

Auditing for Profitability

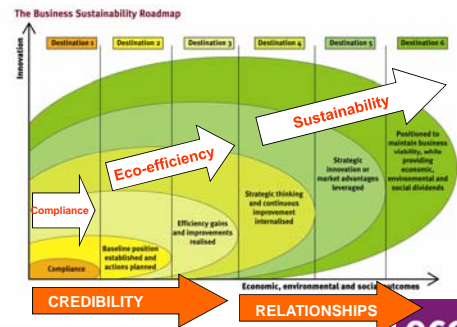
Andrew Chamberlin
Business Partnerships Unit



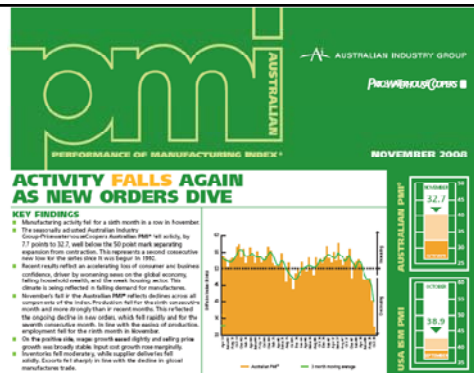
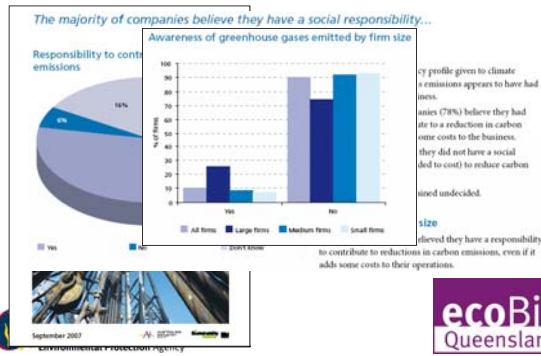
- Presentation Overview:
 - Background
 - Trends
 - Process



Sustainability and Resource Efficiency



We all want to do something...



Embargoed until 11.00am Tuesday 11 November 2008

NAB's Monthly Business Survey & Economic Outlook – Oct 2008

- Business confidence crumbles to record low level.
- Business conditions also sharply down – but still at 2007 levels which are not necessarily.
- Probably the most concerning aspect going forward is the dramatic fall in forward orders.
- NAB's new measure of credit availability suggests credit availability tightened for around 20% of respondents – with expectations of tighter conditions ahead (55% of respondents). See pages 3-4.
- Survey implies both demand and non-farm GDP in Q4 have fallen to below 1% (annualised).
- Confidence falls broadly based – while falls in conditions moderated by rising and stabilising.
- Wages growth a touch faster, but inflation still high & rising – on the back of higher purchase costs.
- Global GDP forecasts for 2009 unchanged at 2.4%, but more aggressive rate cuts expected.
- Local GDP still at 1.1% in 2009 – or 1.1% in each of the next two financial years – significantly lower than Government forecasts. In turn implying weaker labour market and budget outcomes.
- Hints to growth still on the downside and RBA now expected to cut further and more quickly – with our cash rate forecasts lowered to 3.5% in early 2009 (previously 4.1% by mid 2009).

October Survey – Key Results

- Business confidence fell to record 21 points to a new record low of 20 index points.
- Business conditions also fell sharply – down 10 points to -11 index points – a level around the bottom of the absolute in late 2007's (201 -10 points).
- Trading conditions fell 11 points to an index reading of -10. Probability fell 2 points to -13 index points and employment fell a relatively large 3 points to -10 index points. The index is now negative of other countries reporting and is more than 100% of the global index.
- Forward orders also fell rapidly – down 10 points to a Monthly Survey low of 20 index points. These type of readings were not seen in the 18 Quarterly Survey in 2007.
- Capacity utilisation improved marginally to 81.5% after recent sharp falls – but was unchanged in trend terms.
- The fall in business confidence was more broad based – and with particularly low falls in construction, retail, wholesale and transport. The fall in business confidence was also cushioned by energy higher rising and moderate gains in advertising.
- Annual wages growth edged down to 6.7% in October (by a record month in a row). But aggregate and real prices both edged higher in the year to October (3.7% & 3.8% respectively). Purchase costs continued to surge with the annual increase now 7.2%.
- The new measure of credit availability saw 20% of respondents report tightening in credit availability – with the greatest credit falls being reported by Wholesale, Property & Business services. Retail banking sector falls by 10 percentage points against tighter credit.

