

# CARBON TAX

National Union of Mineworkers'  
Task Team on Climate Change

1 August 2013

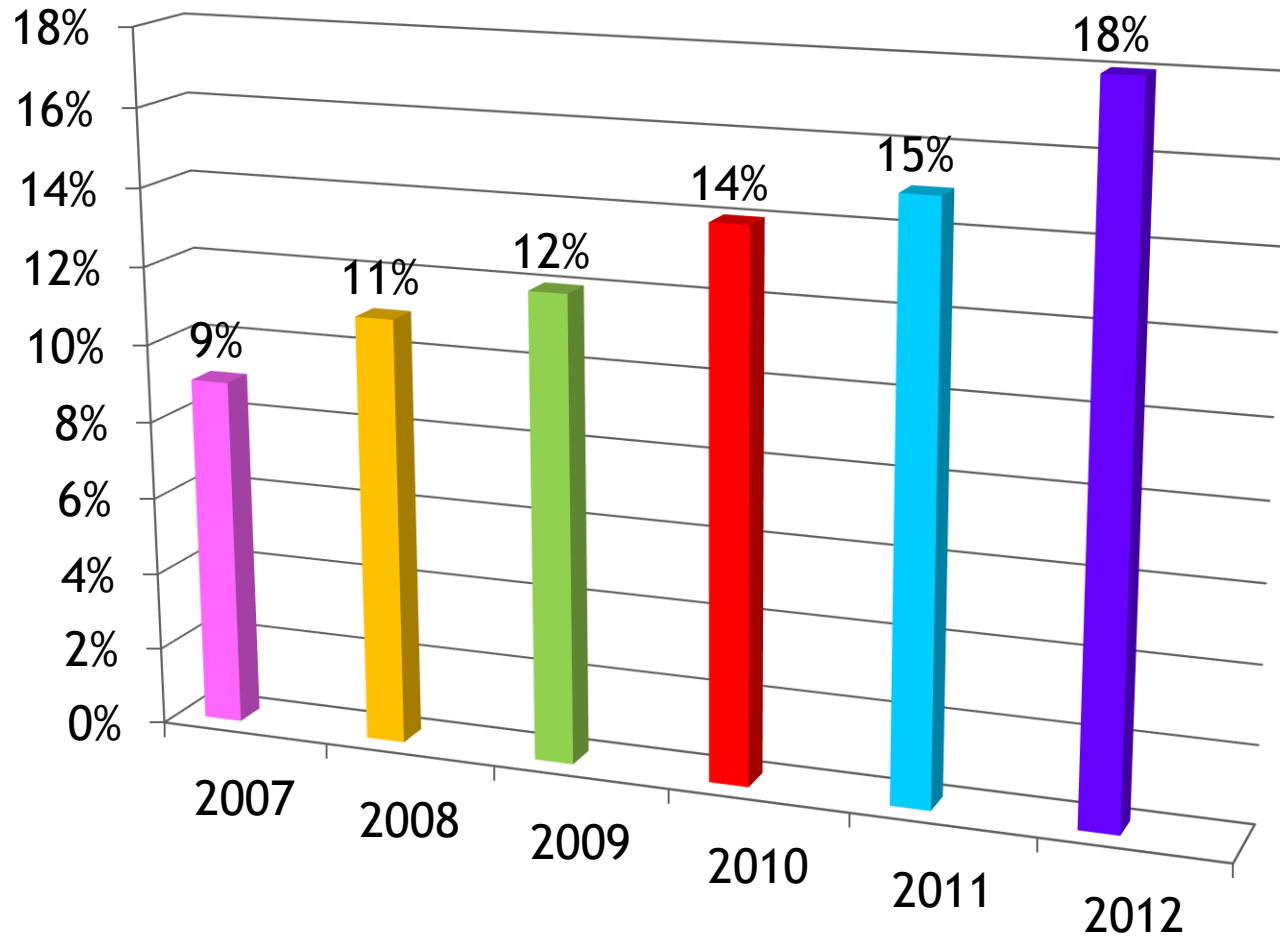


# LEVELS OF CARBON EMISSION:

