

MEDIA RELEASE

Electrifying small business will deliver cheap, stable power for the long term

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Rewiring Australia has welcomed the federal government's announcement today of a special increase in tax deductions for small businesses that invest in electrification and energy efficiency.

The environmental impact of the tax incentives will be to replace gas power with electricity and to improve the efficiency of electrically powered equipment.

Businesses with turnover up to \$50 million will be entitled to a bonus 20 percent tax deduction on batteries and other electrical devices when they invest up to \$100,000 to swap out fossil fuel energy and technology.

The maximum bonus tax deduction being \$20,000 per business. It is estimated the measure will cost \$314 million over the forward estimates.

Rewiring Australia co-founder and chief scientist, Dr Saul Griffith, said the announcement would accelerate electrification among Australia's 3.8 million small and medium businesses and lock in years of benefit for those who seized the opportunity.

"The federal government promised a 'meaningful and substantial' package of electrification measures in the federal budget and this announcement is the first part.

"Swapping out fossil fueled devices and energy sources for renewable-backed electrification is the fastest, most cost effective way to decarbonise our domestic economy. It embeds thousands of dollars worth of annual savings into the annual operations of small businesses, saving that accrue over the long term.

"Many small businesses who are reliant on fossil fuel energy have suffered serious bill shock this year as commodities such as gas have spiked. But when you assist small businesses to swap out polluting energy sources and machines for renewable-powered electric versions you permanently lower the cost base of a business.

"Once a business has switched to solar-backed electrification, they never look back.

"Switching to rooftop solar and electric devices gives businesses certainty. They know their operating costs won't suddenly surge due to something beyond their control. When people take the risk of starting a business and employing people, the last thing they need is a spike in the gas or coal price due to a foreign conflict.

"Electrification can usher in a new era of abundance and stability for Australian small business. Over time we can keep more of the money we are currently losing to fossil fuel imports in Australia, supporting Australian jobs.



“Rewiring Australia’s research has shown there are tens of billions of dollars wasted every year in the Australian economy on expensive and inefficient fossil fuels. Electrification is the climate policy that immediately delivers for the economy. We look forward to working closely with the Government to assist with implementation of this package.”

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