

# NBI Carbon Tax Seminar 1: Public Engagement on the Carbon Tax

Sasol Auditorium, Rosebank

29 February 2016

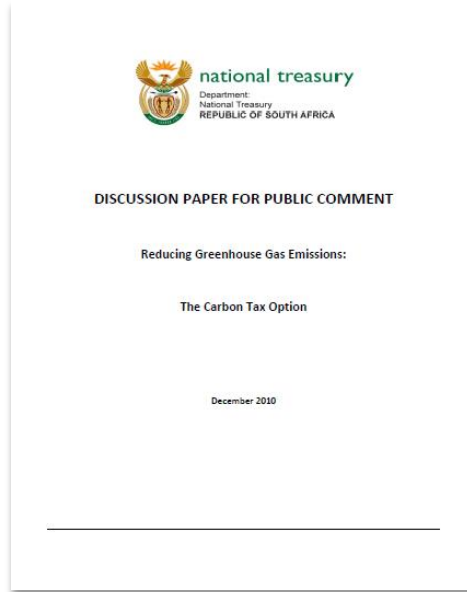


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# An economy-wide carbon tax has been discussed for some time now



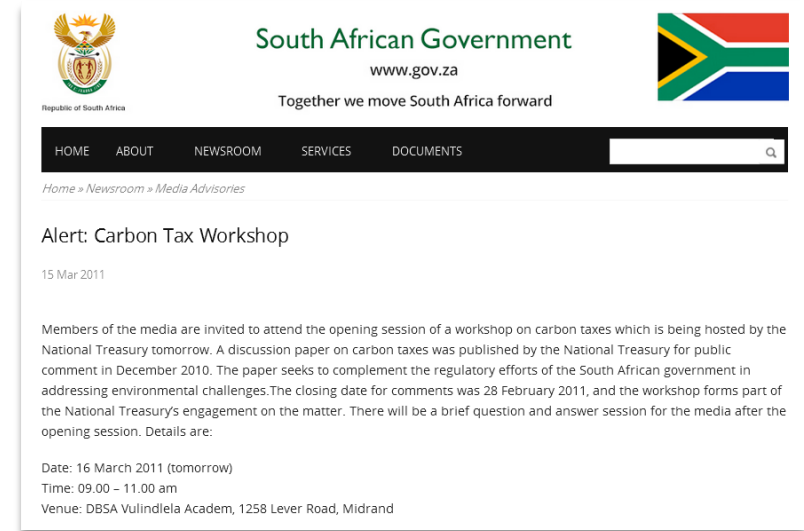
- Engagement largely commenced with the publication of the Carbon Tax Discussion Paper
- Released by National Treasury for public comment in December 2010

‘Reducing Greenhouse Gas Emissions: The Carbon Tax Option’ (National Treasury, 2010)

# Release of the Carbon Tax Discussion Paper was followed by an initial public workshop in March 2011

## Specific presentations were made by a number of key stakeholders at this workshop, including:

- National Treasury
  - The Department of Environmental Affairs (DEA)
  - Business Unity South Africa (BUSA)
  - The National Business Initiative (NBI)
  - The National Energy Regulator of South Africa (NERSA)
  - Eskom
  - Sasol
- 
- Provisional results of the carbon tax economic modelling undertaken by Treasury were also presented at this session



## Written comments on the discussion paper:

- Included inputs from the mandated industry umbrella body (BUSA), specific comments put forward by individual companies and sectors, as well as inputs from the newly formed Industry Task Team on Climate Change (ITTCC) formed in December 2010

This initial public consultation was supported by seminars and debates held by other role-players, including the NBI and ERC

