

BACKGROUND INFORMATION

The Victorian Government allocated \$5 million to provide targeted incentives to facilitate small business (SBs) engagements in the Victorian Energy Upgrades (VEU) as part of its energy package in the Victorian Budget 2020-2021. The program uses a **bonus incentive of up to \$2,000** to increase the uptake of VEU **by eligible small businesses**.

Sustainability Victoria is overseeing the roll out of the program and wishes to **target businesses most impacted by COVID** restrictions including:

- Hospitality and retail
- Accommodation services
- Arts and recreation
- Sporting clubs and facilities
- Manufacturing and warehousing businesses
- Professional services (ie. allied health)

However, any business meeting the below requirements is **eligible**:

- A business with 1 – 19 FTE (full-time equivalent) employees
- Operating from a commercial (non-residential) premise*
 - Both owned and leased

*Note: This program is not available for primary producers in agriculture.

Each eligible business can **use the \$2,000 grant to upgrade the below**:

- Hot water systems (gas and electric)
- Reverse cycle air-conditioners
- Refrigerated display cabinets
- Fridges and freezers (one fridge or freezer per business)
- Cool rooms*

*New activity under the program which will begin Jan 2022

What is the benefit to businesses?

- Upgrading dated (existing) appliances in businesses
- Up to 85% of the upfront cost to upgrade is subsidised (rebate applied as a discount)
 - Maximum \$2,000* per business
- Long-term reduction in energy costs
- Improving the business' climate resilience
- Connecting local traders and installers to businesses within their area

*The subsidised amount differs between businesses and activities.

This program aims to aid Victoria's economic recovery in two ways:

1. To assist SBs with the cost of implementing Victorian Energy Upgrades (VEUs)
2. To support local trade and contracting businesses who complete the upgrades

SECCCA has been successful in receiving a grant from Sustainability Victoria to engage up to 1,500 business across the nine south-east Council areas throughout the year-long program, with an aim of 20% uptake. The program is set to wrap up in May/June 2022, so apply now to take advantage of these fantastic discounts!

FREQUENTLY ASKED QUESTIONS

1. How much money do I have to pay?

The gap cost amount (the money that the small business contributes) depends between each product and business – the AP (ie. installer) we connect you with will give you a precise quote, then you can decide if it's suitable or not. Some upgrades may be free, whilst others will not – you're able to get quotes for multiple appliances. The rebate (ie. the discount) will be added by the AP upon installation and the business only pays the gap cost.

2. Can I get more than one appliance upgraded?

It depends on the appliances, but yes – this program allows for up to \$2,000 per business (per ABN) towards your preferred equipment upgrades. Only one fridge or freezer is allowed per business, however you can put the money towards a fridge AND a refrigerated display cabinet for example. You may also be eligible for other general VEU upgrades (such as LED light replacements), but the installers will inform you of this upon site inspection.

3. How does the process work?

Chloe or Victoria will discuss your business' eligibility with you and what the best upgrades for your circumstances may be. If eligible and wanting to gain a quote, you will need to complete a consent form, allowing us to talk to the installers about your business and pass on your details. The installers will get in touch with you directly to organize a site inspection and/or get photos from you of your current appliances. The quote/s will be provided, then it is your choice to go through with an installation or not – there is no obligation to follow through with installation, as we understand many SBs have been heavily impacted by COVID restrictions.

4. What does full-time equivalent (FTE) mean?

FTE refers to how many equivalent full-time hours (38 hours per week) are worked by all of your employees. To work this out, please calculate how many average hours are worked per week by all your employees (outside of lockdown) and divide it by 38 – this will give you the FTE. This calculation includes part time and casual staff. If you are an owner-operator, you do qualify for the program, as long as you operate out of a commercial premise.

- For full-time employees, please use 38 hours per week; for part-time employees, please use their contracted hours; and for casual employees, please use their average hours worked per week.

5. Are residential-based and/or sole traders eligible?

No – this program is purely focused on upgrades in the commercial, business setting for businesses, as residential upgrades are already available under the VEU. As long as you are a business with an ABN (any type), work out of a commercial premises and have 1 FTE employee (including yourself) – you are eligible for this program.

6. What is an AP?

An AP is the Accredited Provider – also referred to as the ‘installer’, is the business that completes the equipment upgrades and delivers the financial incentives. They generate the VEECs (Victorian Energy Efficiency Certificates) which are the emission savings that allow the rebate/discount to be applied to the upgrade. The APs complete all the paperwork for each upgrade and organise installation with their employees or contractors.

7. Can I use my own preferred tradesperson?

SECCCA is well connected with high quality APs who will look after the entire process. Our preferred APs have their own contractors or staff on hand (this is different for each AP) who will carry out the upgrade. We are always interested to connect local tradespeople to our AP network to increase capabilities for the program. If you are (or have) a tradesperson interested in being a part of the program please fill out our [Expression of Interest](#). However, if you do prefer your own tradesperson and want to go through this process this may delay your upgrade.

8. What is the VEU?

The VEU refers to the Victorian Energy Upgrades. This is the wider State government program focused on providing households (and now businesses) discounted energy efficient products and services. This is to both reduce the cost of energy as well reduce Victoria’s greenhouse gas emissions. A well know example is the free LED lighting upgrades throughout residential. This program is a pilot project running from July 2021 to June 2022 that provides a bonus incentive for small businesses to upgrade inefficient equipment. The State government is now moving their focus to commercial upgrades due to the success of the residential upgrades.

9. Who is SECCCA?

SECCCA stands for the South-East Councils Climate Change Alliance and is a local government intermediary that facilitates climate change programs across the south-east region. We support our nine member Councils and their communities to respond and adapt to the impacts of climate change. SECCCA represents the City of Port Phillip, Bayside City Council, the City of Kingston, Frankston City Council, Mornington Peninsula Shire Council, City of Casey, City of Greater Dandenong, Cardinia Shire Council and the Bass Coast Shire Council.