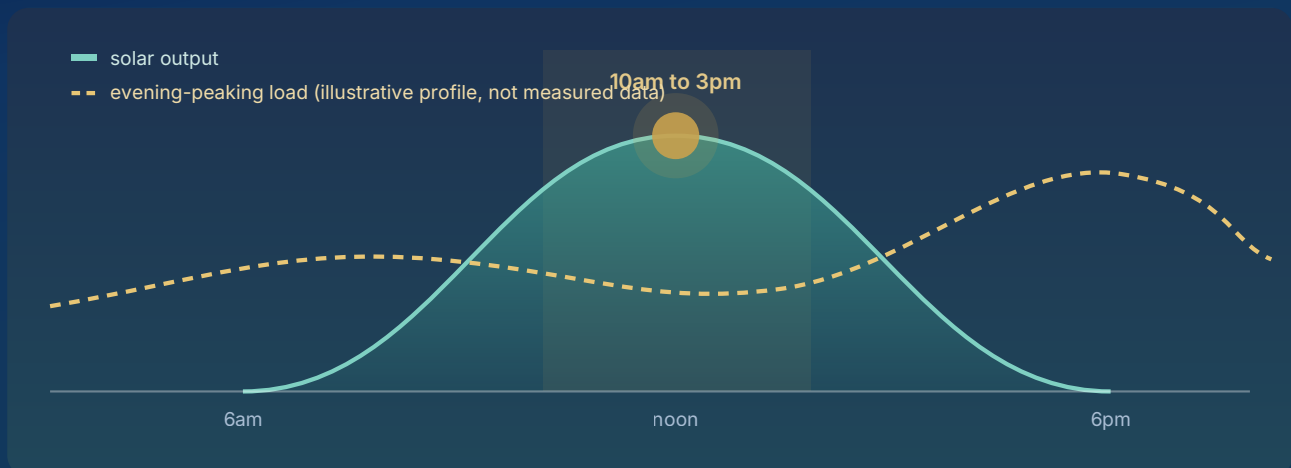


Defend, Save, Grow

ESG as a commercial decision for Australian SMEs: what changed in 2026, where commercial value may arise, and how to screen which play to test first

Companion paper · ESG in Practice panel · The Business Show Australia, ICC Sydney, 26 November 2026

**312**

first mandatory climate reports lodged for Dec 2025 year ends (ASIC)

438,000+

approved battery installations, year to 30 June 2026 (CER)

1 MW

new solar ceiling for the small-scale scheme, up from 100 kW

78%

of 345 Pylon-customer installers reported growth from the discount

Executive summary

Dr Antonin Demazy de Fortet · Founder & Principal, GG Advisory

CORE THESIS

For many Australian SMEs, the immediate climate and energy decisions are commercial: protect important accounts, reduce operating costs and test adjacent markets. Three simple screens show where to look first; cash flows, risk and execution constraints decide where to invest.

2026 strengthened several commercial drivers that already existed. Mandatory climate reporting reached the second tier of large Australian companies, and the largest have entered the year in which their value-chain emissions must be reported. Midday is now often a low-price period in the wholesale market, while incentives for solar, batteries, heat pumps and electric cars changed, or were proposed, in quick succession. Environmental claims remain in the competition regulator's sights: the 2025 Clorox penalty and the 2026 proceedings against Grill'd show why the overall impression of a claim must match its evidence.

Each change creates a cost or a risk for some businesses and an opening for others. A generic "ESG strategy" can waste effort if it is not tied to material risks and commercial decisions. The better approach is to screen which of three plays applies, then test the money properly.

Play	The question	The screen	First move
Defend	Could customers, buyers, regulators or physical events hurt the business?	Exposure: gross profit from customers who ask for climate or social data, plus sites and suppliers exposed to heat, flood, fire or outages	Agree what your main buyers actually need, keep a register of every environmental claim you make, and name the fallback for your most critical site or supplier
Save	Can energy and fuel cost less?	Flexibility: annual energy and fuel spend that could be reduced, electrified or moved into cheaper hours	Fix waste and tariff fit first, then model options against twelve months of interval data
Grow	Can I sell into the transition?	Adjacency: a short list of transition opportunities your skills and customers could serve	Test one offer with paying customers before investing, and check its dependence on subsidies

Scope: this paper concentrates on climate and energy, because that is where 2026 moved both rules and money. Worker safety, labour practices, data security and procurement integrity remain baseline responsibilities, with legal duties that vary by business; modern slavery questionnaires are covered in Section 2. Throughout, current rules are distinguished from proposals, reported case-study results and illustrative calculations, which are labelled as such.

