



On the Road to a Sustainable Transport Sector in South Africa

The Role of Market-Based Instruments

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environmental realities

need for intervention!

how?



regulatory realities (air pollution)

2006

defective regulation

none

predominantly direct regulation

limited use of MBI



regulatory realities (waste)

defective regulation

predominantly direct regulation

limited use of MBI

shifting policy framework

raising
revenue

MBI

moulding
behaviour

assessing the options



market-based options

revise old

fuel levies

product taxes

windfall taxes

**deposit-refund
systems**

vehicle levies

disposal taxes

licensing tariffs

income tax

congestion tax

donations tax

new

additional and alterations



tax principles

environmental effectiveness

co-operative governance

technical & admin issues

public support

revenue

criteria

policy alignment

distributional impacts

legislative aspects

competitive impacts

international commitments

regional commitments

the paper

environmental

the realities

regulatory

towards a market-based approach

shifting policy

market-based options

prerequisites

their prospects

challenges

fuel specifications

demand side levy

extend quantum

lead replacement

extend application

unleaded

high sulphur

biofuels

fuel levy

increase

grade differentials

quantum

extend rebates

bioethanol



vehicle specifications

reform base

extend ambit

reform base

vehicle excise duties

licensing fees

clean technology

fuel efficiency

clean emissions



vehicle specifications...

Director wants 'energy levy' for gas-guzzling SUVs

LEON MARSHALL

JOHANNESBURG: Fans of SUVs and powerful sports cars will be in for a shock if Elsa du Toit, director of energy efficiency at the Department of Minerals and Energy, has her way.

She intends recommending to Minister of Finance Trevor

Mamet that heavy levies be imposed on gas guzzlers because of the drain they are on fuel resources and because of the contribution they make to climate change through the disproportionate amounts of carbon dioxide they emit.

Her proposal is that a levy of up to 33% be imposed on the selling price of SUVs, in addi-

tion to a 100% levy on the annual licensing fee. For large sports cars she proposes a 20% levy on the selling price and a 40% levy on the annual licensing fee.

Her calculations are that such an "energy efficiency levy" would come to R182 160 on a 4.4L SUV costing R750 000. A sports car of R250 000 would

cost an extra R250 000.

Not even small cars would escape.

Based on a formula taking into account fuel efficiency, percentage of power used and greenhouse-gas emissions, even a 1.16L hatchback costing R120 000 would fetch an extra R3 990.

She says market forces alone

are not enough to make people change their ways. Incentives and penalties are now needed.

Du Toit was speaking at a media and stakeholder briefing in Johannesburg yesterday on the contribution being made to energy savings by Energy Plus - an initiative to assess how energy-efficient businesses run their operations.

SUVs

33%

excise tax

100%

license fee

SPORTS CARS

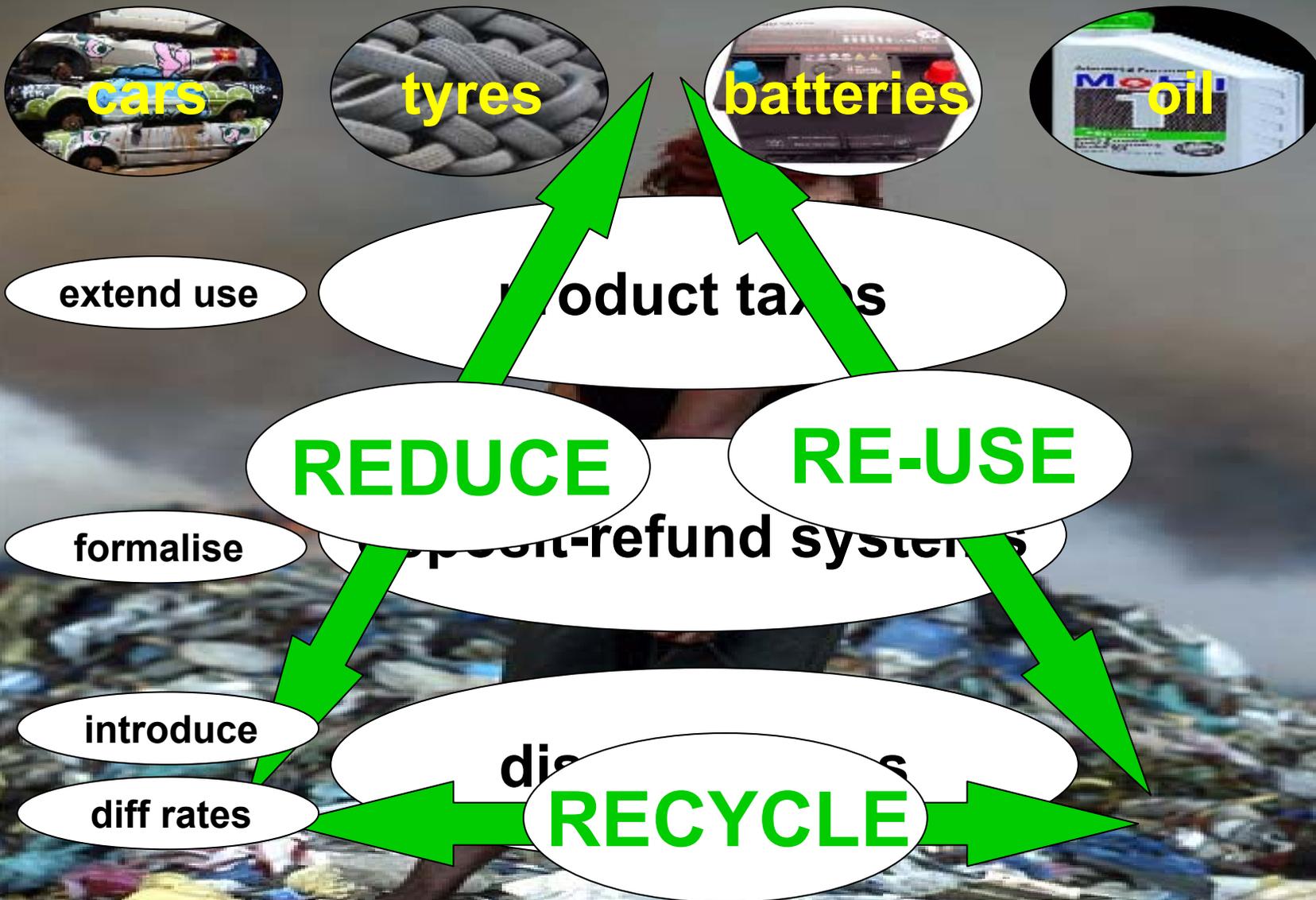
20%

excise tax

40%

license fee

waste management



on the road...

