

# Environmental Upgrade Agreements

Helping South Gippsland businesses save money



South Gippsland  
Shire Council

## SOLAR ENERGY

The South Gippsland Shire Council is offering Environmental Upgrade Agreements (EUAs) to businesses that own or lease commercial buildings in the Shire.

### Four reasons to go solar and upgrade now

- Improve your cashflow
- Future proof your business against energy prices
- Get a return on your energy costs
- Do the right thing for the planet by generating clean, renewable energy and decreasing your reliance on fossil fuels

EUAs are a growing form of fixed, low-interest finance for businesses to fund commercial building upgrades. EUA finance is available over a longer term (10 years or more) than typical building finance (two to five years) and this can lead to a cost positive outcome from day one of project completion for both building owners and tenants – a situation where the savings made on energy bills more than cover the loan repayments.

### What can I upgrade?

EUAs can fund any improvements to a building that improves energy, water or waste efficiency or increases renewable energy.

Examples include:

- solar electricity
- solar battery storage
- solar hot water
- LED lighting
- weather proofing/draught sealing
- improvements to heating, ventilation and air conditioning systems
- refrigerator/chiller upgrades
- waste management

### What is the eligibility criteria?

To be eligible for an EUA, your building;

- must be an existing building,
- must be a building used for predominately non-residential purposes,
- must not have been in arrears with rate payments for the past three years,
- must not be owned through a superannuation trust.

There are no limitations to EUA applications per property, or value limitations for each project. Lenders requirements for asset liability and first mortgage requirements will apply.



Control Equipment



Filtration Systems



LED Lighting



Pumps



Rainwater Storage



Solar Battery Storage



Solar PV Systems

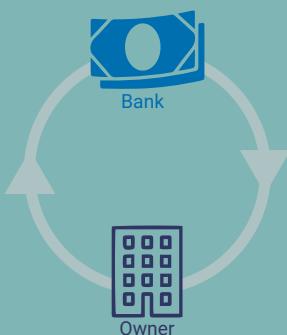


Tinting / Double Glazing

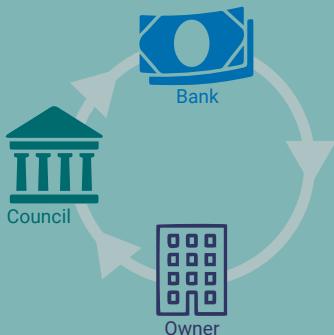
## How do EUAs work?

EUA finance is secured against the building rather than the building owner, with repayments collected through the Council rates system for distribution to the finance provider. This structure makes EUAs a lower risk for finance providers, and allows them to offer more attractive finance terms. EUAs provide a secure and transparent mechanism for owners and tenants to share the costs in proportion to the benefits they receive. Without this mechanism, it can be difficult for upgrades to be negotiated until the end of a lease.

**Traditional Finance**  
Bank provides loan  
Owner makes repayments



**EUA Finance**  
Council collects repayments through rates  
Bank provides better terms



**With Tenant Contribution**  
Tenant shares repayments proportionate to savings



## What are the benefits of EUAs?

Environmental upgrades to a commercial property can improve energy, water and waste efficiency – reducing bills, improving building value, and reducing greenhouse gas emissions.



### Benefits for Property Owners

- ✓ Increased asset value with lower operating costs
- ✓ longer term fixed interest loans that deliver immediate cash flow benefits
- ✓ Zero upfront capital, no added security requirements



### Benefits for Tenants

- ✓ Lower operating costs
- ✓ Improved amenity with more energy efficient workplaces
- ✓ Ability to influence landlords to implement upgrades without increasing rent
- ✓ Implement upgrades during the course of a long tenancy - no need to wait for a new lease



### Benefits for Industry

- ✓ Opportunities for contractors, suppliers and installers
- ✓ EUAs help service providers convince building owners to upgrade with suitable financial option
- ✓ New market opportunities may arise due to building owners ability to upgrade with little or no negative cash flow impacts

## How do I apply?

Eligible building owners can apply for up to 100% of project costs, with repayments structured through the Council's rates system.

The first step is to contact the Sustainable Melbourne Fund (the third party administrators of EUAs on behalf of Council) on 1300 432 044 or [info@sustainablemelbournefund.com.au](mailto:info@sustainablemelbournefund.com.au) to discuss your project.

Application forms can be found at [www.southgippsland.vic.gov.au/environmentalupgrades](http://www.southgippsland.vic.gov.au/environmentalupgrades).

For further information please contact:  
Heidi Hamm, Sustainability Officer  
[Heidi.Hamm@southgippsland.vic.gov.au](mailto:Heidi.Hamm@southgippsland.vic.gov.au)