning. To maximise outcomes, NPWS prioritised delivery in higher-risk areas and shifted operational resources across the state to support regions where burn windows opened.

Case study

Critical response plan helps brush-tailed rock-wallabies hop away from danger

When smoke was reported drifting from the Black Springs Trail within Oxley Wild Rivers National Park on 27 December 2024, the National Parks & Wildlife Service (NPWS) acted swiftly. Firefighters contained the 'Yarrowitch fire' while safeguarding a colony of endangered brush-tailed rock-wallabies guided by an Assets of Intergenerational Significance (AIS) fire response plan.

An AIS is an area of environmental or cultural value within NSW's national parks system. Declared under the *National Parks and Wildlife Act 1974*, these sites require dedicated conservation action and fire response plans. As at 1 July 2025, 360 sites have been declared, protecting habitat for 132 threatened species across 151 reserves.

Each AIS fire response plan provides information about a species, the habitat they live in and how fire might affect them. The response plan for brush-tailed rock-wallabies provided operational specifics, including no use of heavy machinery or chemical retardants and reduced fire intensity near colonies.

The fire response plan used at the Yarrowitch fire helped ensure that the colony remained unharmed after 12 days of firefighting in rugged terrain. The plan guided a measured approach: burning lower slopes while avoiding higher rocky habitat, establishing containment lines and using helicopters to bucket water. The plan also clearly described the need to reduce the fire's intensity around the colony, which was adopted into the strategies used to suppress the Yarrowitch fire.

The incident management team worked with a brush-tailed rock-wallaby specialist to ensure ground and aerial ignition was carefully planned to minimise the bushfire's impact on the wallabies.

To implement the plan, firefighters dropped incendiaries from aircraft to start small, controlled fires along ridgelines. This tactic produces less intense fire than if they burn uphill.

This pre-emptive method, coupled with aircraft surveillance to detect potential uphill runs, prevented the fire from threatening the colony. The brush-tailed rock-wallabies emerged unscathed, and NPWS continues to monitor the site after the fire. The case highlights how AIS fire response plans can support the protection of threatened species by combining science, strategy and on-ground expertise.

John Spencer / DCCEEW

The colony of brush-tailed rock wallabies remained unharmed after 12 days of firefighting fire in rugged terrain

8.3 Private Land Conservation – Biodiversity Conservation Trust

The NSW Biodiversity Conservation Trust partners with landowners to enhance and conserve biodiversity on private land. The aim is to create vibrant private land conservation areas that protect unique plants and animals.

In 2024–25, the Fund contributed $52.6 million to the Private Land Conservation program, which aims to increase public awareness and acceptance of the importance of climate change.

The program achieves the purpose under the Act by improving landscape connectivity and building resilience to climate change, supporting landowners in conserving biodiversity and promoting public knowledge and appreciation of the importance of conservation.

Climate change and biodiversity loss are interconnected and must be tackled together. Climate change affects ecosystems, exacerbating extinction risk of species, services and habitats. Loss of biodiversity exacerbates climate change by reducing the amount of natural carbon sinks as well as ecosystem resilience.

Biodiversity Conservation Trust agreements protect an estimated 308 million tonnes of carbon stock (16.5% of NSW's total), highlighting the role of private land conservation in climate mitigation. This includes above-ground, below-ground and soil carbon.

Key results

Partnering with landholders

During 2024–25, 106 new private land conservation agreements protected an additional 53,600 hectares of ecologically important habitats and species. These agreements cover 16 additional unique NSW landscapes that are either under-represented or not represented at all within Australia's protected area system.

The NSW Biodiversity Conservation Trust's 2021–2025 business plan targets aimed to enter 400 private land conservation agreements with landholders, secure 200,000 hectares of new conservation area and protect examples of another 50 unique under-represented NSW landscapes.

Exceeding conservation targets

The NSW Biodiversity Conservation Trust has achieved or exceeded all of its 2021–25 business plan targets by:

- protecting 73 unique under-represented NSW landscapes, 146% of its target
- securing over 254,000 hectares of new conservation area, 127% of its target
- entering into 400 conservation agreements with landholders, 100% of its target.

