

# The carbon tax man cometh

 By [Melissa Baird](#)

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Sustainable business practise may not be on the agenda of the die-hard denialists, but it is an unavoidable fact that the business landscape is changing.

The impending carbon tax (that is currently open for public comment) will likely take effect by 2015 and, when it does, the entire supply chain for every product and service will be under scrutiny.

## Drive behaviour change

As an (intended) result maximising efficiencies will become the driving force behind product innovation and delivery. The carbon tax will make the sceptics pay attention to the changing landscape that is seeing business 'unusual' and putting the resources we depend so heavily upon right in the spotlight.

The reasons the tax is being implemented is to drive behaviour change and ensure the polluter pays for their 'sins'. The proposed tax per ton of CO<sub>2</sub> is R120.00 and civil society has until the 30th August 2013 to make their comments, and raise questions relating to its implementation, offset mechanisms and rebate structures.

As a communication strategist I am interested in how the information is being disseminated and what background information there is that will explain to consumers and businesses alike how the tax is likely to impact the cost of living. Included in that communication would be recommendations on how reductions in carbon emissions can be achieved.

We are all in this together and although shareholders play at being economic gods it is the consumer who holds the pocket power and who will choose products that have less impacts (and lower costs as a result).

## Lower the environmental impact

The world of commerce is being tasked with adapting and implementing better business practise that will drive innovation and lower overall environmental impacts.

So much inspiration for change is lost in translation between policy papers and how these are communicated to the general public. I hope to see an environment of communication develop where clear and simple information about this tax and why it is being implemented is expressed.

Even better, the mass media would participate in communicating what lies ahead instead of focusing on the quick thrill of

disaster, or the more often 'greeny-bashing' agenda of climate change denialists who literally have 'dinosaur' etched on their foreheads, and who keep company with journalists who write to inflame rather than educate and empower.

So why the need for a carbon price? I quote directly from the executive summary:

"Environmental challenges, such as climate change, air and water pollution, occur when the assimilative capacity of a particular environmental resource is exceeded. Society is affected by the resulting pollution, and the polluter is often not held accountable for the costs of such pollution. In economic theory, this is defined as a negative environmental externality, and therefore a market failure, because the costs of pollution are not reflected in the final prices of the goods and services. In order to correct market failures and include these external costs in the prices of goods and services, and hence ensure efficient and environmentally beneficial outcomes, the government intervenes by way of regulations or market-based instruments to influence the decision-making processes of producers and consumers."

[Carbon tax policy paper \(PDF\)](#)

## **The tax is set to force change in order to achieve:**

- high levels of resource efficiency;
- a move to less energy and carbon intensive economic sectors that will (can) generate economic wealth and create jobs;
- diversification of the country's export base and competitiveness by offering new technologies, goods and services;
- the de-risking of investments from climate change and high-carbon dependence;
- the transformation of the energy sector to realise a combination of benefits including reduced greenhouse gas emission, enhanced energy security, energy efficiency, improved affordability of energy, lower long-term inflationary effects from coal and oil dependency; and
- secure funding and reduced investment risk.

But as Manisha Gulati - WWF-SA's Energy Economist questions; "In its current form and in the current market and policy environment of the country, the tax may have limited effects on intended outcomes, may not be sufficient to incentivise the much-needed behavioural and technological shifts toward a low carbon future, and could lead to unintended consequences of an unfair cost burden to the consumer".

## **Advertising perspective**

All South Africa's core industry sectors will face a rise in operating costs as will the SME's. From the advertising industry's perspective it is a call to action to measure resource use and to also challenge the brands we work for to find out what they are doing to reduce and minimise their impacts.

We are all connected via the supply chain and as you can't manage what you don't measure, there will be an ever increasing need for reporting systems that can drive these efficiencies.

But the question is, can these reductions be achieved before 2015? Our good old demon/friend 'time' steps in to the picture and to get a measurement structure in place through over-worked finance departments, who see no value in being 'green' (yet) is a huge obstacle to overcome.

The companies with foresight will look for simple, effective measurement tools and get them into place now, not post the implementation of the tax.

## **Telling your brands story**

There are a variety of reporting methods out there and once the measurements are in place, I hope to see this open the potential for telling stories about real transformation and better business practises.

The opportunity is to tell better stories that engage everyone - from shareholders to staff members, the truck driver and the office cleaner as to how and why these changes need to be made.

The reverse is the continuing silence and slashed communication budgets that do not allow for inspirational messages to South Africans to help themselves; how to be energy -wise, water -wise, grow staple nutritious vegetables and recycle.

## Going green

This does offer an opportunity for brands with their act together and those in the process of getting their act together, to communicate what goes in to their products and how they are made, what positive social impacts their CSI initiatives achieve etc.

These make up their total impacts on the environment and ergo the society they are connected to. It is time for brands to include within their brand promise (that somehow always promises their customer that they will be a 'better' human being for just having chosen their brand) - a promise that how they are doing business is not making a bigger mess of things. It is time for brands to tell their stories, with heart, authenticity and a sense of corporate citizenship that transforms the consumer market.

This is not a game best played by few, we are all consumers together and whether you think it has nothing to do with you - or do not care a rats' behind about what impact a product - goods or service has - you may just find that going 'green' is the better solution after all.

## ABOUT MELISSA BAIRD

Melissa Baird is a multi-faceted communications strategist, workshop facilitator, public speaker and talented wordsmith whose career has spanned traditional advertising, interactive television, digital marketing and book and magazine publishing. Currently Baird is an independent sustainability communications strategist, writer and editor after a five-year tenure heading up strategy at Ogilvyearth.

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