

A photograph of a city skyline at sunset, with the sky transitioning from orange to dark blue. In the foreground, there is a graphic element consisting of several green and black wavy lines that sweep across the bottom of the frame.

Building Upgrade Finance (BUF)

Not retained in confidence



Building Upgrade Finance (BUF)

This policy is set by Council for use by the community and council administration

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Version No.: 1

Date of Current Version 10/5/2019

Responsible Team Stretton Centre

Other Key Internal Stakeholders Finance

Initial Date of Adoption

Last Reviewed

Authorised By

Resolution No.:

Legal Requirement

Date of Next Review

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1. Purpose

To set the guidelines for entering into a Building Upgrade Agreement (BUA) consistent with South Australia's Building Upgrade Finance (BUF) mechanism.

2. Scope

Building Upgrade Finance (BUF) is a mechanism designed to help stimulate investment and jobs in South Australia, while also delivering environmental outcomes.

BUF is enabled through amendments to the *Local Government Act*, and *Local Government (Building Upgrade Agreements) Regulations 2017*.

BUF is consistent with the objectives of the City of Playford's Strategic Plan 2016-2020 and in particular:

- Facilitating commercial and industrial growth
- Facilitating increased economic activity leading to a more sustainable economy.

BUF involves three parties:

- The Building owner, who wishes to use the scheme to fund a building upgrade.
- A finance provider who agrees to lend the building owner, Building Upgrade funds; and
- Council, which agrees to collect the loan repayment, through levying a Building Upgrade Charge (BUC) against the land on which the building is situated.

This three party arrangement is conducted under a Building Upgrade Agreement (BUA) which is completed by the finance provider and signed off by the building owner and Council.

This policy will apply to all BUA involving the City of Playford.

3. Legislation and References

- [Local Government Act 1999](#)
- [Local Government \(Building Upgrade Agreement\) Amendment Act 2015](#)
- [Local Government \(Building Upgrade Agreements\) Regulations 2017](#)

4. Definitions

Act means the *Local Government Act 1999*.

Prescribed Building means a building that is used primarily for commercial, industrial or other non-residential purposes.

Upgrade Works means any of the following works in relation to a heritage building:

- a) works for the purposes of maintaining, repairing, upgrading or reinstating the heritage significance of the building;

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- b) works associated with compliance with requirements under the Building Rules (within the meaning of the *Development Act 1993*) or the *Disability Discrimination Act 1992* of the Commonwealth;
- c) works for the purposes of facilitating the ongoing occupation of the building. **Heritage building** means a building;
- d) that is, or forms part of, a State Heritage Place under the *Heritage Places Act 1993*; or
- e) designated as a place of local heritage under the *Development Act 1993*.

Employee a person employed by the Organisation on an ongoing or fixed term full-time or part-time basis, or employed on a casual basis.

Organisation is the body corporate known as the City of Playford which includes the Employing Authority

5. Guidelines

The Organisation will only enter into a BUA if the following criteria are met:

5.1. Upgrade Works

- 5.1.1 The proposed works are consistent with the relevant provisions of Schedule 1B of the *Local Government Act 1999* and *Local Government (Building Upgrade Agreements) Regulations 2017*.

5.2. Building

- 5.2.1 The building is located in the City of Playford, Local Government Area and was constructed at least 2 years ago.
- 5.2.2 The building is a prescribed building under the *Local Government Act 1999*, used primarily for commercial, industrial or other non-residential purposes.
- 5.2.3 There are no encumbrances noted or registered on the title for the Building which may impact on the Organisation exercising its enforcement rights.

5.3 Building Owner

- 5.3.1 The Building Owner has successfully completed and submitted a BUA Application Form to the Organisation.
- 5.3.2 The Building Owner has provided the Organisation with a Statutory Declaration that satisfies the *Local Government Act 1999* Schedule 1B clause 2 (5) and (6) requirements.
- 5.3.3 The Building Owner has no overdue debts to the Organisation and is not in dispute with Organisation regarding any matter.

5.4 Finance Provider

- 5.4.1 The Finance Provider acknowledges and agrees that it has undertaken a credit assessment of the Building Owner and is satisfied

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that at the Commencement Date the Building Owner is able to comply with its obligations under the BUA.

5.5 The Organisation will:

- 5.5.1 Issue billing notices to the Building Owner on a monthly basis showing the Building Upgrade Charge (BUC) in accordance with the Agreed Repayment Arrangements;
- 5.5.2 Only accept payment of a BUC via direct debit;
- 5.5.3 Charge the Building Owner all applicable fees/charges (as defined in the BUA), including in the event that the Building Owner fails to pay the BUC on the Charge Payment Date; and
- 5.5.4 Not be a party to any dispute that may arise between the Building Owner, a tenant or the Finance Provider as to any matter relating to a BUA.
- 5.5.5 Only execute a BUA by its Chief Executive Officer. Execution of a BUA cannot be delegated to another employee.

6. Responsibilities

Management

Oversight: Chief Executive Officer
Coordination: The Stretton Centre
Administration: Finance Department

Employees, contractors, volunteers or others who perform work on behalf of council

NIL

7. Relevance to Strategic Plan 2016-2020

1: Smart Service Delivery Program

Outcome 1.4 Enhanced City presentation, community pride and reputation

3: Smart Jobs & Education Program

Outcome 3.1 Growth and diversification of local jobs matched with relevant education and training
Outcome 3.2 Commercial and industrial growth
Outcome 3.3 Sustainable economic transformation
Outcome 3.4 International market connections

4: Smart CBD Program

Outcome 4.2 Growth and diversification of local jobs in the CBD

8. Accessibility

This policy can be located on the City of Playford website as well as internally on Click in the Electronic version is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.

Corporate Policy Library

Note: access links will be inserted subject to Council's approval of the policy

9. Feedback

We invite your feedback on this policy, which can be directed to the Director, Stretton Centre at connect@strettoncentre.com.au.

10. Approval and Change History

Version	Approval Date	Approval by	Change

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