Protecting unique landscapes

Overall, the NSW Biodiversity Conservation Trust's contribution to Australia's protected area system includes:

- 162 unrepresented or inadequately protected NSW landscapes
- over 254,000 hectares with either in-perpetuity or term private land conservation agreements since July 2021.

Since 2017, the NSW Biodiversity Conservation Trust has entered into conservation agreements with 848 landowners, covering 428,966 hectares, and awarded more than $8.9 million in grants to 523 landowners to support their conservation goals.

Did you know?

The Biodiversity Conservation Trust has launched a first-of-its-kind carbon and biodiversity conservation tender. Eligible landholders will receive payments to plant areas of their land that will connect smaller patches to create corridors across the landscape, while enhancing important native vegetation.

DCCEEW

The Biodiversity Conservation Trust is helping landholders to plant areas of their land and enhance native vegetation.

Case study

Restoring and preserving private land long into the future

On the Murray-Riverina plains, the scattered silhouettes of white and yellow box eucalypts mark a once vast woodland stretching beyond the horizon. Much of this landscape has since been cleared, but on 2 properties nearly 100 kilometres apart, 2 landowners are helping stitch fragments of this threatened ecosystem back together.

“I used to walk around as a 5-year-old among all these trees. I had a sense of the sacred, and I thought, ‘This is special’,” says David Sloane, landowner at Dogleg Swamp near Deniliquin.

That reverence has guided decades of stewardship, now bolstered by funding and restoration works through the NSW Biodiversity Conservation Trust’s Restoring Murray Woodlands Carbon and Biodiversity conservation tender for private land conservation. At Dogleg Swamp, the agreement is helping protect areas of natural regrowth and extend the property’s woodland vegetation.

Warrangee, near Wagga Wagga, is also reaping the benefits of these revegetation efforts.

“One of the best things is it has increased the number of birds and created corridors for squirrel gliders,” says Warrangee landowner Judy Frankenberg. “We now have pathways for them to move around and increase their numbers. The bigger the area of vegetation, the more species can live in it.”

The restoration program is being tailored to each property’s needs. At Dogleg Swamp, the regrowth is supported with fencing and supplementary plantings. At Warrangee, the corridors are designed to link remnant patches of woodland. Each project draws on ecological advice and local expertise to match species with the soil and weather profiles.

The work is already reshaping the landscape. On the properties, wattles and blackthorns are forming a shrub layer beneath white and yellow box trees. Understorey species such as lilies, everlasting daisies and bluebells are also being re-established, alongside grasses that provide habitat for small woodland birds.

For the Biodiversity Conservation Trust, these types of engagements are fundamental to securing the region’s and state’s environmental futures. The organisation sees private landholders as critical partners in its effort to restore parts of NSW that have been overly cleared.

David is unequivocal in his advice to other eligible landholders. “I would encourage anyone to look very seriously into carbon farming, and I think it’s a very worthwhile project to help slow global warming,” he says.

“I used to walk around as a 5-year-old among all these trees and I thought, ‘This is special,’” says landowner, David Sloane, seen here with Matt O’Connell from the Biodiversity Conservation Trust.

Vince Bucello / DCCEEW

8.4 Protected Area Management

The National Parks and Wildlife Service (NPWS) Protected Area Management program helps fund park management and expansion activities that enhance the protection of ecosystems and biodiversity. The program also aims to improve or stabilise the condition and ecological integrity of these areas.

In 2024–25, the Fund contributed $34.2 million to the Protected Area Management program, which aims to reduce the impacts of climate change associated with water and energy activities. It also aims to encourage water and energy savings and the recycling of water.

The program achieves the purposes under the Act by supporting NPWS to acquire and manage land to strengthen the NSW reserve system. This helps address key threats and impacts to park values and operational assets. Assets damaged due to climate change are renewed or replaced with alternatives that use less energy and water.