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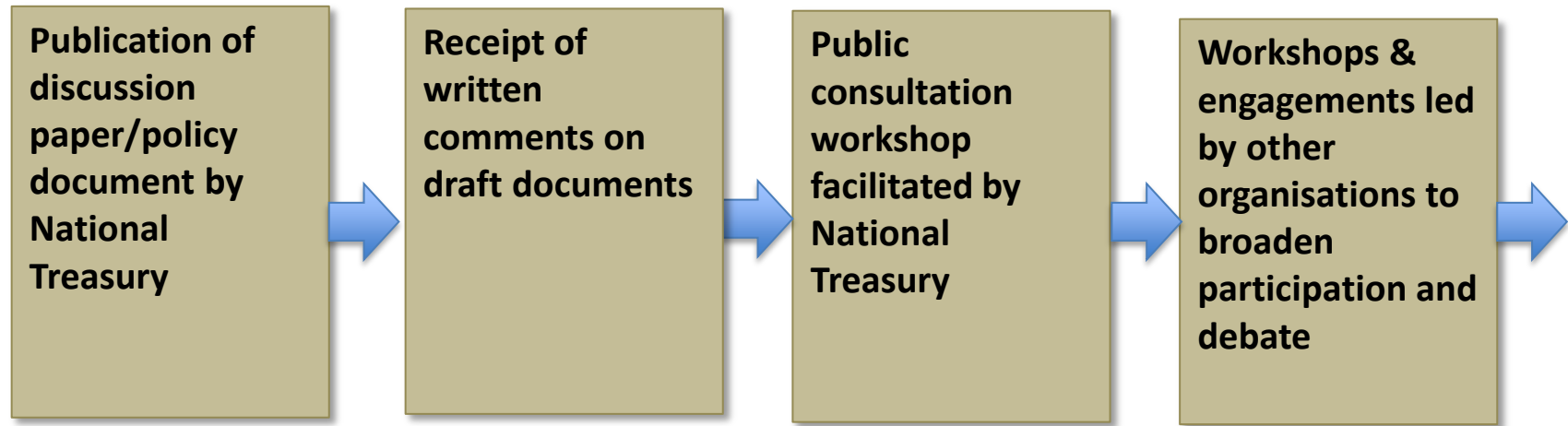
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## BUSINESS PERSPECTIVES ON CARBON PRICING

**This article is the third in a series looking at future carbon pricing in South Africa. An important aspect of the project is the dissemination of research and information and the stimulation of policy debate amongst key stakeholders, including the private sector. In this regard a workshop on carbon pricing aimed at the business community was held in late February 2010 in association with the National Business Initiative (NBI). The workshop was not a consultation process and was structured as a panel discussion to present divergent views on policy options and to stimulate thought and debate.**

This article draws out considerations and issues of concern for South African business within the carbon pricing debate based on the workshop discussion and on other views on carbon pricing expressed by the business sector.

# Consultation on the initial Discussion Paper has largely set the tone for future engagements...



# National Treasury's consultation process has effectively followed a two pronged approach:

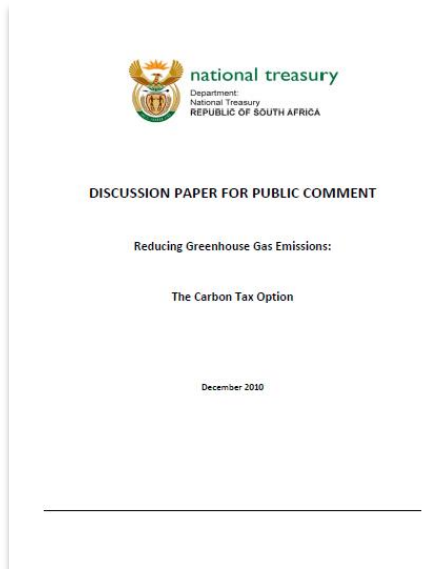
## Consultation on the core carbon tax policy:



