



**SUSTAINABLE  
AUSTRALIA  
FUND**

# UNLOCK IMMEDIATE CASH SAVINGS

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How Environmental Upgrade Finance can help businesses go sustainable and save money.

# WHO WE ARE

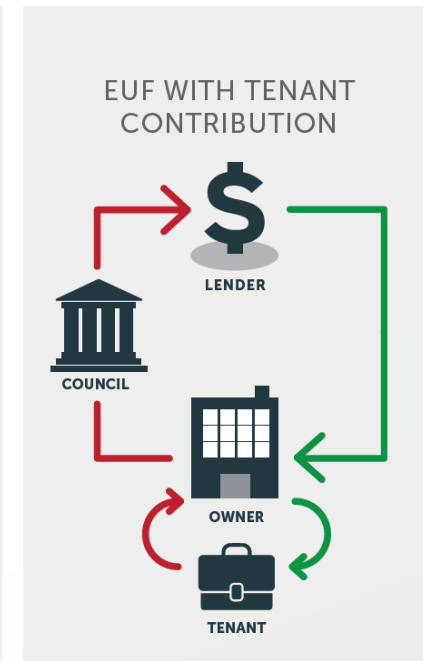
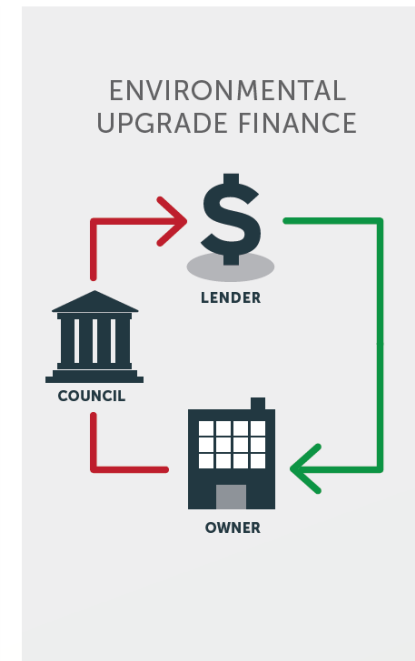
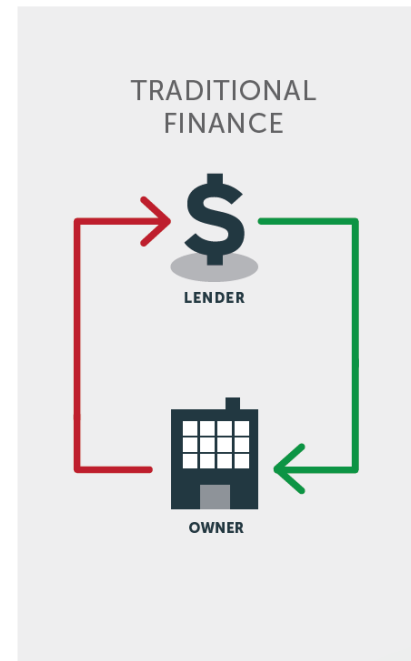
## Sustainable Australia Fund is Australia's leading provider of Environmental Upgrade Finance (EUF)

- We are a specialist environmental upgrade lender established by the City of Melbourne in 2002
- Independent from the City of Melbourne since 2019
- Currently nationwide, with over **\$230m of available capital**
- Currently offering EUF in Victoria, New South Wales, South Australia and developing our national footprint in Australia

# HOW DOES IT WORK?

## Environmental Upgrade Finance is a loan repaid via fixed council rates

- 100% finance for your project – additional capital for your business to grow
- Loans between \$15k and \$20M
- Terms up to 20 years – enabling positive cashflow
- Finance attached to the property until repaid, is not retained by original owner if land sold
- Rate payments may be recoverable outgoings
- Finance for projects that deliver positive environmental outcomes



# OUR FINANCE

A product for all businesses seeking capital and cashflow benefits



## Capital Fund

A new way to finance environmental upgrades as part of significant **renovation and repositioning** projects



## Solar Fund

A fixed rate, long term **solar PV & battery finance solution** for commercial installations, bringing power into your own hands