Key results

Managing national parks

During 2024–25, the program supported:

- the acquisition of 113,042 hectares to be reserved in the national parks system
- the removal of more than 76,900 feral animals
- weed control covering 65,734 hectares.

At 30 June 2025, more than 7,672,000 hectares of NSW were managed as part of the national parks estate – this includes 2,100,772 hectares monitored under an ecological health plan.

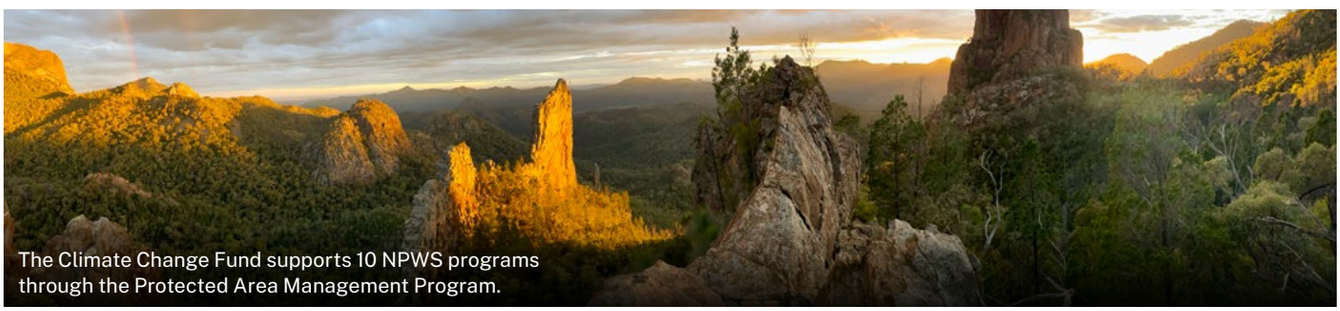
Building climate resilience

Throughout this funding cycle, the program has supported NPWS to implement initiatives that make ecosystems and the biodiversity within them more resilient to the effects of climate change. Expanding the reserve system, and managing key threats and mitigating their impacts on park values and operational assets, is critical to ensuring the ecosystems and biodiversity within them remain resilient to the impacts of climate change.

Program support

The Fund has partially funded the operating and capital costs of 10 NPWS programs through the Protected Area Management program:

- Park Acquisition and Establishment
- Park Planning and Regulation
- Park Operational Assets
- Non-Fire Emergency Management
- Threatened Species
- Feral Animal Control
- Weed Control
- Land Management and Restoration
- Measuring Ecological Outcomes
- Organisational Capability.



The Climate Change Fund supports 10 NPWS programs through the Protected Area Management Program.

Rosemary Redding / DCCEEW

Section 9

Program evaluation

Jeremy Park / DCCEEW

Section 34H(4) of the *Energy and Utilities Administration Act 1987* requires the Minister to report on the effectiveness of completed Fund programs. The Climate Change Fund Monitoring, Evaluation, Reporting and Improvement (MERI) Framework outlines the Fund's focus outcomes and provides guidance on how these are measured and reported. It is consistent with the *NSW Government Program Evaluation Guidelines* and draws on nationally and internationally recognised approaches to evaluation. The MERI Framework provides a structured approach to managing and evaluating programs, supporting consistent outcome tracking and evidence-based reporting.

During the year, 3 outcome evaluations were completed, covering investments in climate resilience, energy efficiency and energy affordability, as outlined in Table 1. Further details on each program evaluation can be found at Climate Change Fund Evaluation of programs/NSW Climate and Energy Action. Findings on a further 3 reviews conducted previously have also been included.