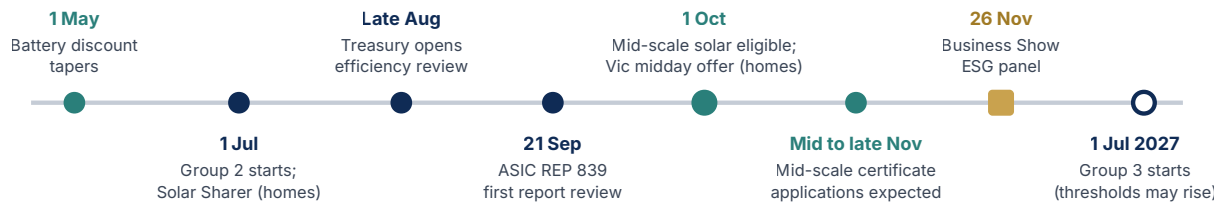
SECTION 1



What changed in 2026, and why it reaches small business

Four shifts are worth screening before any framework. Each reaches SMEs indirectly, through a customer, a tariff, an incentive or a regulator.

2026 in one line: the dates that shape the SME decision

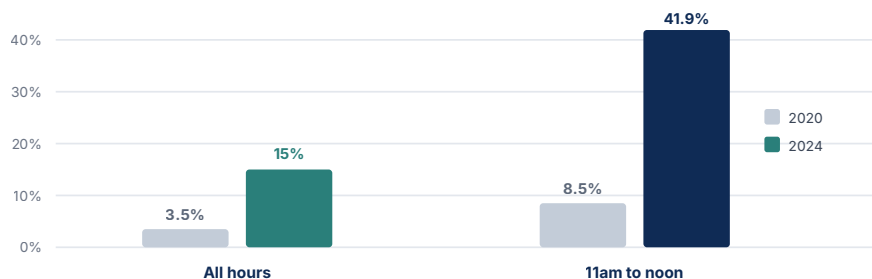


All dates 2026 unless shown. Group 1 reports for financial years beginning on or after 1 January 2025. Future dates are scheduled or expected. Sources: ASIC, Treasury, Clean Energy Regulator, AER, Victorian Government.

Reporting has reached the value chain. Mandatory climate reporting applies to Group 1 entities for financial years beginning on or after 1 January 2025, Group 2 from 1 July 2026 and Group 3 from 1 July 2027. Scope 3 value-chain emissions are excused in an entity's first reporting period only. Many Group 1 entities are therefore now in the period in which Scope 3 must be reported; Group 2 entities, in their first year, are not yet. By 21 September 2026, 312 reports had been lodged for December 2025 year ends, and ASIC's Report 839 reviewed a sample of 40 of them. For most SMEs the effect is indirect: a customer asks for information for its own reporting or procurement.

Midday is often the cheapest time in the wholesale market. According to the Australian Energy Regulator, five-minute wholesale prices across the National Electricity Market were negative 15% of the time in 2024, up from 3.5% in 2020, and between 11am and noon (NEM time, AEST) they were negative 41.9% of the time, up from 8.5%. Retail tariffs are following, for households first: since 1 July 2026, residential customers with smart meters in NSW, South East Queensland and South Australia can opt into a Solar Sharer Offer with three free midday hours, and Victoria's equivalent began on 1 October. These offers do not apply to businesses, and whole-bill comparisons still matter, but they show where tariff design is heading.

Midday is where the surplus sits



Share of five-minute NEM wholesale prices that were negative, all regions; times are NEM time (AEST). Wholesale, not retail, prices; WA and the NT are outside the NEM. Source: AER, State of the energy market 2025, Chapter 1 (p.5) and Chapter 2 (p. 21).

Incentives grew, and keep moving. Since 1 October 2026, eligible solar systems above 100 kW and up to 1 MW can claim certificates under the Small-scale Renewable Energy Scheme, which the government estimates cuts upfront cost by around 20%. The federal battery discount, open to households and small businesses, recorded more than 438,000 approved installations in its first year to 30 June 2026; support for larger batteries was tapered from 1 May 2026, within that year. Victoria raised the minimum co-payment for its commercial and industrial heat pump water heater activity from \$1,000 to \$10,000 for upgrades completed from 31 March 2026. And the government has proposed replacing the fringe benefits tax exemption for electric cars with a 25% discount, phased in from 1 April 2027 (Section 3).

Environmental claims stay in the regulator's sights. The ACCC kept greenwashing among its 2026-27 enforcement priorities, and in June 2026 it began proceedings against Grill'd over a tree-planting promotion (Section 2).

SECTION 2 · DEFEND



Protect your accounts, your claims and your sites

The questionnaire is coming, but agree what is actually needed

Supplier requests may grow as large companies report Scope 3. Yet ASIC tells small businesses that, in many cases, it expects large companies to use estimates and industry averages rather than collect data directly from SMEs. That permission does not stop a buyer from writing its own data requirements into a contract.

Direct reporting is a different matter. Group 3 applies to financial years beginning on or after 1 July 2027, for entities required to prepare financial reports under Chapter 2M of the Corporations Act that meet at least two of three tests: consolidated revenue of \$50 million or more, consolidated gross assets of \$25 million or more, and 100 or more employees. June year-end Group 3 entities would first report for the year ending 30 June 2028. Ordinary small sole-trader, partnership and trust businesses generally sit outside direct reporting, but entity structure, consolidation and other pathways (such as greenhouse reporting under NGER) need checking. The 2026-27 Budget announced an intention to raise the size thresholds to \$100 million revenue and \$50 million assets; that was not law at the time of writing.

