

# Sustainable Energy Insights Report

For South Australian SME's

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[www.sustainableenergy247.com](http://www.sustainableenergy247.com)



# Executive Summary

Australia's energy transition is accelerating rapidly as we aim to achieve a 43% reduction in emissions by 2030. South Australia, in particular, is leading the way, with over 70% of its electricity now generated from renewable sources—a global benchmark. Yet, despite this impressive achievement, South Australian SMEs face a harsh reality: they currently bear the highest energy costs in the nation, a burden that threatens their sustainability and profitability.

For years, South Australian businesses have voiced their concerns, grappling with the challenge of managing these costs while maintaining operations. So, what are the core issues at play, and can SMEs transform energy from a financial liability into a sustainable, value-generating asset?

In response to these pressing questions, the Sustainable Energy Commitment, in collaboration with the South Australian Business Chamber, conducted 110 sustainable energy health checks with SME decision-makers across the state.

This assessment evaluates each organisation against 18 specific Key Performance Indicators (KPIs) covering critical aspects of sustainable energy management, providing a comprehensive overview of their current capabilities and maturity levels.

Organisations receive a score out of 100, categorised as follows:

**Scores 0-35:** Organisations in this range are highly dependent on external energy sources, indicating low sustainable energy management maturity.

**Scores 36-70:** These organisations show a moderate level of energy independence and sustainable energy management maturity.

**Scores above 70:** Companies scoring above 70 have achieved a level of energy interdependence, fostering collaboration and creating mutually beneficial partnerships that signify high sustainable energy management maturity.

This report delves into the findings, offering actionable insights to help South Australian SMEs harness sustainable energy management as a strategic advantage, building resilience in an increasingly volatile energy landscape.

Over the past 5 years, Australian business energy costs have risen significantly, with many businesses this year seeing more than 30% increases alone.

**94%** of businesses said that energy prices and controlling energy costs is their number 1 concern.

**55%** of businesses said that they had not heard of ESG and climate disclosure reporting. Only 8% were committed to it.

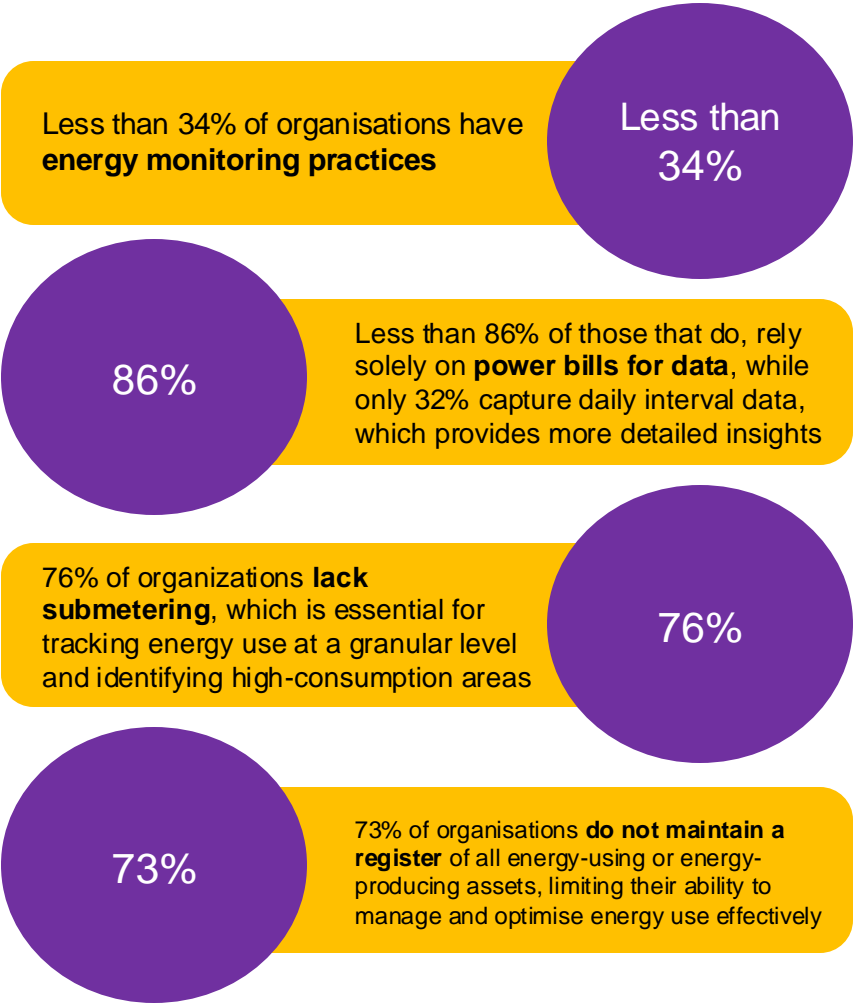
And to add to the complexity, most organisations are not ready for a new era of mandatory climate-disclosure reporting. Only 6% sore this as more important than controlling energy costs.

Most business are not ready to tackle the converging problem, due to a lack of energy management capability.

**16** out of 100, is the average sustainable energy management score for South Australian SME's

# Challenges with Data Collection & Measurement

Small and medium-sized enterprises (SMEs) face significant barriers in effectively collecting and measuring energy data.



