**MEDIA STATEMENT**

**COMMITTEE ON ENVIRONMENT EXPRESSES CONCERN OVER EFFECTIVENESS OF CARBON TAX ON GREENHOUSE EMMITTERS**

**Parliament, Thursday, 19 August 2021 –**The Portfolio Committee on Environment, Forestry and Fisheries yesterday received a briefing from the National Treasury on the carbon tax policy and sustainable finance initiatives.

The committee raised a concern over the effectiveness of the carbon tax on companies that emit greenhouse gases. It wanted to find out whether the implementation of the carbon tax has had a sanitary effect which led to the reduction of greenhouse gas emissions since its introduction in 2019.

The National Treasury reported that it is still too early to gauge the impact of the introduction of the carbon tax on industries that are producing greenhouse gases.  The National Treasury informed the committee that they rely on the South African Revenue Service (SARS) to monitor and audit companies that are liable to pay for this carbon tax and their compliance.

The committee believes that there is a need for a discussion on just transition as yesterday’s meeting focused only on carbon tax. The National Treasury informed the committee that it has not done explicit work on just transition. The committee heard that the National Treasury participates in the process that is undertaken by the commission on climate change and that has been put in place by the President.

The main focus of the climate change commission is just transition. The process involves a lot of consultation with different sectors, the potential losers and potential winners depending on what rate the economy is decarbonized. The National Treasury indicated that it is awaiting a report of the commission which will give direction on this matter.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON ENVIRONMENT, FORESTRY AND FISHERIES, MR FIKILE XASA.**