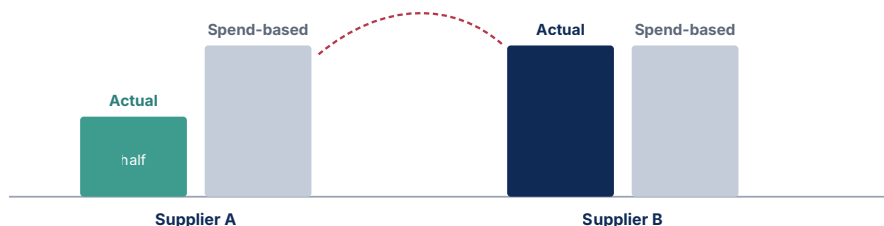
Treasury's efficiency consultation, which closed in early October 2026, proposes clearer boundaries on what reporting companies can reasonably ask of their value chain, plus better national emissions factors so they need to ask less. It identified drawbacks in a standard supplier template and did not propose one.

The averaging trap

Your own improvements can be invisible in your customer's numbers. Under a spend-based estimate, your figure is what the customer spends with you multiplied by a sector emissions factor. Under an average-data estimate, it is the quantity purchased multiplied by an industry-average factor. Neither automatically recognises your own improvement while purchases, factors and the method stay the same.

The averaging trap under a spend-based estimate

Same sector, spend, boundary and allocation. Supplier A's emissions for the buyer's purchases are half of B's.
identical in the customer's books



Hypothetical illustration of emissions attributable to the buyer's purchases, on the same boundary and allocation basis. A spend-based estimate multiplies spend by a sector factor, so equal spend gives equal estimates whatever each supplier's actual footprint.

Supplying your own data is therefore partly a commercial choice, and partly a contractual one. It can pay where your comparable, allocated footprint for the buyer's purchases is lower than the estimate the buyer would otherwise use and the account matters. Woolworths illustrates how a large buyer may approach this: it targets a 55% cut in Scope 3 energy and industrial (non-FLAG) emissions by F33 from an F23 base, and says it uses sector-average factors where supplier data is missing. Accepted supplier-specific data may let a buyer recognise your reductions, but agree the method, boundary and any procurement consequence first; and never omit information a contract requires.

BEFORE ANSWERING A REQUEST, AGREE

1. What the information is for, and which emissions category it feeds
2. The boundary, unit, period and allocation the buyer needs (company, site or product)
3. What method the buyer would use without your data, and what evidence it will accept
4. The deadline, confidentiality terms and who signs off the answer

Start with existing electricity, fuel and other relevant operating records. A simple response may suffice; product-level or allocated data can require more, for example refrigerants, materials or process emissions.

Not only carbon: the social questionnaire

Entities based or operating in Australia with annual consolidated revenue of at least \$100 million must report on modern slavery risks in their operations and supply chains, so their suppliers are asked how they manage those risks; answering a questionnaire does not itself make a smaller supplier a reporting entity. On 16 July 2026 the government announced its intention to create a criminal offence for corporations with annual consolidated revenue over \$100 million that fail to prevent modern slavery in their supply chains, with a defence for those that took reasonable steps. The Attorney-General's Department consulted on the design from 21 August to 25 September 2026; the offence was not law at the time of writing. A 2023 review recommendation to lower the reporting threshold to \$50 million has not been adopted. Answer proportionately and claim only what you can document; and if you find credible signs of exploitation, escalate and act rather than just record them.

Buyers are writing it into contracts

Commonwealth entities covered by the Environmentally Sustainable Procurement Policy must apply it to construction services procurements at or above \$7.5 million (since 1 July 2024) and to ICT goods, textiles, and furniture, fittings and equipment at or above \$1 million (since 1 July 2025), including GST. SMEs may be affected directly or through subcontract terms; read the actual clauses.

The whole impression of a claim must match the evidence

In June 2026 the ACCC began Federal Court proceedings against Grill'd over its Tree Day Tuesday promotion, which ran from January 2021 to April 2024. The ACCC alleges the chain overstated the donations and environmental contribution linked to Tuesday burgers because the conditions were not adequately disclosed; by the ACCC's count, only about 4% of more than five million Tuesday purchases qualified. These are allegations; the case was undecided as at 9 October 2026, and Grill'd says the promotion was run with positive intent. In April 2025 Clorox Australia was ordered to pay \$8.25 million over "ocean plastic" claims on GLAD bags. Neither case turns on carbon accounting: both concern whether the overall impression of a claim matched the product or program.

Claims such as "carbon neutral" carry extra tests. The ACCC's guide expects a business relying on offsets to explain which emissions are covered, how much comes from its own reductions versus purchased offsets, and which offset units were used and cancelled. For renewable energy, it describes as good practice claiming the emissions benefit of your own generation only if the associated certificates are retired rather than sold, to avoid double counting. An upfront solar discount usually means assigning certificates to someone else, so check certificate ownership and the accounting basis before claiming emissions reductions. A specific, measured claim with a stated baseline and period is usually safer than a headline label.