Table 1: Key findings and recommendations from evaluations completed in 2024–25

Evaluation report	Key findings	Key recommendations
Koala Research Plan – Outcome Evaluation	• Research investments aligned well with strategic priorities, strengthening the evidence base in key areas such as genetics, habitat use and land conservation. • Knowledge gaps remain in some critical areas, as expected at this stage, reinforcing the need for continued, targeted research under future funding cycles. • Stakeholder perspectives on the program are mixed, with strong support for the research effort overall, while opportunities were identified to strengthen consultation and transparency in setting priorities. • Access to and use of research findings can be improved, with calls for more practical, centralised and timely communication of results to support on-ground application. • While it is too early to observe large-scale policy or on-ground changes, early signs of practical use – particularly in areas like disease management – are emerging. • Future efforts should focus on deepening collaboration between researchers and end users, ensuring research continues to inform policy, program design and effective delivery on the ground.	• Establish and support a specialised team within the department to ensure koala research is effectively converted into practical policies and on-ground initiatives, maximising public investment and delivering timely, evidence-based outcomes. • Incorporate key delivery principles – such as co-design, communication, action-oriented research, collaboration, resource leveraging and adaptive management – into the updated Koala Research Plan to enhance the real-world impact of koala conservation efforts. • Establish a collaborative research co-design process to ensure koala research is relevant, trusted and directly supports threat management. • Partner with Aboriginal communities to co-design research that integrates Traditional Ecological Knowledge and strengthens cultural and scientific collaboration. • Update research proposal criteria to prioritise projects that address the most critical knowledge gaps for koala conservation. • Explore creating 2 funding streams – one for immediate needs and one for long-term management – to better align research with stakeholder priorities. • Launch a strategic communications plan to raise awareness of the Koala Research Plan, its projects and their impact on conservation efforts. • Integrate a MERI Plan into the updated Koala Research Plan to track and demonstrate the real-world impact of funded research.

Table 1: Key findings and recommendations from evaluations completed in 2024–25

Evaluation report	Key findings	Key recommendations
National Australian Built Environment Rating System (NABERS) Accelerating Net Zero Buildings – Outcome Evaluation	• Strong governance, clear roles and responsive reporting enabled effective delivery of the program. • The program was successfully extended to deliver additional outcomes and remained under budget overall, despite variations across individual streams. • The program drove demand for NABERS ratings, supported energy efficiency decisions, and introduced a nationally endorsed Embodied Carbon tool now embedded in national and state planning policy. • Despite lower-than-expected uptake, the program achieved broad industry engagement, policy integration, and national portfolio ratings, with adaptive management boosting overall success. • By expanding NABERS adoption and delivering a major embodied carbon milestone, the program strengthened national efforts towards achieving net zero emissions by 2050.	• Enhance clarity and continuity by developing detailed work plans and regular progress reporting to support effective program delivery. • Embed real-time data, stakeholder feedback and industry trends into program strategies to ensure responsiveness and adaptability. • Use the proven embodied carbon consultation approach in future initiatives to boost engagement and develop impactful tools. • Highlight cost savings and explore incentives in marketing to drive NABERS uptake, especially in emerging sectors. • Support assessors with resources and training to promote NABERS offers and build lasting partnerships for program success.
Regional Community Energy program – Outcome Evaluation	• While it fell short of generation targets, the Regional Community Energy program contributed to community-led renewables and successfully attracted nearly $39 million in private investment. • Significant delivery challenges were encountered, with only 2 of 5 projects completed before program closure in June 2025 due to project terminations and delays. • Grant funding was essential in enabling projects to progress, giving communities the financial backing and confidence needed to move forward. • Key barriers remain, particularly in gaining community support and translating project lessons into broader capacity-building and policy influence. • Data limitations prevented a full impact assessment, though early estimates indicate meaningful contributions to energy generation and emissions reductions.	• Introduce a staged grant process to separate early feasibility and design from construction, ensuring only investment-ready community energy projects proceed to implementation. • Set realistic, long-term timeframes – such as 5 years – for community energy projects, with clear milestones and gatepoints to manage delivery risks. • Align grant payments with project cash flow needs, offering flexible payment structures that support community groups while maintaining accountability. • Establish a dedicated technical advisory service to provide expert, on-demand support for complex legal, commercial and technical project issues. • Enable structured peer-to-peer learning, using regular forums and online tools to share lessons, boost energy literacy and support project replicability. • Define and track community benefits through robust data, with clear success indicators and active measurement of outcomes like energy generation, emissions avoided and local impact. • Design future government support with more realistic expectations, tailored funding mechanisms, and a clear focus on market and equity gaps not addressed by existing infrastructure policy.