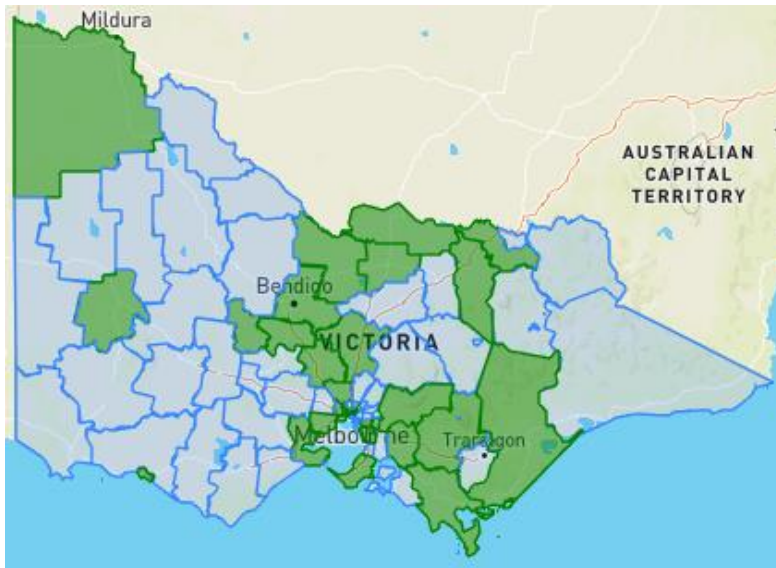
## Upgrade Fund

A flexible, long term loan for innovative environmental upgrade projects, including **energy efficiency, waste management, water, retrofits and more**

# COUNCIL PARTNERS

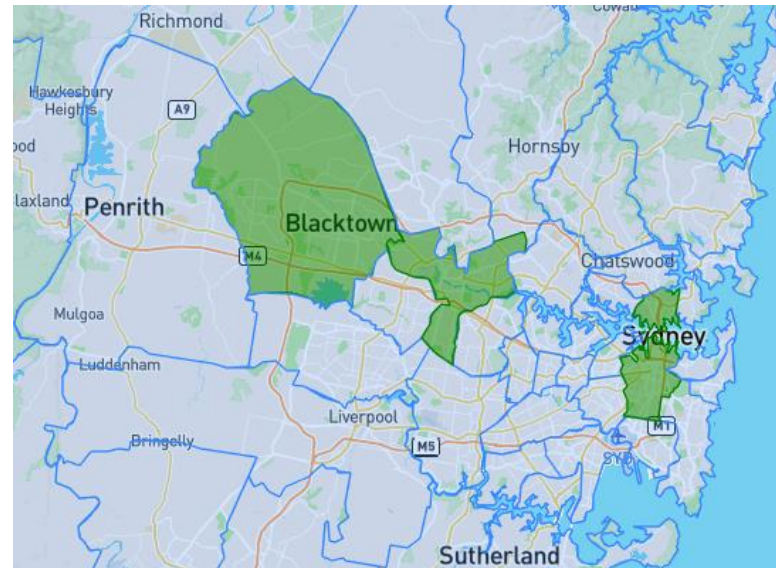
## Victoria

- 36 Councils (78)



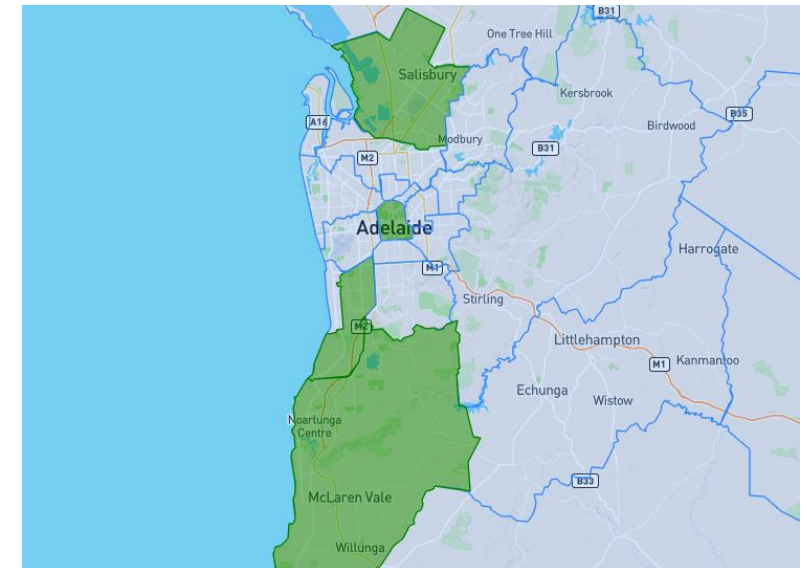
## NSW

- 6 Councils (128)



## SA

- 6 Councils (73)



**Any building upgrade project which delivers a positive environmental outcome can qualify**

Some project examples are:

- Solar Installation
- Installation of water efficient plant and fixtures
- Cool roofs and glazing
- Recycling and waste minimisation
- Lighting and HVAC upgrades

## OWNER-OCCUPIER BENEFITS

- ✓ Easy to manage, predictable repayments each council quarter
- ✓ Long terms ensure project is cashflow positive
- ✓ Ability to apportion repayment within multiple tenants YoY
- ✓ No personal or business guarantees