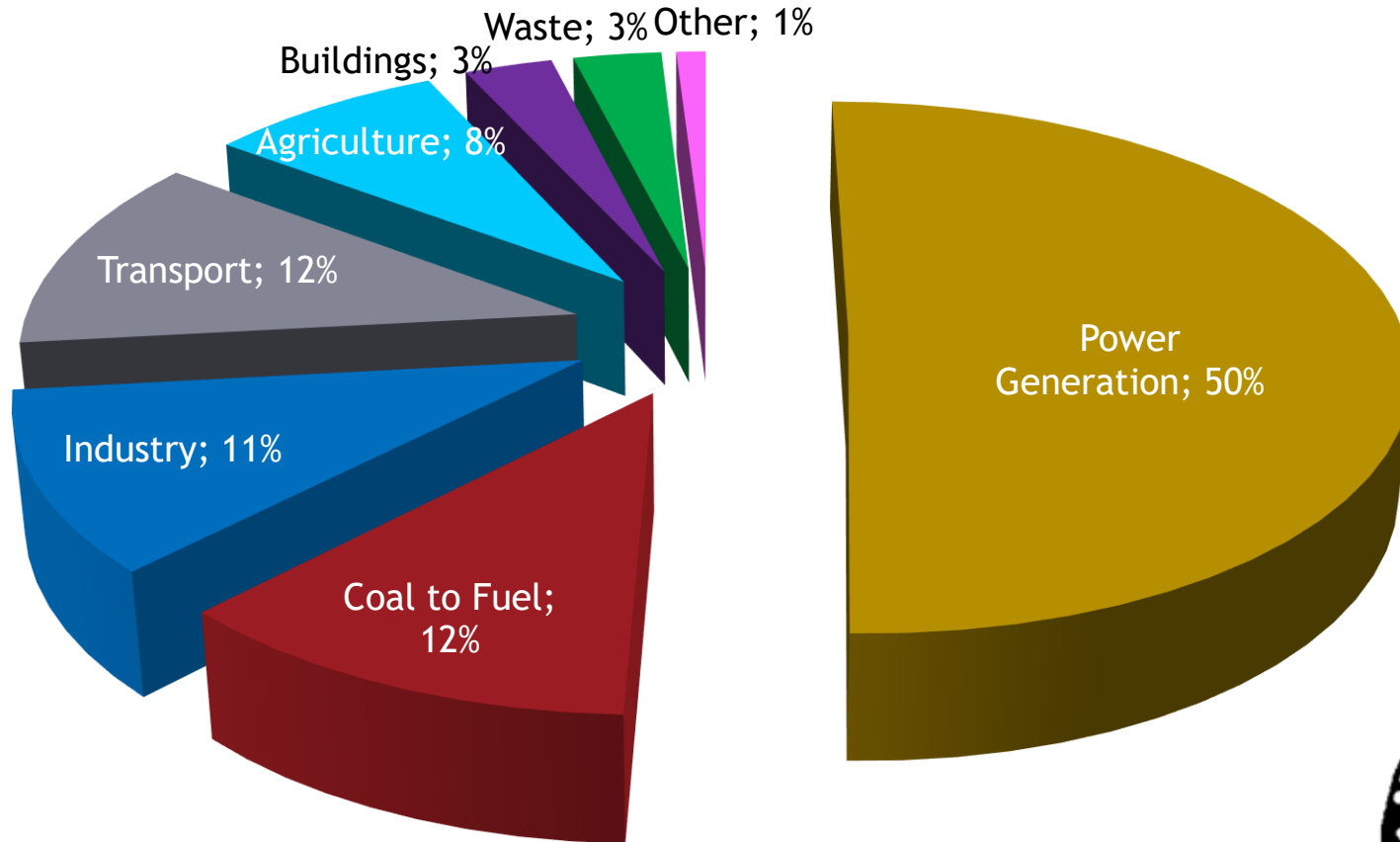
- ◉ Scope 1
  - During electricity generation
- ◉ Scope 2
  - During production
- ◉ Scope 3
  - When making final products (beneficiation)



