

Information Sheet



Your GST options for commercial lighting installations

Background

Historically, the treatment of GST on environmental certificates (STCs, VEECs and ESCs) has been a difficult issue for system suppliers and other industry participants to manage. This has been particularly evident in commercial lighting installations, where the wide variety of business models and payment arrangements add further complication.

In response to client feedback, Green Energy Trading has introduced more flexible options for the treatment of GST in commercial lighting installations.

Option 1

For several years, Green Energy Trading has championed the [GST model](#) recommended by the Rec Agents Association (in concert with the Australian Taxation Office [ATO]) for renewable energy certificates.

This method is based on the following ATO advice:

1. In a standard installation, there are actually two separate and distinct transactions taking place:
 - Your sale of the lighting system to your customer; and
 - Your customer's sale of the right to create VEECs or ESCs to Green Energy Trading.
2. Where the system owner is registered for GST, an input tax credit cannot be claimed by the registered agent unless the agent holds a compliant tax invoice from the *system owner* for the sale of the right to create the certificates.

When the energy consumer (your customer) is registered for GST (i.e. a commercial or business installation), Green Energy Trading requires a tax invoice for the right to create certificates from the system owner. This satisfies the ATO requirements outlined above, but does not affect the flow of payments or any existing business arrangement between yourself and your customer, and you may still accept the certificate value as part payment of the system cost.

Option 2

In many cases, lighting installers and suppliers have found the above method difficult to comply with, and have resorted to supplying templated or pro-forma invoices on behalf of energy consumers. In order to accommodate these situations, Green Energy Trading will also accept a compliant tax invoice from the installer/supplier for the certificate value plus GST.

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Invoicing Green Energy Trading

All tax invoices must:

- be addressed to: **Green Energy Trading Pty Ltd, 2 Domville Ave, Hawthorn Vic 3122.**
- meet the standard tax invoice requirements of the Australian Taxation Office.

Where Green Energy Trading has reason to believe the GST amount is not being remitted to the ATO (i.e. templated or pro forma invoices are used), payment of the GST amount will be withheld.

Invoicing your customers – *an important consideration*

Regardless of whether the energy saver (your customer) is registered for GST or not, you must add the full 10% GST to the total price of the system, before any allowance is made for the environmental certificates.

Example: System cost = \$18,000 ex GST Certificate value = \$10,000

Correct invoicing	
Description	Total
System cost	\$18,000
Plus GST	+\$1,800
Total Invoice Amount	\$19,800

Less ESC/VEEC value	-\$10,000
Total Payable	\$9,800

Incorrect invoicing	
Description	Total
System cost	\$18,000
Less ESC/VEEC value	-\$10,000
Total Invoice Amount	\$8,000

Plus GST	+\$800
Total Payable	\$8,800

Contact us

Should you have any further questions in relation to GST, please don't hesitate to:

- call us on 03 9805 0700 or 1300 077 784,
- visit our website at www.greenenergytrading.com.au
- email us at benefit@greenenergytrading.com.au

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