Defend the business, not just the accounts

A business with no reporting customers and no green claims can still face a major continuity risk. ASIC points SMEs to large companies' climate disclosures as a source of insight on insurers, suppliers and infrastructure they depend on. A short screen is enough to start: which site or route is critical; its exposure to heat, flood, bushfire, water limits or outages; the longest interruption the business can survive; insurance exclusions and excesses; the fallback site or supplier; who owns the plan; and what would trigger action.

DEFEND, IN ONE MOVE

Keep one register of every environmental claim, with its wording, channel and audience, scope, baseline, evidence and where it is kept, calculation version, certificate or offset treatment, accountable owner, whether legal review is needed, review date and the events that trigger an earlier review, such as a changed product, factor or certificate ownership. Reconcile figures across tenders, website and questionnaires; where definitions differ, explain why.

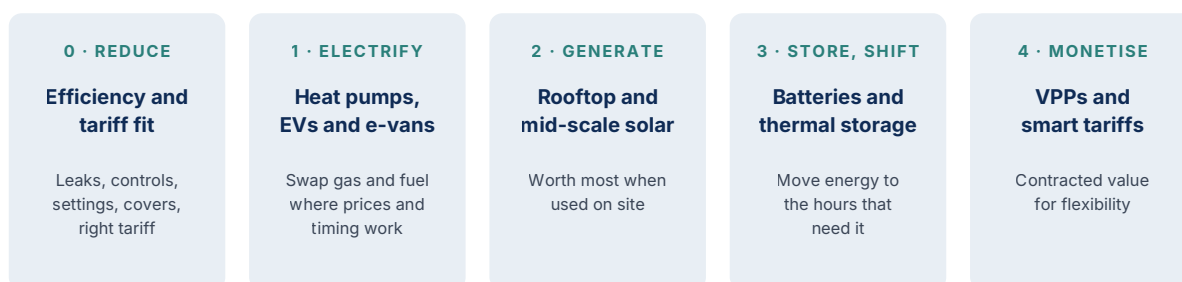
SECTION 3 · SAVE



Reduce, electrify and shift: cutting energy and fuel costs

Starting with solar panels alone risks missing the best combination. Efficiency, electrification, generation, storage and flexibility should be assessed against the same load profile and the same counterfactual. Some combinations reinforce one another; others compete for the same savings. The best sequence depends on replacement timing, tariff, site constraints and available capital.

The energy stack: five layers, one load profile



Foundation: interval data, the actual tariff, the replacement timetable and the real counterfactual

Model the layers jointly: some reinforce each other, others compete for the same kWh; never add brochure savings together

Use interval data at the resolution your demand tariff measures (often half-hourly) and a full year for seasonal sites; for a new site, representative monitoring plus a forecast can stand in. Tenants also need landlord consent, lease length, asset ownership and metering arrangements before returns can be collected.

Layer 0: reduce and optimise first

Some measures cost little, such as fixing compressed-air leaks, refrigeration settings, controls, maintenance and the tariff; others, such as insulation or pool covers, are capital items to appraise. Both can shrink the equipment needed later. A well-performing existing asset may be cheaper to keep while demand is reduced.

Layer 1: electrify heat and transport

Heat pumps deliver several units of heat for each unit of electricity under suitable conditions, so replacing gas for hot water, space heating, pools or low-temperature process heat usually cuts energy input sharply. Fewer energy units do not guarantee a lower bill, as the hypothetical comparison below shows; seasonal efficiency, required temperatures, electrical upgrades and backup heat all matter. Paired with a hot water or thermal tank, a heat pump can run in cheaper hours and store the heat.

Hypothetical: 100,000 kWh of heat a year	Gas boiler	Heat pump at 25c	Heat pump at 35c
Efficiency	80%	COP 3	COP 3
Energy bought	125,000 kWh gas	33,333 kWh	33,333 kWh
Energy price	8c per kWh	25c per kWh	35c per kWh
Annual energy cost	\$10,000	about \$8,333	about \$11,667

All inputs hypothetical, before capital, maintenance and fixed or demand charges; COP 3 stands for a seasonal average, not a nameplate rating. Useful gas heat costs 10c per kWh here, so the heat pump breaks even at 30c per kWh of electricity. Tariff, seasonal efficiency and operating timing can tip the balance. This is an explanatory calculation, not a business case.

The gas outlook strengthens the case for planning ahead. AEMO's 2026 Gas Statement of Opportunities pushed peak-day shortfall risks in southern Australia a year later than previously forecast, but still expects new investment to be needed for supply gaps from 2030, with output from legacy southern fields forecast to fall 46% over five years. These are east coast forecasts, not a prediction of any one business's tariff.

The Berrydale Swim School in Sunbury, Victoria, is an honest example. A \$25,000 federal energy efficiency grant helped replace its gas pool boiler with a heat pump. The school now uses no gas, even in winter, and reports lower overall energy costs and emissions. But the project needed a single-phase to three-phase upgrade, electricity use and costs rose, and the school has since added further solar and batteries, so the published account does not isolate the heat pump's own saving. A family-run motel in Mittagong, NSW, used the same program to replace gas heaters with heat pumps. The cited case studies do not publish dollar savings, which is itself a lesson: measure before and after.