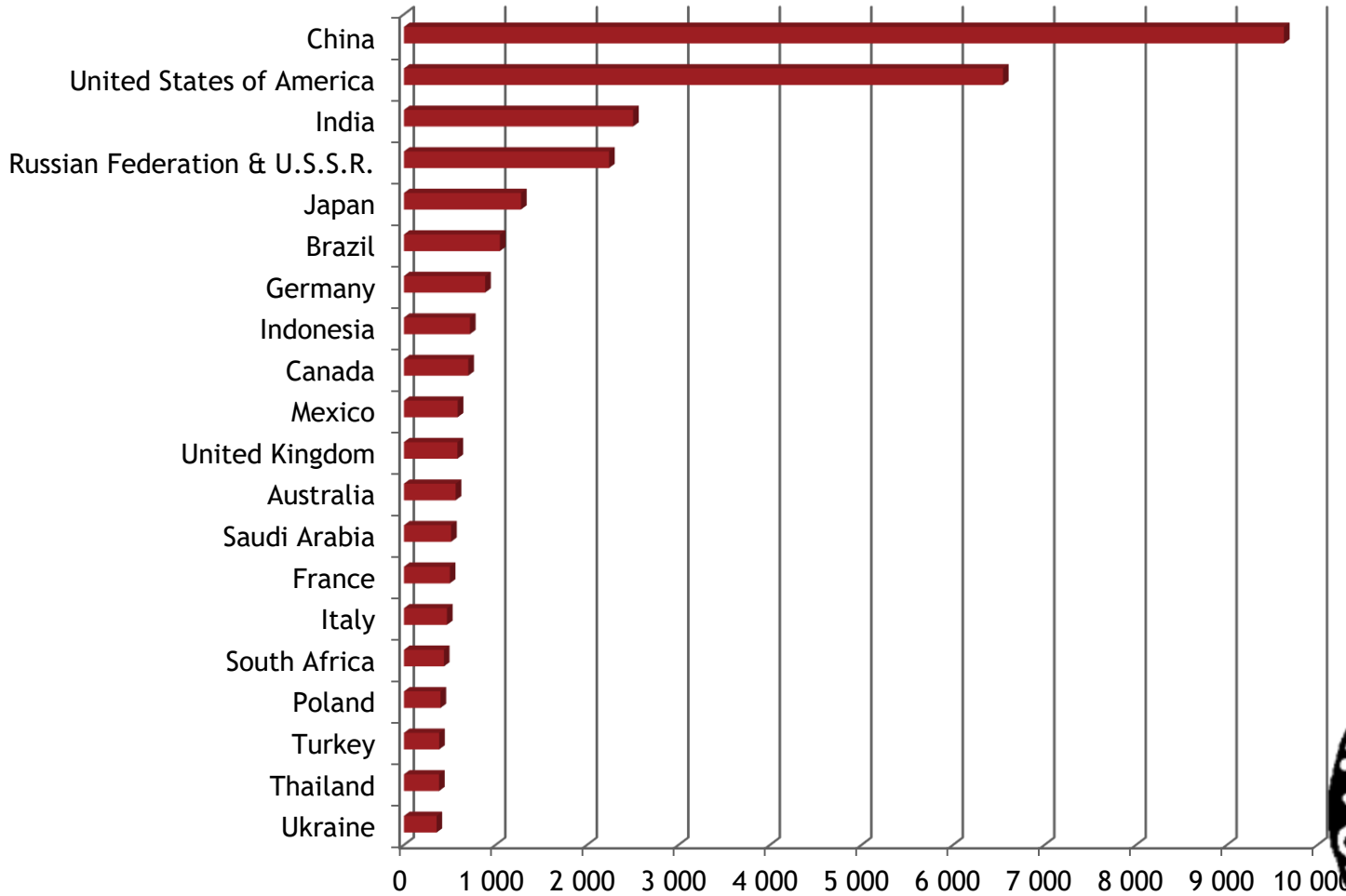
# ELECTRICITY COSTS AS % OF ANNUAL EXPENDITURE