# TENANT BENEFITS

- ✓ Enables tenants to pursue a mid-lease upgrade rather than waiting to end of lease
- ✓ Tenant receives cashflow benefit as savings is typically more than repayment
- ✓ Unlike other forms of finance where the first billing is within 30-45 days due, the first EUA billing can be up to 12 months from commencement of installation
- ✓ Landlord receive value as they own the equipment

*\*Timing dependent on rates billing cycle and financing date*



## LANDLORD BENEFITS

- ✓ No requirement for additional upfront capital, personal or business guarantees to be provided to the financier
- ✓ More significant upgrades can be achieved with no or minimal cash flow implications
- ✓ Sharing of upgrade costs with tenants
- ✓ Build long term value, tenant desirability and modernise the property

## We've launched some special terms to help businesses during the pandemic

- Up to 6 months repayment holiday
- \$0 application fee (for deals settled before 30/6/20)
- Repayment terms of up to 20 years to reduce repayments
- Finance GST to claim back on BAS
- ATO accelerated business depreciation (see ATO website for more information)

## Cash when you need it most

YOUR TOTAL  
PURCHASE PRICE (inc GST)

**\$165,000.00**

YOUR FIRST YEAR  
SYSTEM SAVINGS

**\$27,000.00**

20 YEAR TERM	15 YEAR TERM	10 YEAR TERM
YOUR FIRST YEAR SYSTEM SAVINGS	YOUR FIRST YEAR SYSTEM SAVINGS	YOUR FIRST YEAR SYSTEM SAVINGS
<b>\$27,000</b>	<b>\$27,000</b>	<b>\$27,000</b>
PLUS YOUR GST REFUND	PLUS YOUR GST REFUND	YOUR GST REFUND
<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>
LESS YOUR FIRST YEAR REPAYMENTS	LESS YOUR FIRST YEAR REPAYMENTS	LESS YOUR FIRST YEAR REPAYMENTS
<b>\$7,467</b>	<b>\$8,982</b>	<b>\$12,091</b>
= YOUR FIRST YEAR NET CASHFLOW POSITION	YOUR FIRST YEAR NET CASHFLOW POSITION	YOUR FIRST YEAR NET CASHFLOW POSITION
<b>\$34,533</b>	<b>\$33,018</b>	<b>\$25,290</b>
FIXED INTEREST RATE FOR THE 20 YEAR TERM	FIXED INTEREST RATE FOR THE 15 YEAR TERM	FIXED INTEREST RATE FOR THE 10 YEAR TERM

<sup>1</sup> First year repayment is 50% of subsequent yearly repayment on facility

<sup>2</sup> Assumes the "YOUR FIRST YEAR SYSTEM SAVINGS" is accurate for the first year. SAF doesn't guarantee the performance or the financial outcomes of the technologies in which our finance may be used.

## EUF Benefits Recap

- No personal or business guarantees
- EUF is attached and stays with the land, can novate to a new owner if land is sold
- Can finance 100% of hard and soft costs associated with the works
- Property owner owns the installation from day 1 and the loan is in the property owner name
- The tenant (if applicable) can pay 100% of the repayment
- No consent required from an existing mortgage
- The EUF does not appear on title.
- The EUF does not appear on credit, freeing up borrowing power for other items

# CASE STUDY

## Hussey & Co

### Council

Mornington Peninsula Shire

### Project Overview

Hussey & Co is a lettuce farm. With 74 acres & multiple industrial processing facilities, it relies heavily on energy to stay in business.

### Upgrade details

After initially installing a roof-mounted system and realising the savings, Hussey & Co decided to take out another EUA almost immediately for a ground-mounted system.

- Stage 1: 99.64kW system
- Stage 2: 505kW system
- Total: 887kW total solar PV array

### Outcome

- ✓ \$86,000 saved per year
- ✓ 754 tonnes of carbon emissions abated

*"EUF has been a great way for our business to simply access finance with a favourable rate and term."*

***Lance Peterson, General Manager***



## Booth Transport

### Council

Wyndham City Council

### Project overview

One of Australia's most respected freight and logistics providers. The company has been around for 80 years and its operations expand across five states with 600 employees and approximately 300 trucks. They chose solar to save on energy bills so they can invest in other parts of the business.

### Upgrade details

- 99.75 kW system was installed in Laverton and a 391.02 kW system in Strathmerton.
- 100kWh Tesla Powerpack installed in Strathmerton
- 2 x EUAs over 10 years

### Outcome

- ✓ \$141,250 annual savings in energy bills
- ✓ Cashflow positive from day one

*“Repayments were attractive as they come in the council rates once a quarter rather than every month so it make it a lot more manageable servicing than a normal loan.”*

**Mitchell Booth, Managing Director**







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# Thank You

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