Electric vehicles can suit trades, delivery and service vehicles doing high, predictable distances, where cheaper energy and maintenance offset a higher purchase price. The full cost of ownership also includes depreciation and resale, finance, insurance, charger and network costs, downtime, payload and towing, and charging access; vehicles away from a suitable charger during the day may not capture midday rates. The New Vehicle Efficiency Standard, in force since 1 January 2025 and applying to new vehicles supplied from 1 July 2025, covers new light vehicles, including utes and vans as well as cars.

ELECTRIC CAR TAX: CURRENT LAW AND PROPOSED CHANGE

Today, private use of a battery electric or hydrogen car by a current employee or their associate is exempt from fringe benefits tax if the car was first held and used on or after 1 July 2022 and luxury car tax has never been payable on its importation or sale. Eligibility turns on that history, not on what the car would cost second-hand today, and the exempt benefit is still reportable, which can affect the employee's income tests. The exemption covers cars only (designed to carry under a tonne and fewer than nine passengers), and plug-in hybrids lost it from 1 April 2025 except under transitional rules. The government announced on 5 May 2026, and consulted on draft legislation in September, a permanent 25% discount on the FBT payable instead: from 1 April 2027 for eligible cars valued over \$75,000, and for all eligible cars from 1 April 2029, with cars of \$75,000 or less keeping the exemption if committed before then. Check enactment and transitional rules with your accountant before modelling a new arrangement.

At the smallest scale, CEFC-backed finance helped Splend put about 500 EVs into the hands of self-employed rideshare drivers in under six months (reported in 2024). Splend estimates a full-time driver can earn about \$200 a week more net in an EV than in a petrol car, a company estimate rather than a measured result.

Layer 2: generate where the load is

Solar's value depends mainly on how much of its output the business uses on site. Each self-consumed kWh avoids the applicable variable import charges. Solar can also reduce a demand charge if it is generating at the time of the charge-setting peak, though cloud and evening peaks often limit this; fixed supply charges usually remain. Eligible exports earn whatever the contract pays, typically far less than import rates, and can be capped, curtailed or worth nothing at midday.

Same 250 kW system (illustrative)	Site using most power in daylight	Site using most power overnight
Solar used on site	High: output displaces power bought at variable retail rates	Lower: more of the output is exported
Value of each kWh	Avoided variable import charges	Export price, under midday pressure
What can help	Check that generation is sized to daytime load	Shift flexible loads to midday, add storage, or size the system down

Illustrative profiles, not sector rules: a cold store, for example, also has substantial daytime load. Interval data reveals the difference; an annual bill does not.

Kyttons Bakery in Edwardstown, South Australia, received a \$36,834 state grant for 60 kW of solar panels with battery storage. The government reports expected savings of up to \$29,000 a year, and the owner reports monthly power bills falling by 30% to 60%. Daytime baking and refrigeration plausibly explain the strong result, although no interval profile is published.

MID-SCALE SOLAR: READ THE FINE PRINT

Eligible systems above 100 kW and up to 1 MW installed from 1 October 2026 can claim upfront certificates (STCs), with applications expected to open in mid to late November and a fixed five-year deeming period. Check how this interacts with other schemes before applying: in particular, choosing STCs prevents you creating Renewable Electricity Guarantee of Origin (REGO) certificates for the deeming period. Check certificate ownership and the accounting basis before claiming emissions reductions; ACCC guidance describes retiring the relevant generation certificates as good practice to avoid double counting, and STCs, LGCs and REGO certificates are not interchangeable. The federal battery discount requires connected solar of no more than 100 kW, so the two pathways do not overlap: confirm the configuration with your installer.

Layer 3: store and shift

A battery can lower demand charges, store otherwise low-value exported solar for use later, move cheap energy into peak periods and, if configured for backup, keep the business running during outages. These uses compete for the same capacity, so value them jointly. Specify power (kW), usable capacity (kWh), efficiency, degradation and the warranty's cycling or throughput limit, not just size. The federal discount applies to batteries of 5 to 100 kWh nominal capacity installed with solar of 100 kW or less; support is calculated on the first 50 kWh of usable capacity, at the full rate for the first 14 kWh, 60% above 14 and up to 28 kWh, and 15% above 28 and up to 50 kWh (shares of the certificate factor, not of cost) since 1 May 2026. The battery must be on the approved list and installed by an accredited installer with battery endorsement, and only one battery system per premises can claim. Size alone does not establish eligibility, and state incentives such as NSW's have their own rules.

Resilience can be the deciding factor. Lowe Family Wine Co in Mudgee, NSW, installed 265 kW of solar with 1.2 MWh of storage and now runs off-grid. Trade press reports a cost of about \$850,000 and expected savings of about \$85,000 a year, which implies a simple payback of about ten years before other costs; a reported seven-year figure has not been reconciled to those inputs. The installer cites unreliable grid supply and the owner's wish for control as the main motives. These are the business's own estimates, not measured results.