Table 1: Key findings and recommendations from evaluations completed in 2024–25

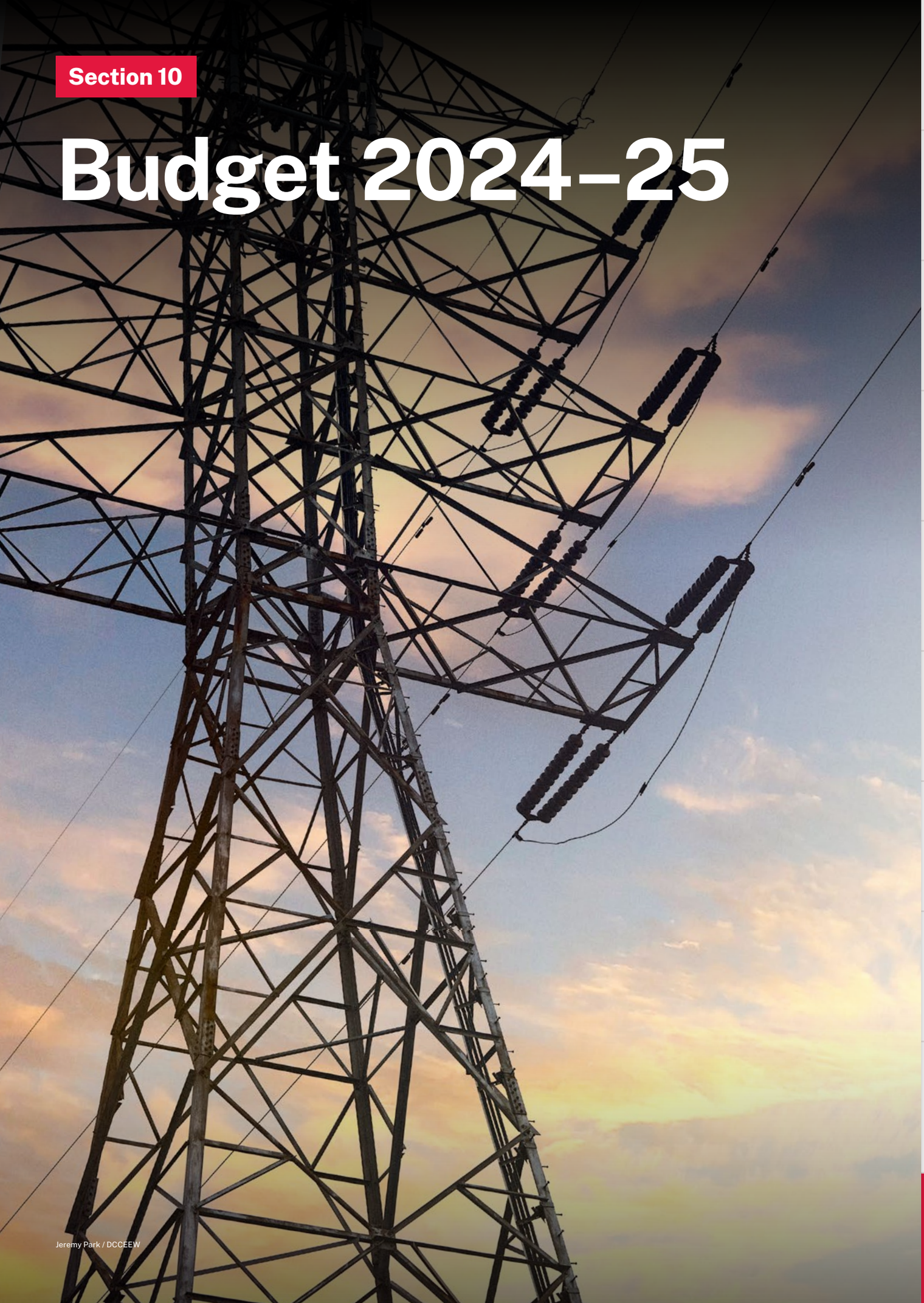
Evaluation report	Key findings	Key recommendations
Protected Area Management – Outcome Evaluation (2017–22 – internal review)	• The program supported core park management services across NSW, contributing to climate resilience and biodiversity protection. • Delivery was flexible and responsive, enabling adaptation to major challenges such as bushfires, floods and the COVID-19 pandemic. • While formal planning and evaluation frameworks were limited, existing NPWS systems helped guide service-level delivery and reporting. • Funding was fully expended on time and within budget, supporting a wide range of conservation and land management activities. • The national parks estate expanded by over 450,000 hectares, enhancing protection for threatened species and ecosystems. • Long-term ecological outcomes are promising but require further data to assess progress over time.	• Strengthen governance by establishing a dedicated board to oversee program delivery and funding decisions. • Clarify program design through a logic framework that defines outcomes and supports monitoring and evaluation. • Enhance transparency in financial reporting and decision-making across service areas. • Improve communication by sharing performance insights and fostering collaboration across teams. • Build robust evaluation systems to track progress, support learning and demonstrate impact over time.
Emissions Reduction in NPWS – final project performance summary (2017–22 – internal review)	• Three carbon projects successfully registered under the Emissions Reduction Fund, covering 16 sites across NSW. • Over 1,000 hectares targeted for rehabilitation, with 605 hectares meeting carbon crediting criteria despite significant natural disasters. • Two carbon abatement contracts signed, supporting long-term carbon sequestration and environmental restoration. • Project delivered under budget by 15.6%, reflecting prudent financial management and adaptive delivery in response to site and climate challenges. • Strong collaboration with CO_2 Australia and the Clean Energy Regulator, ensuring compliance and ongoing carbon credit generation potential.	• Transition ongoing site management to NPWS Area Teams, supported by dedicated budget allocations. • Use lessons learned to inform future environmental planting projects, ensuring improved planning, integration of biodiversity goals, and contract management.

