

Going green has some obvious costs



By Noelene Davis

WHETHER or not Going Green is a cost to business today, the expectation is that in the future it will be not only good for the environment and sustainability but a lucrative and even critical business decision.

In the current climate the cost of Going Green doesn't just refer to the individual actions a business may take.

It now also refers to the purported greening of Australia from the Government's Carbon Tax and related initiatives.

At its most basic the carbon tax will only be a cost to the "bad guys", the heavy polluters, though even for these, the incentives and efficiencies that are to accompany the mending of their ways is meant to leave them doing alright anyway.

A burgeoning green technology and service sector should lead to downward cost pressures, no matter what government taxes or other impositions.

The Government has certainly recognised the cost to Australia of the Carbon Tax and will be helping various sectors with compensation and assistance to be more environmentally friendly and efficient.

It is definitely worth making enquiries about eligibility for government grants. The initial costs will come with a lot less pain if a business can secure a portion of the \$800 million Clean Technology Investment Program which is providing grants to support investments in energy-efficient capital equipment and low-pollution technologies.

However, none of that is on offer for small businesses. While these will not be

required to pay a carbon price, there is expected to be an indirect impact as cost pressures are passed down through the supply chain.

There are a number of measures businesses of all sizes can take to minimise the cost impact of the Carbon Tax. It is easier to look at the greening actions business can take, independent of Government imposts.

Going Green has some very obvious direct costs. Replacing lighting or adding solar panels are two examples of the capital costs that may be associated with greening a business.

As it is not mandatory to switch to greener products businesses may find the best way to deal with upfront costs is by only making the change when equipment comes up for replacement.

There are many greening actions a business can take that require no capital outlay.

Such things as switching off lighting in unused areas and turning off all IT equipment at the end of the day are simple measures that can save big dollars.

Standby power reportedly accounts for about 10% of total global appliance electricity consumption.

It is certainly worthwhile getting some help in this area so that you can take action to make big improvements in your footprint as well as saving money.

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