

## CHECKLIST OF POTENTIAL COSTS AND BENEFITS WHEN PURCHASING ENERGY SAVING EQUIPMENT

### Potential cost savings

- Resale value of the redundant equipment
- Resale value of the replacement equipment
- Can sales tax exemptions be obtained either directly or indirectly through associated entities?
- Are the inputs for the equipment sales tax exempt?
- Does the intended purchase of equipment entitle you to any research and development allowances?
- Can the business claim any Government subsidies in relation to purchaser training of staff?
- Does the vendor of the machine offer any packaging deals in relation to the purchase? For example, extended warranty programs, comprehensive service arrangements, agreements to re-purchase machinery at a later date, and ongoing services at a reduced rate or sliding scale.
- Is there a possibility of sub-contracting the equipment out?
- Can savings be made by the suppliers of inputs?
- Availability of spare parts due to highly specialised equipment components
- Availability of qualified support and backup in relation to spares
- Cost of upgrades, particularly relevant to rapidly changing industries
- Future capacity and expansion capabilities
- Down time and set-up costs
- Staff training costs and training guarantee charges
- Unavailability of instruction manuals
- Insurance
- Marketing of enhanced capabilities and efficiencies
- Royalties and licensing agreements
- Changed supplier arrangements and costs associated with entering into new agreements.

When purchasing new equipment it may be necessary to incur costs in other areas of the business to accommodate the new equipment. Listed below are examples of such costs.

### Potential costs

- Feasibility study to select the equipment
- Purchase price
- Freight, transportation and installation costs of the equipment
- Ongoing maintenance costs
- Waiting period for spare parts
- Environmental costs, such as clean up of existing area, or new waste disposal procedures
- Conditions of the factory lease and zoning laws
- Additional soundproofing
- Modifications to the factory floor, provision of dust free areas, low lighting, heating etc.
- Enhanced security arrangements and other physical safeguards