Layer 4: monetise flexibility

A virtual power plant (VPP) lets an aggregator dispatch your battery in exchange for payments or bill credits. Grid-connected batteries claiming the federal discount must be VPP-capable, though capability does not oblige participation or guarantee income. In NSW, the Peak Demand Reduction Scheme funds incentives, offered through accredited providers, for households and small businesses that connect a battery to a VPP. Offers vary, and dispatch can draw down charge kept for backup, so check that the reserve setting and warranty limits still meet your outage needs. Do not rely on uncertain VPP income; assess contracted net benefits, reserve, cycling, fees and exit terms.

THE FINANCE LEVER

CEFC-backed programs take 0.8 percentage points a year off eligible SME asset finance rates through ANZ, 0.5 points through NAB and 1 point through MetroEco, subject to lender approval, fees and availability. By July 2026 the ANZ program had financed more than \$444 million for over 1,600 businesses. On a \$300,000 outstanding balance, 0.8 points is about \$2,400 a year before fees: useful, but no substitute for a project that pays on its own.

SECTION 4 · GROW



Sell into the transition: new business and services

The transition is also a market. Heat pumps, batteries, chargers and solar arrays need designing, installing and maintaining, and large companies with climate targets need capable suppliers. ASIC tells small businesses that large companies' climate spending can create opportunities, from adaptation work in building and construction to complementary products and services. Policy signals are not the same as profitable demand, so each opportunity below needs testing for willingness to pay, margin and working capital.

Opportunity	Signal	Suits	Watch-outs
Installation and maintenance	More than 438,000 battery installations approved in year one of the federal discount. In a June 2026 survey of 345 Pylon-customer installers, 78% reported rebate-related growth	Electricians, plumbers, HVAC and solar trades	69% named a sudden end to rebates as a top threat; only 47% saw the rebate as a net positive; about a quarter of direct installers reported no financial benefit. Growth is not profit
Commercial electrification	Mid-scale solar newly eligible for upfront certificates; state incentives for some commercial heat pumps; fleet charging needs (policy signals, not measured demand)	Electrical contractors and engineers moving up from residential work	Design capability, licensing and accreditation, network approvals, warranties and working capital
Carbon and nature markets	Generic ACCU spot price \$36.28 at end March 2026, record first-quarter issuance. Nature Repair register: three projects, none with certificates issued (2 October 2026)	Farmers and land managers	Long project lives, monitoring, permanence, fire and drought risk, lost land income; nature market embryonic

Opportunity	Signal	Suits	Watch-outs
Circular economy	Goal to double Australia's circularity rate (secondary materials as a share of material use), about 4.3% in 2024, by 2035	Repair, refurbishment, recycled-content and reuse businesses	Policy intent; this paper does not quantify obtainable SME revenue
Social procurement	Social Traders members spent \$304 million with certified social enterprises in FY25, up 18%	Social enterprises and their partners	Certification needed for these channels; ordinary SMEs do not qualify on good practice alone

Case study: the installer boom, and its limits

Solar Naturally, a Perth-based installer with more than 140 staff, reported a 700% rise in battery uptake after the federal discount began, with batteries dominating its sales (founder interview, December 2025). The founder names recruitment as the hardest constraint and cites training courses costing \$10,000 to \$15,000 per person. Industry-wide, installers describe a "solar coaster": the 1 May 2026 changes are reported to have pulled demand forward, and CER data show the average battery size falling from 36 kWh in April to about 23 kWh in May and June. Since 1 March 2026, the CER has required geotagged, timestamped photos of critical labelling and warned that installers doing non-compliant work can be removed from the scheme.

The lesson: subsidised demand is real revenue, but a business built on one incentive inherits its policy risk. Maintenance contracts, commercial clients and services that outlast any single rebate are a hypothesis worth testing, with margin and working capital modelled: a growing installer often funds equipment, labour and warranty obligations before the customer pays in full.

Case study: winning work through social value

Navaroo, a certified social enterprise, won a \$3.8 million landscaping package on the Parkdale level crossing removal project in Victoria, the first major landscaping award to a social enterprise by that alliance, and the partnership later won a national social procurement award. One success does not prove the value of certification, but it shows that buyers with social procurement targets need capable small suppliers.

Case study: stacking carbon and biodiversity on one property

Cooplacurripa Station in northern NSW is the first project registered under the Nature Repair Market's replanting method, on about 439 hectares of cleared land also registered for carbon credits. Earning from both markets is legally possible, but no biodiversity certificates have been issued, the outcome horizon is 25 years, and buyers and prices are unknown. It is an investment-backed project, not typical small-farm economics.

WHERE GROWTH IS A TRAP

Hiring and buying stock against a single rebate. Entering a market whose rules are still being written without a fallback. Selling sustainability services or products with claims you cannot substantiate, which brings you straight back to the Defend play.



Three screens, then the money test

The three screens tell you where to look; they do not decide where to invest. Simple records can support them without a platform or a sustainability report, but each needs an owner.