# CARBON EMISSIONS BY SECTOR



# TOP 20 CARBON EMITTING COUNTRIES

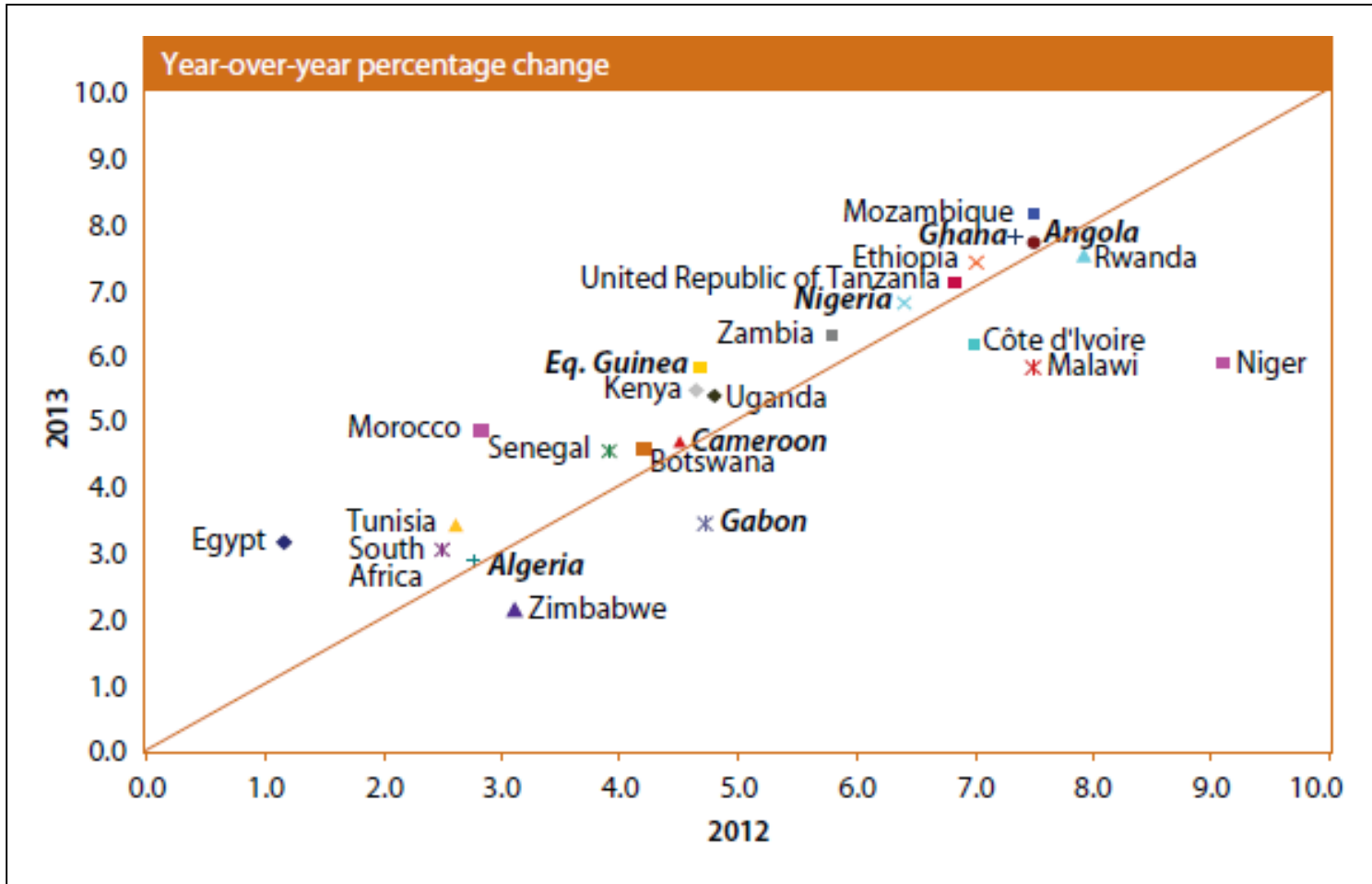


# ARGUMENT FOR:

- ◉ Change behaviour
- ◉ Shifting to renewable energies would cut GHG emissions by 40%
- ◉ Increasing concentrations of greenhouse gas (GHG) emissions
- ◉ Raising global temperatures
- ◉ Rising sea levels



# ARGUMENT AGAINST:



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- ⦿ Raises the price of electricity (and other fuels based on the GHG emissions they produce)
- ⦿ Raises the price of all goods and services based on the emissions created to produce the products in question
  - Ultimately increase the cost of living
- ⦿ Effect on economic growth and income distribution



# ARGUMENT AGAINST:

- ◉ Increases inflation
- ◉ The tax on carbon is regressive
  - Poorer households spend higher proportion of income on energy than richer households
  - Rich households can cut a higher proportion on energy usage than poor households
  - Rich households can acquire energy saving appliances and
  - Rich households can substitute “dirty” energy with cleaner energy



# ARGUMENT AGAINST:

- ◉ Huge investment on new coal based power stations that are being constructed
- ◉ Any tax aimed at reducing carbon pollution will raise the price of energy
- ◉ Monitoring and enforcing regulation will cost more than collecting the tax
- ◉ Decreased foreign direct investment in sectors affected by carbon tax



# ARGUMENT AGAINST:

- ◉ Reduction of exports
- ◉ Reduced employment
- ◉ Reduced income especially in sectors directly affected (mining, energy)



# HOW CAN WE REDUCE EMISSIONS WITHOUT CARBON TAX?

- ◉ Subsidise low emission energies and new technologies
- ◉ Direct investment to improve wind and solar energies and other cleaner forms of energies



# RECOMMENDATIONS

- ◉ Put carbon tax on hold until cleaner energies are available for mass consumption
- ◉ Model the impact the carbon tax will have on GDP, employment, income, inflation, consumption, the price of electricity and other goods and services
- ◉ Skills development in cleaner energies
- ◉ Increase beneficiation levels



# RECOMMENDATIONS

## continued

- ◉ Make transparent all explicit and implicit carbon pricing in policy
- ◉ Complete RSA emissions base line, inventory and practical abatement potential
- ◉ Consider constraints on emissions intensive trade exposed sectors to pass through carbon cost
- ◉ Align government growth and energy policies



THANK YOU!

