

Factor in carbon tax now

Colin Porter

IF THE impending carbon tax threatens to sink your business, I'd hate to be the one to tell you that your business is already on shaky ground. Yes, it's another tax. Yes, you will need to pay up in some form or another.

Like the GST before it, the carbon tax will be just another operating cost that you will need to deal with as a business expense. If you run your business efficiently, it will be a minor bureaucratic inconvenience rather than a fundamental change to your business.

The advent of the carbon tax should actually be a trigger for you to take a closer look at your operations to find out exactly how efficiently they're running. The key questions are:

- WILL the cost of my goods/services increase? If so, will I have to absorb this cost, or can I pass it on to my customers?;
- WILL the carbon tax adversely affect my debtors? If so, will I need to be more vigilant about my credit facilities?; and
- WILL this affect my ability to attract new customers? If so, is there anything in my business that I could change to remedy this?

With the finer details of the tax still to play out, the best thing to do right now is sit tight and monitor any changes that could affect your expenditure and cash flow.

Colin Porter is managing director of CreditorWatch, an online business community sharing information about bad and slow payers