Screen	What to measure	What it flags	Where it comes from
1. Exposure (Defend)	Gross profit from accounts that ask for climate or social data; critical sites and suppliers exposed to physical risk	Whether buyer responses, claims control or continuity planning deserve effort. A small account can still matter for margin or referrals	Customer list, actual contract clauses and tenders, insurance schedule
2. Flexibility (Save)	Annual energy and fuel spend that could be reduced or electrified; controllable load in cheaper tariff windows (two separate measures)	Which layers of the stack to model, and in which order	Interval data, gas and fuel invoices, asset replacement dates, a site walk-through
3. Adjacency (Grow)	A shortlist of opportunities scored on buyer access, capability gap, margin, capital need and policy dependence	Which single offer to test first	Your capability list against the signals in Section 4

Play	Decide on	Key inputs	Reject or delay if
Defend	For voluntary buyer-data work: contribution protected or won, less preparation and upkeep cost	Account gross profit, renewal horizon, buyer criteria, evidence the buyer will accept	The buyer will not use the data and no other benefit is identified. Legal duties and correcting unsupported claims are not optional
Save	Net present value and cash flow against the real alternative (for example, a like-for-like gas replacement)	Incremental capex, tariff and interval data, fuel avoided, maintenance, certificates, grants, lease life	Plausible downside cases breach limits agreed in advance, the cash peak is unaffordable, or lease or network limits block it
Grow	Risk-adjusted contribution and cash needed per validated opportunity	Paying customers, price, delivery cost, capacity, working capital, subsidy dependence	No willingness to pay, thin margin, or the offer fails if the subsidy ends before costs are recovered

DEFER, DELIBERATELY

- Low exposure and no environmental claims
- Energy a small share of costs, little that can move
- No adjacent opportunity worth testing
- Keep legal duties, claims control and a physical risk check; set review triggers

WAIT, WHILE COLLECTING DATA

- Treasury's proposed reporting changes will not affect 2026-27 reporting
- Threshold and EV tax changes were not law at the time of writing; recheck
- Mid-scale certificate applications are expected mid to late November; design need not wait

ACT NOW

- A material buyer uses an estimate that overstates your emissions and will accept comparable data
- A public claim lacks substantiation
- A boiler, hot water system or vehicle is due for replacement soon

RUNNING THE MONEY TEST

Compare each option with the real alternative over the asset's life: installed cost including enabling works (three-phase supply, chargers, connection); yearly savings modelled on interval data and actual tariffs; maintenance, degradation and replacements; incentives and their timing risk; residual value; a stated discount rate; consistent tax and GST. Judge the project before its financing. Run base, downside and upside cases on named assumptions: weaker performance, tariff changes, connection overruns, a refused incentive, a short lease.

Replacement is often the best decision point: when an asset is genuinely due, the relevant cost is the premium over a like-for-like replacement, including enabling works, not the whole purchase price; fixed gas charges fall away only if the connection is removed. Earlier replacement can still win if fuel costs, failure risk or expiring incentives tip the balance.

One question cuts through all of it, and it is the easiest to skip: *what would make us change this decision?* A proposal that cannot name the conditions under which it should be delayed, redesigned or rejected, and who will check them, has not been tested.

CLOSING VIEW

ESG can protect revenue, cut costs and open markets for an SME, but none of these is automatic. The measure of a good approach is not the number of initiatives announced, but whether the numbers behind each decision hold up.

How GG Advisory can help

Play	What we produce
Defend	A buyer-requirement map, an agreed emissions response method and a substantiated claims register
Save	An independent options appraisal: interval-data simulation, certificate and incentive choices, net present value and downside cases, compared with the real counterfactual
Grow	An adjacent-market validation brief: named buyers, a pilot offer, margin and working-capital model, and subsidy sensitivity

To start, bring twelve months of electricity and gas bills (or interval data), your three largest accounts by gross profit and any sustainability requests they have made, the environmental claims you already publish, and any asset due for replacement in the next two years. Partial records are a fine start.

About the author

Dr Antonin Demazy de Fortet is Founder and Principal of GG Advisory, a Melbourne-based consultancy specialising in energy transition, climate-tech commercialisation and technical-commercial investment assessment. He holds a PhD from the University of Melbourne, with research in AI-enabled energy systems modelling, and an Executive MBA from ESCP Business School, and previously worked in energy strategy at Accenture. He serves on the board of La French Tech Australia and received the 2026 Belgian-Australian Excellence Award for Environmental & Sustainability.

Antonin joins the panel *ESG in Practice: Turning Sustainability into Strategy* at The Business Show Australia, ICC Sydney, scheduled for 26 November 2026 at 2:00pm in the Panel Theatre.



Turning climate-tech ambition into market-ready execution
www.gg-advisory.com.au · antonin@gg-advisory.com.au · linkedin.com/in/antonindemazy

APPENDIX



Sources and data currency

Context and reporting

- GOV ASIC, [Sustainability reporting for small business](#). Group thresholds and dates; value-chain requests; estimates and industry averages; opportunities from large companies' adaptation spending.
- GOV ASIC, [26-222MR](#) and [Report 839](#), 21 September 2026.
- GOV AASB, [AASB S2 Appendix C](#), para C4(b). No Scope 3 disclosure in the first annual reporting period.
- GOV Treasury, [Improving the efficiency of climate-related financial disclosures](#), consultation paper, August 2026.
- GOV AER, [State of the energy market 2025: Chapter 1](#), p.5 (all intervals); [Chapter 2](#), p.21 (11am to noon).
- GOV AER, [Default Market Offer and Solar Sharer Offer](#); Victorian Government, [Victorian Midday Power Saver](#).

