

Sustainability Incentives Scheme (SIS) 2026/27 Review (Progress Update)

Strategic Alignment - Our Environment

Public

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**City Planning, Development
and Business Affairs
Committee**

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PURPOSE OF WORKSHOP

The purpose of this workshop is to provide an update on the review of the Sustainability Incentives Scheme (SIS) being undertaken this financial year and seek feedback to assist the Administration in finalising the review and approach for the 2027/28 grant program.

On 14 April 2026 ([Link 1](#)) Council noted the next programmed review of the Sustainability Grants and Incentives Program Operating Guidelines will be in 2027, which will consider further incentives focused on increasing residential strata building and business uptake.

The SIS has been operating for 12 years and is a key lever for community-led climate action, as set out in the City of Adelaide's Integrated Climate Strategy 2030.

It started in 2014/15 as a program focused on incentivising the uptake of solar technology.

It has evolved over the 12 years to respond to new opportunities to support climate action including those that reduce greenhouse gas emissions, mitigate the impacts of climate change and divert organics from landfill.

Return on investment over the life of the scheme is \$7.80 of private investment for every \$1 of Council funding.

In 2026/27 the Council approved a funding pool of \$238,000 through the Annual Business Plan and Budget.

At the end of Quarter 1, the SIS has invested \$90,776 in 41 projects, with a further \$119,000 pre-committed bringing the scheme close to full allocation.

Administration's approach to undertaking the current review has focused on:

- Improving the customer experience
- Delivering additional value and enabling action through the SIS that would not otherwise occur
- Identifying barriers that residential strata buildings and businesses experience when investing in sustainable solutions and technologies.

Current review insights are summarised as follows:

- Customer Experience – money is not always the barrier to action; it is knowing where to start
- Council Investment – additionality varies by incentive, market maturity
- Leveraging Funds – partnerships can multiply support where barriers are high
- Strata Insights – strata governance, timing and decision making are barriers, not technology
- Business Insights (organics diversion) – businesses require more than rebates to change how they operate.

Administration commissioned an economic assessment of the SIS as part of the review process. Key outcomes arising from the assessment are summarised in the following table.

Outcome	Explanation
Overall, the SIS is delivering value through strong applicant co-investment and measurable sustainability outcomes.	SIS-supported projects involve significant private and community investment in sustainability improvements alongside Council funding.
The scheme is likely generating uptake or additional investment that would otherwise not have occurred ('additionality')	The central estimate of additionality is 49.5% and is indicative based on other studies. Technologies and markets have evolved over the lifetime of the scheme, so the influence of SIS support is likely to differ between incentives and over time due to market maturity and barriers to investment.
Whole-of-building approaches provide the strongest energy-saving outcomes.	They are likely to have higher additionality because they address barriers associated with complex building retrofits.
Solar PV has been the dominant driver of measurable emissions outcomes over the lifetime of the scheme.	Its additionality may now be lower than the central estimate because solar PV is a mature technology with low barriers to adoption.
Enabling incentives should not be judged only on direct, standalone outcomes.	Energy storage and switchboard upgrades are important enabling measures for broader electrification and renewable energy uptake, and they do not have standalone cost-effectiveness measures.
Future scheme design should be more evidence-led and targeted.	Council could improve value for money by prioritising incentives with strong demonstrated outcomes and clarifying the role of enabling incentives and improving data collection on applicant outcomes and what participants would have done without SIS support.

Considerations to inform the workshop discussion include whether the future SIS program design:

- Maintain the current broad range of specified incentives - regardless of emissions reduction, outcome, direct cost-effectiveness or additionality
- Redesign to support key objectives – such as emissions reductions; proposals assessed on merit against criteria; a single competitive 'grant round'
- Narrow focus to higher-cost, whole-of-building incentives - larger projects, fewer applicants, greater additionality; requires more case management support
- Narrow focus to lower-cost incentives - smaller rebates, more applicants, lower additionality and sustainability outcomes, simplified administration
- Invest in specific outcome(s) - such as electrification, reduced energy use
- Invest in specific audience(s) – such as residential strata, commercial building owners
- Target highest additionality opportunities - those with higher barriers to adoption and low market maturity
- Explore a different pathway for food organics - future council-led organics rollout for food businesses.

A final report and recommendations will be presented to Council in May 2027 to enable implementation of the SIS for the 2027/28 financial year, subject to annual business plan and budget deliberations for 2027/28.

KEY QUESTIONS

In relation to the 2026/2027 SIS Review, Administration seeks feedback from Council Members as follows:

- What are Council Members' views on how the market maturity of technologies and barriers to adoption should inform our approach to scheme design recommendations?
- What are Council Members' views on the SIS serving households, strata and business through one scheme, compared with more tailored support for each group?

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