

21 July 2020

**Notice of Motion, Deputy Lord Mayor Arron Wood: Supporting small businesses through the Environmental Upgrade Agreement legislation and model**

**Motion**

1. That the Future Melbourne Committee:
  - 1.1. Requests Management
    - 1.1.1. Investigate the Environmental Upgrade Agreement mechanism in the Local Government Act 1989 to assess whether it can potentially be broadened to apply to any type of building upgrade.
    - 1.1.2. Report back to the Future Melbourne Committee Meeting on Tuesday 4 August 2020 outlining the pros and cons of expanding the Environmental Upgrade Agreement mechanism as a means of supporting businesses in the City of Melbourne to access finance to upgrade their buildings. The report should assess any risk or liability that may arise for Councils and ways those risks can and will be mitigated, and should include a recommendation on whether to proceed with this expansion of EUAs and how to lobby the State Government, potentially dovetailing with its efforts to finalise its Bill to amend the Local Government Act 2020 to include all matters relating to council rates, EUAs and related matters.

**Background**

2. It is currently proving difficult for small business such as hospitality, events, tourism and small retail to access finance. This means businesses and building owners who wish to invest in upgrading their buildings or investing in the fit out of new businesses can't do so.
3. In 2002 the City Of Melbourne showed tremendous vision and leadership in creating the Sustainable Melbourne Fund, to invest in increasing the sustainability of the city's buildings. This led to the creation of an entirely new form of finance: Environmental Upgrade Finance.
4. The unique terms of this finance were specially designed to overcome many of the barriers to environmental upgrades, including business cashflow and the split incentive between landlords and tenants. The idea spread quickly, with New South Wales and South Australia later passing the enabling legislation to join the program.

**Moved: Deputy Lord Mayor Arron Wood**

**Seconded: Cr Cathy Oke**