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Emissions trading won't hurt small business

The Rudd Government's postponed Carbon Pollution Reduction Scheme (CPRS) would not have significantly impacted most Australian businesses, according to a research report released by the National Centre for Sustainability (NCS).

The Swinburne University-based centre recently completed an industry study to model the potential financial impact a carbon price would have on businesses with fewer than 200 staff.

The authors found that under the scheme, the likely cost increase for these small-to-medium enterprises (SMEs) would be minor, and not a 'big new tax', as claimed by the Opposition.

'Under a CPRS the likely cost increase for most businesses is really small. For some businesses we are talking a few hundred dollars a year,' study leader Scott McKenry said.

However, McKenry admitted that there were still some problems with the approach. 'The cost increase would be so minor for most businesses that it won't act as a strong driver for industry to modify its behaviour,' he said. 'This means we'll be relying on organisational culture to drive businesses to become more sustainable. Businesses won't do it as a cost incentive.'

Despite this, the NCS still endorses the notion of a carbon price and trading scheme.

The study was supported by Sensis and peer-reviewed by RMIT Adjunct Professor, Alan Pears AM.

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