

# Building Upgrade Finance in SA Information for Service Providers



## The Process

The process for accessing Building Upgrade Finance to fund building upgrades is simple. There are five key steps for the building owner to undertake:

- 1** Identify upgrade opportunities for a building, and seek quotes from service providers.
- 2** Discuss Building Upgrade Finance eligibility with a finance provider or local council, and seek a finance quote.
- 3** Confirm finance and council application approval.
- 4** Sign the contract (Building Upgrade Agreement).
- 5** Post contract: funds released, upgrade works undertaken, finance repaid and reporting requirements met.

**Note:** this document outlines an example process for Building Upgrade Finance. The actual process undertaken may differ between councils and finance providers.

## What's Involved for the Service Provider

- 1. Identify upgrade opportunities for a building, and seek quotes from service providers.**

This step is carried out by the building owner and service providers. A building owner may have approached you with an upgrade in mind, or with some specific issues requiring solutions.

The service provider's role is to:

- scope upgrade works that are suited to the building and its use
- undertake an initial assessment of Building Upgrade Finance
- develop the business case
- provide quotes for the works.

If the building owner is interested in tenant contributions, the service provider may also need to calculate the expected utility savings resulting from the upgrade. A methodology and guide have been developed to assist with this. Tenant contributions are collected through the lease process. The building owner may require assistance from the service provider to fulfill their legislative requirements around tenant contributions. [Find out more.](#)

- 2. Discuss Building Upgrade Finance eligibility with a finance provider or local council, and seek a finance quote.**

The service provider may support a building owner during discussions with a finance provider and local council, or take on this role for the building owner.

# Building Upgrade Finance in SA

## Process for Service Providers

A [basic checklist](#) has been developed to assist stakeholders to undertake an initial assessment of eligibility.

The finance providers who are known to offer Building Upgrade Finance are listed on the [Providers](#) page of the website.

Check [SA locations](#) to see if Building Upgrade Finance is available in the local council area the building is located in.

### 3. Confirm finance and council application approval.

The service provider may assist the building owner with the preparation of the finance and council application forms.

### 4. Sign the contract (Building Upgrade Agreement).

Once the local council and finance provider have approved the applications, the Building Upgrade Agreement contract is drafted by the finance provider or local council.

The service provider provides the building owner with the technical information for the contract, including details of the upgrade works and a budget (Schedule 2 of the contract).

A service provider may also be a party to the contract, if agreed to by the other parties. This could be the case for an Energy Performance Contract, which could also form part of the contract.

### 5. Post contract: funds released, upgrade works undertaken, finance repaid and reporting requirements met.

Once the funds are released the service provider's role is to carry out the works for the building owner, and assist with the completion report. This is to be provided to the local council and finance provider within 15 months of upgrade completion (for environmental upgrades).

For more information on eligibility and the value proposition for your clients, please see the [Service Providers](#) section on the website.

## Building Upgrade Finance Definitions

### BUILDING UPGRADE FINANCE

A private finance product (or loan) available to building owners to undertake environmental or heritage upgrades to their existing non-residential buildings.

### BUILDING UPGRADE AGREEMENT

The contract between the building owner, finance provider and local council that facilitates the repayment of the finance and includes relevant terms and conditions, such as pre-payments and termination arrangements.

A [Building Upgrade Agreement contract template](#) has been prepared for transactions in South Australia.

### BUILDING OWNER

The owner of the land on which the building is located.

If the building is subject to a strata or community scheme, the owner of the building is the community corporation or strata corporation.

If the building is located on Crown Land, consent may be required by the Minister for the *Crown Land Management Act 2009*.

### COUNCIL SERVICE PROVIDER

Entities that may be engaged by local councils (see *definition*) to assist with the administration of Building Upgrade Finance. This may include services to confirm eligibility, process forms and establish the repayment process. The council service provider may be the primary contact for Building Upgrade Finance for local councils that use their services. A council service provider will usually charge the building owner a fee for their service, which may be instead of or in addition to a local council's administration fee, depending on the level of involvement by the council.

## ELIGIBLE BUILDING

A building predominantly used for non-residential purposes (e.g. commercial, industrial, agricultural) that is at least two years post-construction.

## ELIGIBLE UPGRADE WORKS

Environmental or heritage upgrade works, or a combination of both, on the structure or permanent fixtures, fittings or equipment attached to the building.

### Environmental upgrades

Works that improve the energy, water or environmental efficiency or sustainability of the building.

### Heritage upgrades

Works on a local or state heritage listed building that:

- maintain, repair, upgrade or reinstate heritage significance
- address compliance with the Building Rules or the *Disability Discrimination Act 1992*
- facilitate the ongoing occupation of the building.

## LOCAL COUNCIL

A council that has formally agreed to participate in Building Upgrade Finance in their local area. Any council in South Australia is able to go through the process to offer Building Upgrade Finance. A participating council can self-administer Building Upgrade Finance or engage a council service provider (*see definition*) for administrative support.



## Further Information

[climatechange@sa.gov.au](mailto:climatechange@sa.gov.au)  
[buildingupgradefinance.net.au/south-australia](http://buildingupgradefinance.net.au/south-australia)



# Building Upgrade Finance in SA

## Process Overview