Table 1: Key findings and recommendations from evaluations completed in 2024–25

Evaluation report	Key findings	Key recommendations
Building Consumer Information program – final outcomes evaluation summary (2021–23 – internal review)	• Streamlined access to Energy Savings Certificates (ESCs) through collaboration with the Independent Pricing and Regulatory Tribunal (IPART), simplifying accreditation and audit processes for certificate providers. • Developed an online ESC estimator tool to help building owners assess eligibility and potential benefits, supporting informed investment decisions. • Achieved endorsement from the Climate Bonds Initiative for using NABERS ratings in certifying green bonds for public hospitals. • Launched the NABERS Sustainable Finance Criteria, providing clear benchmarks for green loans and supporting over 50 industry professionals through training. • Delivered a successful pilot grant program, attracting 56 new NABERS customers, including regional participants. • Conducted research into barriers faced by low-performing buildings, informing future engagement strategies.	• Strong stakeholder engagement was key to success, enabling meaningful reforms and practical tools. • Future programs should: – continue collaboration with IPART and other net zero initiatives – track long-term participation of grant recipients – expand and refine the NABERS Sustainable Finance Criteria – use insights from the 'poor performers' research to design targeted support.

Section 10

Budget 2024–25



Jeremy Park / DCCEEW

In 2024–25, the Fund was resourced by contributions from electricity distributors. Electricity distributors are requested to recover no more than 25% of costs from household customers, with the remainder to come from commercial, business and industrial customers.

Revenue 2024–25

The total revenue for the Climate Change Fund in the 2024–25 financial year was $306 million.