# Insights on Organisational Capability & Reporting

There is an opportunity for organisations to improve transparency in their sustainability reporting, invest in roles and training focused on sustainable energy, and establish dedicated committees or governance bodies to oversee and drive energy-related sustainability efforts.



## Sustainable Energy Actions & Initiatives

There are challenges and untapped potential for SMEs in adopting comprehensive energy solutions and supporting broader community initiatives.

### Challenges

#### Low Adoption of Advanced Energy Solutions:

Less than 2% of organisations have Battery Energy Storage Systems (BESS), and just 2% participate in Virtual Power Plants, reflecting limited adoption of cutting-edge technologies that could enhance energy independence and resilience.

#### Reliance on Traditional Electricity Sources:

All organisations still buy traditional electricity retail products, suggesting a heavy dependency on conventional energy sources, limiting their ability to reduce costs and emissions.

#### Limited Engagement in Broader Sustainability Programs:

Less than 3% of organisations have programs to support employees, customers, and the community in accessing carbon-free/renewable electricity, highlighting a missed opportunity to extend their sustainability impact beyond their own operations.

#### Underuse of Feasibility Studies for Energy Projects:

Just 15% of organisations conduct feasibility studies for technical energy projects, indicating that many SMEs may be missing out on well-informed, data-backed insights for making strategic energy decisions.

#### Variable Implementation of Basic Energy Efficiency Initiatives:

While 78% of organisations have implemented LED lighting, less attention has been given to HVAC upgrades (18%), refrigeration upgrades (34%), insulation improvements (19%), and power factor/quality improvements (5%), suggesting uneven progress on foundational energy efficiency upgrades.

### Opportunities

#### Expand Use of Onsite Renewable Energy Solutions:

With one in three organisations already having rooftop solar, expanding this could be an achievable and impactful step toward greater energy independence and carbon reduction.

#### Promote Adoption of BESS and Virtual Power Plants:

Encouraging more organisations to invest in Battery Energy Storage Systems and participate in Virtual Power Plants could help reduce dependency on traditional energy sources and improve grid resilience.

#### Develop Programs to Support Wider Community Access to Renewable Energy:

Establishing programs to help employees, customers, and the community access renewable electricity could strengthen organisational sustainability efforts and build broader community engagement.

#### Increase Feasibility Studies for Technical Projects:

Encouraging more organizations to conduct feasibility studies can provide valuable insights into energy efficiency and renewable energy projects, helping them make informed decisions and reduce risk.

#### Focus on Comprehensive Energy Efficiency Measures:

Expanding initiatives beyond LED lighting to include HVAC and refrigeration upgrades, improved insulation, and power quality enhancements can provide a more comprehensive approach to energy efficiency, potentially leading to significant long-term savings and environmental benefits.

## Challenges with Strategy & Planning

Many SMEs may lack clear, actionable policies and strategies in the transition to renewable energy, often not leveraging their own data effectively or setting structured targets to guide their sustainability efforts.

Less than 18% of organisations have **set targets** for carbon-free or renewable energy, indicating that a significant majority have not committed to reducing their carbon footprint through renewable energy goals.

Less than  
18%

Just 30%

Just 30% of organisations **developed a strategy** based on their specific energy data before setting any targets. This suggests that many SMEs may lack data-driven approaches in forming their energy or sustainability strategies, which could hinder effective goal-setting and measurement.

Less than 20% of organisations **have a policy** directly related to adopting carbon-free or renewable energy sources, showing a gap in formalised, structured approaches to renewable energy within SME operations.

Less than  
20%

# Conclusion

The path toward sustainable energy for small and medium-sized enterprises (SMEs) presents both significant challenges and meaningful opportunities. Despite growing awareness, many SMEs face barriers in setting and implementing effective strategies for sustainable energy use. Currently, only 18% of organisations have set carbon-free or renewable energy targets, and a mere 20% have formal policies related to adopting renewable energy. Limited by time and expertise, business leaders often find it challenging to prioritise these initiatives amidst other operational demands. The lack of in-house sustainable energy expertise and dedicated roles further complicates the ability to build effective strategies and drive sustainable action.

While some progress is being made—like rooftop solar installations by one-third of businesses and widespread adoption of energy efficiency upgrades, such as LED lighting (78%)—there remains a considerable gap in advanced energy solutions. For instance, only 2% of organisations have Battery Energy Storage Systems (BESS) or participate in Virtual Power Plants, both of which could significantly enhance energy resilience and reduce dependence on traditional electricity. Furthermore, 100% of surveyed organisations still rely on conventional electricity retail products, underscoring a persistent dependence on carbon-intensive energy sources.

Despite these challenges, demand-side participation and adoption of consumer energy resources by SMEs are critical to supporting Australia's transition to a sustainable energy system and meeting the nation's 2030 carbon reduction goals. By empowering SMEs to participate actively in the energy market and adopt renewable technologies, we contribute directly to a more resilient energy system and accelerate the transition to a low-carbon economy. However, sustainable energy needs to be not only carbon-free but also affordable and accessible to everyone—SMEs included.



## Need help getting started?

We're here to help. Complete our **free [sustainable energy health check](#)** and book a **complimentary 30-minute consultation** with one of our sustainable energy experts.

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