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Legislation Trends...

- Energy Efficiency Opportunities
- Smart Energy Savings
- Water Efficiency Management Plans
- Carbon Pollution Reduction Scheme
- National Pollutant Inventory
- National Packaging Covenant
- Waste Levy (other states)

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Legislation Trends..

- Environmental Protection Regulation
 - Incentives for resource efficiency (ecoBiz Partner) and others: ISO14001, Low emissions

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Need for auditors/professionals

- WEMP
- EEO
- Smart Energy Savings Program (Level 2 Audit) to 30TJ/a by 2015
- Home Waterwise Service, Climate Smart Homes Service, Solar Homes
- CPRS
- Industry (Supply Chain) Driven
- Energy, Water, Waste Costs

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Opportunities

- Structured Action Plans
 - No Cost, Low Cost to suit current economic climate
- Recent ecoBiz Partners:
 - JJ Richards Head Office – 21% Electricity Saving and 85% Water – Behavioural Issues and a Water Leak!
 - Lloyd Consulting – 22% Electricity Savings – Behavioural and Air Con Set Point

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ecoBiz outcomes

Comgroup Supplies

- Cooling Water: Oven Cooling Jackets
 - Reduce flow rate and divert to boiler. Disconnect boiler from potable supply. Water to boiler is now pre-heated.

Cost	\$3,425	Savings excludes gas savings due to pre-heating boiler feed water
Saving per annum	\$12,398	
Payback Period	3 1/2 months	
Water Saving	20.16 kL/day	

 - Costs include: plumbing, piping, pressure relief valve

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Accessing ecoBiz

DIY with Free Training:

- Overview sessions available to any company
- ecoBiz toolbox and Rebate training available to all participants
- Available in most major regions of Qld

Facilitators:

- Fee-for-service
- ecoBiz trained
- Available to help participants through Steps 2 – 6



Details of both at www.epa.qld.gov.au/ecobiz



5 Key Points

1. Start with information
2. Plenty of Initiatives to assist
3. Involve Everyone
4. Keep an Holistic View
5. Keep up the Incremental, but look for the Transformational



In this Issue:

- ecoBiz News
- ecoBiz Rebate Round 4
- Participants
- Partners
- Facilitators
- ecoBiz Student Placement
- EPA Sustainable Industries Announcements
- SI Awards 2009
- QWS711net

Bulletin Features

- Partner Profile
- Carbon Market Expo 2009
- Signposting for Climate Change
- Resources
- Old Government Climate Change Strategy
- Links
- Upcoming Events

ecoBiz News

Apply now for an ecobiz rebate!

Sustainability Climate Change and Innovation Minister Andrew McNamara




Knights Commercial Laundry Service
 MAC Investments TIA theManly Hotel
 Bayside Bulletin (Queensland Newspapers)
 Norman Disney and Young Brisbane
 Lanotec
 GPT RE Limited (Riverside Centre)
 Lloyds Consulting Brisbane
 Aussticks Pty Ltd
 The Reef Hotel Casino
 JJ Richards & Sons Brisbane Office
 Colonial First State Property Management (Queens Plaza)



Their footprint is getting smaller. Yours can too.

The EPA congratulates its ecoBiz Partners who are taking action to reduce their impact on the environment. For details call 1300 369 388 or go to www.epa.qld.gov.au/ecobiz

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 ALDI
 Southport Steam Laundry
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 Sea Stradbroke
 PAC Foundry
 Redland Bay Golf Club
 Ferrar Engineering
 Vittorica
 Churchill Abattoir



More info...

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