Defend

- ORG GHG Protocol, [Technical Guidance for Calculating Scope 3 Emissions](#), Category 1, p.21 (supplier-specific, hybrid, average-data and spend-based methods).
- CO Woolworths Group, [Climate and Nature](#). Scope 3 targets to F33; sector-average factors where supplier data is missing.
- GOV Department of Finance, [Environmentally Sustainable Procurement Policy](#).

- GOV** Attorney-General's Department, [Modern Slavery Act](#) (\$100 million threshold; review response) and [Strengthening the Modern Slavery Act](#) consultation.
- GOV** ACCC, [Making environmental claims: a guide for business](#), December 2023, pp.24 to 26 (renewable energy good practice on certificates; emissions and offset claims).
- GOV** Attorney-General's Department, [Strengthening Australia's legislative response to modern slavery in supply chains](#), consultation paper, August 2026 (16 July 2026 announcement; consolidated revenue over \$100 million; reasonable-steps defence; closed 25 September 2026).
- LAW** Herbert Smith Freehills Kramer, [Keeping up with ESG in Australia, August 2026](#) (paper released 21 August 2026).
- GOV** ACCC, [Grill'd proceedings](#), 16 June 2026; [Clorox penalty](#); [2026-27 enforcement priorities](#).

Save

- GOV** Clean Energy Regulator, [Mid-scale solar](#) (STC choice excludes REGO certificates for the deeming period); ministerial release on the [20% cost reduction](#) (as republished).
- GOV** Clean Energy Regulator, [Cheaper Home Batteries](#) (eligibility, size bands, VPP capability); [Quarterly Carbon Market Report, June quarter 2026](#) (438,000 installations), and the [full report](#) (approved installations; average battery size).
- GOV** [energy.gov.au](#), [How solar pays for itself and batteries reduce bills](#) (demand charges, feed-in credits).
- GOV** IPART, [PDRS VPP battery fact sheet](#), July 2026.
- GOV** Essential Services Commission, [VEU commercial heat pump water heater changes](#), 31 March 2026.
- GOV** [energy.gov.au](#) case studies: [Berrydale Swim School](#); [Mittagong Motel](#).
- GOV** AEMO, [2026 Gas Statement of Opportunities](#) media release, 26 March 2026.
- GOV** Treasury, [Fairer tax treatment to encourage affordable EVs](#), 5 May 2026; [Sustainable FBT treatment of electric cars](#), consultation 10 to 28 September 2026.
- GOV** ATO, [Electric cars exemption](#) (conditions; still a reportable fringe benefit) and [FBT on plug-in hybrids](#); Department of Infrastructure, [New Vehicle Efficiency Standard](#).
- GOV** CEFC: [Splend](#); [ANZ](#) (0.8%); [NAB](#) (0.5%); [MetroEco](#) (1%).
- GOV** Government of South Australia, [Powering Business Grants](#) (Kyttons Bakery).
- MED** Lowe Family Wine Co: [Food & Drink Business](#), 27 October 2025; [Mudgee Guardian](#), 24 December 2025. Payback arithmetic is GG Advisory's.
- CO** SPS Solar Solutions, [Lowe Family Wine Co case study](#) (installer; system size, motives).

Grow

- CO** Pylon, [State of Solar Business 2026](#) (345 Pylon-customer installers, June 2026; sample skews to established firms); demand timing as reported by [Shepparton News](#), 26 August 2026.
- MED** Business News Australia, [Battery installations surge for Solar Naturally](#), 22 December 2025.
- GOV** Clean Energy Regulator, [Safety the priority as solar battery installations surge](#), 25 February 2026.
- GOV** Clean Energy Regulator, [Quarterly Carbon Market Report, March quarter 2026](#); [Cooplacurripa Station case study](#); [Biodiversity Market Register](#) (updated 2 October 2026).
- GOV** ABS, [Circular economy indicator](#) (2024 rate; goal in Australia's Circular Economy Framework to double it by 2035).
- ORG** Social Traders, [Top trends in social procurement](#), 18 May 2026 (Navaroo; \$304 million FY25).
- EVT** The Business Show Australia, [ESG in Practice: Turning Sustainability into Strategy](#), 26 November 2026.

Source types: GOV government, regulator or standard setter; ORG industry or standards body; CO company; MED media; LAW legal commentary; EVT event organiser. Hypothetical and illustrative figures are labelled as such. This document is general information prepared by GG Advisory Pty Ltd. It is not legal, tax, financial, accounting, engineering, energy-procurement or investment advice and should not be relied upon as the sole basis for any decision. Incentives, thresholds and dates move quickly and should be re-checked before acting. Current as at 9 October 2026: public sources were reviewed on that date. Case-study outcomes are as reported by the businesses, not independently audited. Eligibility for incentives and certificates depends on the system, premises, installation date, provider, contract and applicable rules; obtain qualified legal, tax, financial or engineering advice before signing a contract, making a public environmental claim or committing capital.