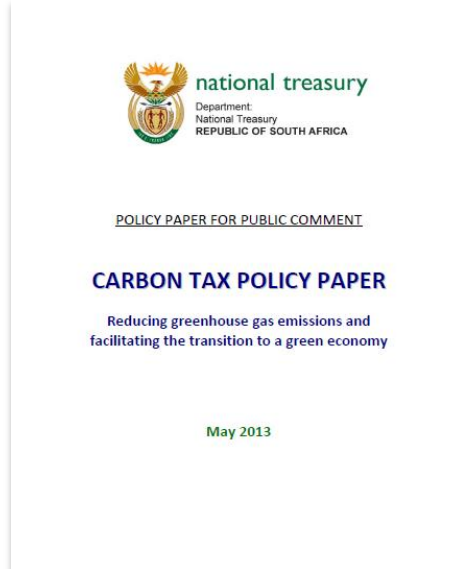
## Consultation on specific elements of the tax design:



# Written comments received by National Treasury:



**Carbon Tax Discussion Paper, 2010:  
79 written submissions**



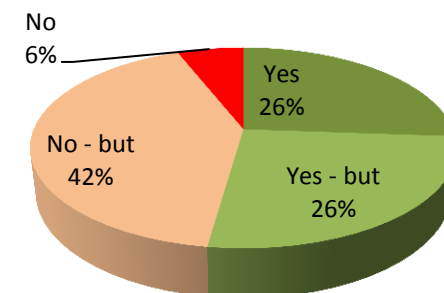
**Carbon Tax Policy Paper, 2013:  
115 written submissions**



**Carbon Offsets Paper, 2014:  
77 written submissions**

# Breakdown of written responses to the Carbon Tax Policy Paper (2013)

| Support carbon tax as pricing instrument? |                                |   |
|---|--------------------------------|---|
| 26.1%                                     | <b>Yes</b>                     |   |
| 26.1%                                     | <b>Qualified Yes (Yes-but)</b> | <ul style="list-style-type: none"> <li>Elements of tax design should be tweaked to improve effectiveness and reduce potential negative consequences</li> </ul>  |
| 41.7%                                     | <b>No-but</b>                  | <ul style="list-style-type: none"> <li>Acknowledge need for a carbon price, but either do not propose a specific measure or propose that other instruments should be pursued (e.g. implicit carbon price in the IRP2010, use of an emissions trading scheme)</li> </ul> |
| 6%  | <b>No</b>                      | <ul style="list-style-type: none"> <li>Respondents felt that climate change cannot be linked to anthropogenic emissions and hence there was no need for carbon pricing</li> </ul>   |
| 100%                                      | <b>Total</b>                   |   |



Source:  
National Treasury . (2015)  
'Carbon Tax Proposals'.  
Presentation to Portfolio  
Committee on Environmental  
Affairs, May 2015



The overall response of industry has been coordinated by BUSA, working in consultation with its sector representatives

## Carbon tax

### Submission to Davis Tax Committee

12 May 2015



Organisations such as the NBI have engaged with South African companies on the key components and nuances of carbon tax policy over a number of years



**CARBON PRICING LEADERSHIP COALITION**

**WORLD BANK GROUP**  
Climate Change

**NBI**  
National Business Initiative

### The South Africa Business and Carbon Pricing Dialogue

**Date:** Wednesday, 11 November 2015  
**Location:** The Venue, Melrose Arch, 17 High St, Melrose Arch, Johannesburg

**Draft Agenda**

|               |   |
|---------------|---|
| 08:30 – 09:00 | <b>Registration</b>   |
| 09:00 – 09:30 | <b>Welcome and Introductions</b><br>- South Africa National Treasury<br>- National Business Initiative  |
| 09:30 – 10:00 | <b>Principles of Successful Carbon Pricing</b><br><i>Presentation: Global experiences, lessons learned, and good practices</i><br>Tom Kerr, Principal Climate Change Specialist, World Bank Group |

**Global Compact Network South Africa**



**NBI Thought Leadership Series**  
*Climate Change Policy Update*  
Wednesday, 24 June 2015

**NBI Thought Leadership Series**  
*The Carbon Tax in Focus*  
Wednesday, 8 July 2015

Key to this process has been supporting business engagement on the carbon tax, including through enhanced company involvement in sector and industry-wide consultations