Source	Amount ($)
Ausgrid	139,518,616
Endeavour Energy	96,628,207
Essential Energy	61,255,634
Sydney Water Corporation	3,550,000
Miscellaneous Revenue and Return of Grant	5,075,682
Total	**306,028,139**

Expenditure 2024–25

In 2024–25, the Climate Change Fund's total expenditure was $283.6 million.

The difference between revenue and expenditure is a result of different program implementation schedules in the 2024–25 financial year.

Net zero programs	Actuals ($M)	Theme
Clean Technology Innovation	11.1	Building a low-emissions future
Electric Vehicles	5.9	Building a low-emissions future
Utilising NSW Government Assets for Renewable Energy Infrastructure Investment	0.2	Working together for NSW
Primary Industries Productivity and Abatement Program	8.3	Working together for NSW
Emissions Intensity Reduction	6.8	Building a low-emissions future
Hydrogen	12.6	Building a low-emissions future
Renewable Fuel Scheme	1.6	Building a low-emissions future
Business Decarbonisation	3.3	Building a low-emissions future
Safeguard Acceleration	3.0	Making clean energy more affordable and reliable
Accelerating Net Zero Buildings	1.0	Building a low-emissions future
Net Zero Commission	4.8	Working together for NSW
Net Zero Futures Policy Forum (International Collaboration)	0.7	Working together for NSW
Renewable Manufacturing Fund	6.8	Building a low-emissions future
Strategic Portfolio Functions	6.3	Governance and program administration
Subtotal	**72.4**	

Electricity Roadmap	Actuals ($M)	Theme
Electricity Infrastructure Roadmap Implementation	11.5	Making clean energy more affordable and reliable
Subtotal	**11.5**	

Clean energy programs	Actuals ($M)	Theme
Empowering Homes	0.2	Making clean energy more affordable and reliable
Regional Community Energy	2.4	Making clean energy more affordable and reliable
Emerging Energy	2.4	Building a low-emissions future
Reliable Affordable Clean Energy (RACE) for 2030	0.3	Other
Social Housing Energy Performance Initiative	6.5	Making clean energy more affordable and reliable
Subtotal	**11.8**	

Energy efficiency and sustainability programs	Actuals ($M)	Theme
Sustainable Government	1.8	Working together for NSW
Sustainable Homes	0.9	Making clean energy more affordable and reliable
Sustainability Advantage	0.9	Working together for NSW
Sustainable Councils	1.2	Building a low-emissions future
Sustainable Finance	1.4	Building a low-emissions future
Subtotal	**6.2**	

Resilience and adaptation programs	Actuals ($M)	Theme
Climate Science and Information	1.8	Adapting to climate change
Climate Change Adaptation in Action	2.6	Adapting to climate change
Greening our City	5.8	Adapting to climate change
Private Land Conservation – Biodiversity Conservation Trust	52.6	Protecting the environment
Protected Area Management	34.2	Protecting the environment
Hunter Valley Flood Mitigation Scheme	4.9	Adapting to climate change
Air Quality Monitoring and Forecasting	2.7	Protecting the environment
Fire Management	32.9	Protecting the environment
Coastal and Estuary grants	5.8	Adapting to climate change
Floodplain Management grants	8.0	Adapting to climate change
Coastal and Estuary Management	2.6	Adapting to climate change
NSW Coast and Flood Data Network	4.1	Adapting to climate change
Floodplain Management	1.1	Adapting to climate change
Water Conservation in Greater Sydney	3.5	Working together for NSW
Subtotal	**162.6**	

NSW's energy regulation responsibilities	Actuals ($M)	Theme
Australian Energy Market Commission	13.3	Other
Commonwealth Energy Efficiency Working Group	0.6	Other
Subtotal	**13.9**	

Governance and program administration	Actuals ($M)	Theme
Climate Change Fund Portfolio Management Office	2.9	Governance and program administration
Program Support Services	1.7	Governance and program administration
Subtotal	**4.6**	

Other	Actuals ($M)	Theme
Liddell Response	0.6	Making clean energy more affordable and reliable
Subtotal	**0.6**	

Grand total	283.6

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