**Scaling up Environmental Upgrade Agreements Across Australia**

<https://arena.gov.au/projects/scaling-up-environmental-upgrade-agreements-across-australia/>

**$630k** Funded by ARENA

**$1.61m** Total project cost

* **Lead Organisation** Sustainable Melbourne Fund

**Location** Melbourne, Victoria

* **Start Date** September 2019

**Summary**

The Scaling up Environmental Upgrade Agreements Across Australia project will see the Better Building Finance program expand into NSW and SA to assist councils and businesses become more sustainable.

**Need**

The Scaling up Environmental Upgrade Agreements Across Australia project is led by the [Sustainable Melbourne Fund](https://sustainableaustraliafund.com.au/). The project acknowledges that one of the great challenges businesses face in becoming more sustainable is access to capital. Paying upfront is often not feasible, and traditional finance terms may not work.

Environmental upgrade finance (also known as building upgrade finance) solves this problem. By engaging local councils as the third party in the agreement, businesses can access affordable terms, including repayment terms of up to 20 years. This unique finance arrangement can help make these projects affordable for businesses, and in many cases they can be cash flow positive, where the savings from the upgrade exceed loan repayments.

**Action**

The Better Building Finance program was established to work with councils to adopt and administer the environmental upgrade finance program, opening up the market for more sustainable buildings.

In Victoria, it grew from one council (City of Melbourne) to working with 34 councils and administering their environmental upgrades finance programs.In 2018, Better Building Finance worked with these council partners to facilitate 26 environmental upgrade projects at an investment of $10.5 million, generating 2.4 MW of solar power, which will lead to the abatement of 178k tonnes of emissions over the life of the projects.

**Outcome**

This project will help develop Better Building Finance operations into an online platform to make the finance process simpler to implement and expand, with a target to deploy $50 million into renewable energy and building upgrade investments. This project will aim to sign up an initial 23 councils across NSW and SA to the Better Building Finance platform.