



10 Things SME Businesses Need To Know About Carbon.....right now !

Whilst Australia's commitment to the Kyoto Protocol has been well documented and communicated, what hasn't been explained is the likely impact of the National Greenhouse and Energy Report Act (NGER) and the impending Carbon Pollution Reduction Scheme (CPRS) legislation on all businesses in Australia. Future editions will cover these pieces of legislation but for the time being, what are the top 10 things SME's should know about carbon and indeed, act on.

Here is our list;

1. **Carbon is complicated**

Carbon is going to have a big impact on all businesses and that means proprietors are going to need some simple answers to navigate this new, complex minefield. Businesses will need to develop a Carbon Management Plan and know their carbon footprint.

2. **It is all about energy**

Whatever you do, one equation is true: the more energy you use, the more carbon you emit and creating carbon is about to start costing you money, no matter how big your business. Energy is not just about electricity, it is embedded in all goods and services you use.

3. **Emissions trading is inevitable**

CPRS has been delayed until 2011 but it is not going to go away. For the first time, big energy users will be required to pay for their pollution, so there are two options; reduce your energy usage or have increased costs.

4. **Be smart**

By reducing your energy emissions now, you can say you did it voluntarily for the greater good and increase your brand reputation.

5. **For SME's, it is all about supply chain**

If you want to do business with the top end of town, environmental credentials are a must have because when big business wants to build environmentalism into their brand they will choose to deal with companies who share their values. Take care if you are an exporter, particularly to the UK, European Union and Japan. You may find difficulty in availing of shelf space if you are not meeting new retail labeling requirements.

6. **Government cares about supply chain too**

State and Federal Government will only rent space in buildings with a NABERS rating of 4 ½ stars and above, and will only deal with suppliers who have a Climate Change policy in place.

7. **First movers will gain a strategic advantage**

A few years ago, Westpac created a TV advert claiming the position of Australia's most environmentally responsible bank. Others have since matched Westpac's credentials but Westpac owns the reputation because they were first. The same will happen to your business.

8. **Carbon is a saving not a cost**

When emissions trading comes in, energy prices will go up, so reducing your energy usage and emissions will save you money. Why not position your business now.

9. **Tendering for business**

Trends are emerging amongst Government and Corporate businesses when tendering for goods and services. Both sectors are demanding higher green credentials from the winners of tender work. Indeed, green tender panels may become the norm. If your business has no green credentials, you may not win future tender work.

10. **Review your contacts, leases and documents**

Current NGER legislation involves "operational control" issues which is complex and dictates who in the supply chain owns the carbon emissions. Carbon Clauses are now required to ensure your business can pass through the additional costs associated with carbon.