

# GST Information Sheet #6 for GST-registered system owners



## How to invoice Green Energy Trading if you are a GST registered system owner

### Introduction

Congratulations on your decision to install renewable energy generation or energy efficient products in your business. We expect you will enjoy substantial environmental and financial benefits for many years to come.

To encourage businesses like yours to make sustainable choices, the federal, Victorian and New South Wales governments administer environmental schemes. These schemes enable businesses and individuals to access a financial benefit and reduce the upfront cost of their installation. The financial benefit comes in the form of environmental certificates and is calculated based on the amount of energy the new system will generate – or save – over the life of the asset.

Since 2007, Green Energy Trading has been helping businesses unlock the value of these initiatives by facilitating the process of environmental certificate creation. It is on this basis that we ask for your assistance now, to ensure that the GST requirements associated with your purchase are handled in a compliant way.

### GST treatment

In a standard installation, there are two separate and distinct transactions taking place:

- Your *installer* is selling the PV, hot water, heating or lighting system to *your business*; and
- Your *business* is selling the right to create environmental certificates to *Green Energy Trading* (the registered agent) – enabling you to access the financial benefit. The Australian Tax Office considers the sale of the right to create environmental certificates to be a taxable supply if you are a GST registered business.

Consequently, for this transaction, Green Energy Trading will pay you the normal certificate value plus GST, and we are required to collect a tax invoice from your business prior to payment. The ATO will expect you to remit the GST in your Business Activity Statement.

**Green Energy Trading is unable to create and purchase environmental certificates until your tax invoice is received.**

Your tax invoice should:

- meet the standard tax invoice requirements of the Australian Taxation Office.
- be addressed to: **Green Energy Trading Pty Ltd, G.02 109 Burwood Rd, Hawthorn 3122.**

\*Please note: whilst you are issuing an invoice to Green Energy Trading, we are not a conventional debtor and no credit is being extended to us. This being the case, you may find it easiest to invoice us under a 'cash sales' or similar account. We are unable to provide the trade references or Director's guarantees which are often requested in a *trading* account application.

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## Example of compliant tax invoice

<b>Tax invoice</b>	
Yourbiz Manufacturing Pty Ltd ABN: 32 123 456 789	15 Solar Street Brightville VIC 3122
Date:	1 August, 2013
To:	Green Energy Trading 109 Burwood Rd, Avenue Hawthorn VIC 3122
Description of supply	Total
84 x Environmental Certificates	\$3,024.00
GST	\$302.40
Total price including GST	\$3,326.40

### For further information

- call us: 03 9805 0700 or 1300 077 784
- visit our website: [www.greenenergytrading.com.au](http://www.greenenergytrading.com.au)
- Read the Australian Taxation Office's fact sheet: <https://www.ato.gov.au/business/gst/in-detail/your-industry/gst-and-the-small-scale-renewable-energy-scheme>
- View the Rec Agent's Association's compliant examples: <https://www.recagents.org.au/raa-briefing-paper-on-gst-for-environmental-certificates/>

*The following information is based on the most up-to-date information available to Green Energy Trading and is of a general nature. As such, it may not be appropriate for your specific situation, and you should always seek advice from your taxation specialist. Whilst we make every effort to ensure that the information on this fact sheet is accurate and complete we do not accept any liability arising from any inaccuracy or omission in any of the information herein, or any liability arising in respect of information provided by us or any other person.*