

BusinessPlus+ Newsletter

Issue – July 2022

Business Essential Briefs:

(1) Business Smart Energy Management

The cost of energy usage will vary from business industry, sector and size- however regardless it is now more than ever a vital management consideration for all business owners due to at least the following factors:

- Oil and petrol prices at long term highs;
- Ongoing global geo-political instability and war;
- Inflationary forces;
- Impact of rising base interest rates as announced by the Reserve Bank;
- Change of the Federal Government and potential taxation and other policy impacts in the short term; and
- Increased capital infrastructure costs mainly as a consequence of the flow on effects from the above.

Fortunately there are some significant tax incentives and related measures in place that business may consider. This could include taking advantage to access the on-going cost savings from making specific energy efficiency capital expenditure in the near future. Some of the potential energy savings are shown in the figure below.



Smart energy management means taking a holistic approach to managing how energy is used by leveraging data to make investments in on-site energy upgrades and optimising energy procurement to best meet your business' needs. Importantly, smart energy management starts with understanding and adjusting what is firmly within a business' control – that is, everything that a business does behind the meter, or simply put, on their site.

Businesses have many opportunities to decrease how much energy they are using, how much energy they require from the grid, and to be flexible with when they use energy. This includes:

- Upgrading to more efficient equipment and processes;
- Installing on-site generation like solar PV; and
- Reaping the financial rewards of demand response and lower tariffs.

Through smart energy management, businesses can slash energy costs, support the reliability and affordability of the electricity grid, reduce their emissions, and, perhaps most importantly, increase their productivity and competitiveness.

For further information on this important topic, we recommend you access the guide produced by the Energy Efficiency Council of Australia titled "**Leveraging Tax Incentives to Improve Energy Performance**" that was released in May 2022.

The complete guide can be obtained by clicking on the link [HERE](#).

Disclaimer:

Business Plus is distributed monthly by CBSW Tax & Business Advisors to provide information of general interest to our clients. The content of this newsletter does not constitute specific advice. Readers are encouraged to consult their CBSW advisor for advice on any specific business matters.

Providing you
professional
direction



Our liability may be limited by a scheme approved under Professional Standards Legislation.