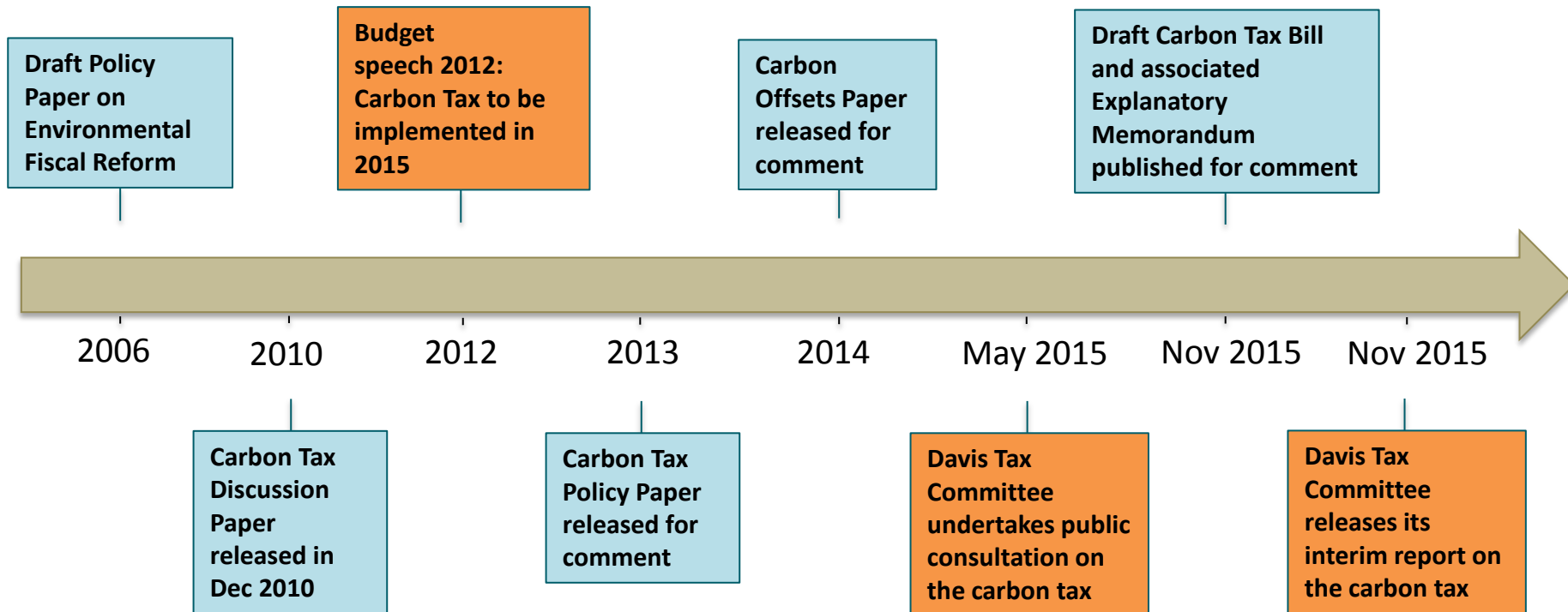


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# Key milestones in the carbon tax policy development process to date:



# In summary:

- Fair to say that public consultation on the carbon tax has been extensive to date, both through formal and informal channels
- Carbon tax design has changed significantly since 2010, including in response to public comment
- BUSA serves as the mandated body representing business in the carbon policy development process
- Other organisations, such as NBI and ITTCC, have supported companies to engage through BUSA within this policy process

# Questions?



The National Business Initiative (NBI) is a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action.

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The National Business Initiative is a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action. Since our inception in 1995, the NBI has made a distinct impact in the spheres of housing delivery, crime prevention, local economic development, public sector capacity building, Further Education and Training, schooling, public private partnerships, energy efficiency and climate change.

The NBI is a global network partner of the World Business Council for Sustainable Development (WBCSD), the focal point of the United Nations Global Compact (UNGC) Local Network in South Africa and an implementation partner of the CEO Water Mandate, We Mean Business and the CDP.

[www.nbi.org.za](http://www.nbi.org.za)

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