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TO: **Y I Carrim, MP, Chairperson: Select Committee on Finance (National Council of Provinces)**

c/o Mr Nkululeko Mangweni

**Committee Secretary**

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**AMENDMENTS TO THE CARBON TAX ACT, 2019, AS PROPOSED BY THE TAXATION LAWS AMENDMENT BILL 2022**

1. When first proposing a Carbon Tax, in 2010, the Government was forthright in making clear what the tax wasn’t: it was not a revenue collection tax but rather a tax with the singular intention of incentivising heavy fossil polluters to reduce their climate change emissions. From this time onwards, the Alternative Information and Development Centre (AIDC) has maintained that market mechanisms cannot correct the logic of the market, even if this were to be the genuine intention. Our (attached) submission of 2018 elaborates on our misgiving.
2. The Carbon Tax Act of 2018 succeeds in being neither a revenue-producing tax nor a tax to deter South Africa’s major greenhouse gas polluters.
3. The now intended Amendments to this Act, as proposed by the Taxation Laws Amendment Bill 2022, takes this failure to lows almost unfathomable. The sinking of the Carbon Tax’s purported purpose is heightened by the parallel worsening of the climate crisis that our government has recognised for well over a decade.
4. The WWF’s (attached) submission of August this year, details many of the reasons why the proposed Carbon Tax amendments are protective of the very heavy carbon polluters the Tax is supposedly punishing for their anti-social behaviour. The AIDC endorses this submission.
5. In the build-up to COP27, President Ramaphosa, recognising the alarming realities of climate change, noted[[1]](#footnote-1).

‘Our common future depends on climate action now. … This is to ensure that future generations of South Africans live in an environment that is clean, conducive to health and well-being, and that has not been destroyed because of the inaction of today’s leaders.

1. He repeated the imperative of action, during a press conference shortly after delivering South Africa’s national statement:

“South Africa came to COP27 to advance a number of key messages. The first one being that … the world needs to go beyond just merely talking about taking action on climate action and act.”[[2]](#footnote-2)

However, as is so often the case with our Government – in common with most others – saying the right thing is not a vaccine against doing all the things it knows to be wrong. AIDC would be delighted if it transpires that we are mistaken, in this instance. The Carbon Tax needs to be strengthened immeasurably rather than weakened beyond recognition.

1. The AIDC will soon be entering its 27th year since its founding in 1996. It is now a Cape Town-based NPO, with both a national and international reach and influence.

Dr Jeff Rudin

Research Associate

1. <https://www.dailymaverick.co.za/article/2022-11-07-our-common-future-depends-on-climate-action-now-ramaphosa> [↑](#footnote-ref-1)
2. <https://www.dailymaverick.co.za/article/2022-11-08-ramaphosa-calls-for-less-talk-and-more-action-on-global-climate-pledges> [↑](#footnote-ref-2)