

# WHY A CARBON TAX IS NEEDED IN New Brunswick



Pricing the pollution unbalancing the climate system makes sense. **The more we pollute, the more we ought to pay.** It's a fair way to hold polluters accountable. It's effective because it makes solutions like **renewable energy more affordable.**



We all respond to price signals. **If it costs more to pollute, we will look for ways to pollute less.** That's why economists say a **price on carbon pollution** is an **efficient way to lower greenhouse gas emissions.**



**Pricing pollution gives all of us the freedom to choose how to respond.** Businesses and households can retrofit their buildings and install efficient heating systems, while industry can pursue options best suited to their manufacturing processes. These actions save money from the day installed.



Carbon pricing is just **one part of a comprehensive approach to regulating pollution.** But it is an important one.



**The point of a carbon price is not to harm purchasing power.** That's why the federal carbon price includes a **household rebate.** On average, each New Brunswick household will receive a **\$256 Climate Action Incentive payment.**

Rural populations receive a **10% top up in the Climate Action Incentive** and farmers and fishers are exempt for the fuels they use to run their businesses. **Funds are available to small-to-medium sized businesses and municipalities, schools, universities and hospitals.**



A **made-in-New Brunswick carbon-pricing program** gives the province the flexibility of providing rebates and funding programs to support investments in **clean transportation options** suited to rural and urban settings, including **electric vehicles.**

# WHY A CARBON TAX IS FAIR TO New Brunswick



The federal carbon pricing system leaves the average New Brunswick household better off because the **Climate Action Incentive** exceeds what an average household will pay. In rural New Brunswick there is a 10% top up and there are **grants for small business, the school and hospital and municipal sector.**

## Atlantic Provinces have a carbon price.



Nova Scotia



Prince Edward Island



Newfoundland and Labrador



New Brunswick

In **New Brunswick, Prince Edward Island, and Newfoundland and Labrador** the price on transportation fuels is the **same as the federal schedule** (4.4 cents on gasoline in 2019). Nova Scotia opted for a cap and trade system. Newfoundland and Labrador and Prince Edward Island have **reduced excise taxes on fuel** so that the incremental price increase is lower (1 cent/litre in 2019), while Nova Scotia's system has **weak reduction requirements** generating about 1 cent/litre in costs. **Each of these provinces also negotiated an exemption with the federal government for home heating fuel.**



**New Brunswick did not negotiate with the Government of Canada and could have.** The province could have lowered fuel excise taxes to bring our incremental cost to the same level as other Atlantic provinces and chose not to.



New Brunswick, **instead of getting with the program**, has chosen to make matters worse by **taking the federal Government to court.**



**New Brunswick can implement a made-in-New Brunswick carbon-pricing program for consumers and industry in 2020 that meets federal requirements and lets the province decide how to spend the money.** Not doing so is a choice, a political choice that does not help New Brunswickers prepare for climate action or to **keep our families and communities safe.**



## A better PLAN



Exempt home heating fuels and invest in **home retrofits, fuel-switching.**



**Invest in fuel-switching to biofuels** in forestry operations and heating applications.



**Regulate New Brunswick's largest polluters to at least the level set by the Government of Canada.** The federal output-based pricing system is fair to industry, especially emission-intensive and trade-exposed industries. The carbon price schedule is the same as that paid by consumers, and like consumers, there are rebates of at least 80 percent (or higher for some sectors like steel). This leaves a price signal for emissions above this level that encourage emissions reductions and investment in clean alternatives.