

Carbon Tax and New Brunswick

Doing our part to fight climate change

The New Brunswick government accepts that climate change is real and influenced by human activity. New Brunswick is committed to being part of the solution to this global challenge.

In 2016 the Government of Canada committed to lowering emissions by at least 30 percent below 2005 levels by 2030 in response to the 2015 Paris Accord; and has since created a Carbon Tax as a means to meet this target.

If all provinces are being asked to do their part to help Canada meet its target, New Brunswick's 2030 emissions would need to be at or below 14.1 Mt.

However, New Brunswick has already made significant progress in lowering emissions and is on track to contribute its share to helping Canada meet this 2030 goal, without a Carbon Tax.

New Brunswick's current emissions are 14.35 Mt, which represents a 28 percent reduction since 2005 and is mostly due to closures of coal and oil-fired power plants; the incorporation of wind energy; restructuring in the forestry sector; and investments in energy efficiency.

In fact, New Brunswick intends to go even further by implementing the comprehensive ***New Brunswick's Climate Change Action Plan***. Developed in 2016, this plan is already showing results and is based on the recommendations of an all-party committee of the Legislative Assembly which solicited input from environmental leaders, political parties and industry to recommend a made-in-New Brunswick solution to climate change. In addition, New Brunswick will be developing a made-in-New Brunswick approach to regulating large industrial emitters.

Why the Carbon Tax doesn't work for New Brunswick

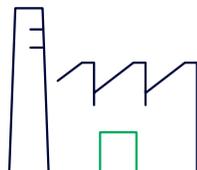
New Brunswick can do its part to contribute to Canada's emissions targets without imposing additional taxes. In fact, New Brunswick is well on its way to contributing its share towards Canada's 2030 emission reduction target.

The actions outlined in ***New Brunswick's Climate Change Action Plan*** recognize New Brunswick's unique economic and geographic challenges and do not further tax rural households and families who do not have the option to use less gasoline or home heating fuel.

While the Carbon Tax often dominates the discussion around climate change action, reducing our greenhouse gas emissions in New Brunswick will only be possible by implementing the broad suite of actions as outlined in the ***Climate Change Action Plan***.

NEW BRUNSWICK'S CLIMATE CHANGE ACTION PLAN

A MADE-IN-NEW BRUNSWICK APPROACH TO REGULATING EMISSIONS



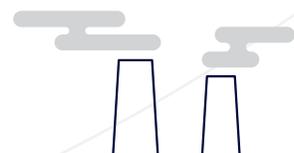
GREATER EMPHASIS ON RENEWABLE ENERGY



A BROAD-BASED APPROACH TO ENERGY EFFICIENCY



PHASING OUT COAL-FIRED ENERGY



Why Canada's Carbon Tax is not fair to New Brunswickers

New Brunswick is already on its way to contributing its share towards Canada's 2030 target. In addition, the Carbon Tax places an unfair financial burden on New Brunswickers.

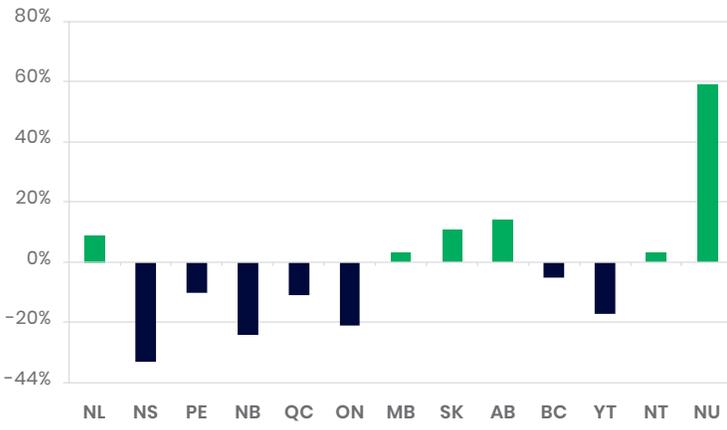
The reason for this is that most Canadians live in urban areas – 81 percent urban and 19 percent rural. However, the reality in New Brunswick is different with the population living approximately 50 percent rural and 50 percent urban. The new Carbon Tax encourages people to drive less or switch to lower emitting means of transportation. However, this is only possible if there are reasonable alternatives to encourage people to change their behavior, which in rural areas there are not.

In an urban province like British Columbia, for example, where approximately 86 percent of the population lives in an urban centre, reasonable alternatives exist for the majority of the population, such as public transit. However, the reality in New Brunswick is that we have one of the highest proportion of individuals living in rural areas. There are very few reasonable and affordable alternatives available to encourage people to shift their behavior thus questioning the effectiveness of a Carbon Tax rural in provinces like New Brunswick.

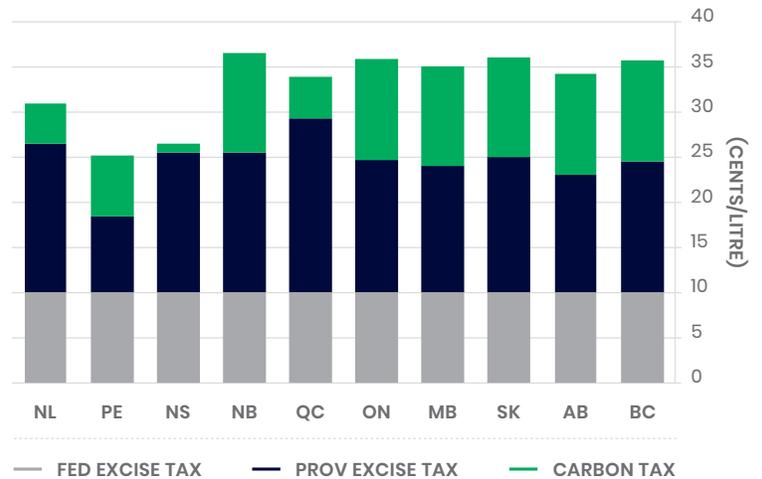
In addition, New Brunswickers already earn less and spend more on transportation than residents of nearly every other province in Canada, except for Prince Edward Island and Newfoundland and Labrador.

If the Government of Canada imposed its Carbon Tax as planned, New Brunswickers will be paying the highest gasoline taxes in the country by 2022.*

CHANGE BETWEEN CURRENT GHG EMISSIONS AND 2005 IN CANADA



COMPARISON OF TAXES APPLIED TO GASOLINE BY PROVINCE



*Based on best available public information as of March 1, 2019.

OUR PATH FORWARD



Government is committed to doing its part to fight climate change. However, government rejects the notion that a new tax on an overtaxed province is the proper path forward. Instead, your government has joined the growing coalition of provinces opposed to the Carbon Tax.

It will also continue to implement *New Brunswick's Climate Change Action Plan*, create its own regulatory framework for large industrial emitters, and it will work with an all-party committee to ensure we meet our emission targets by 2030.

As a province, New Brunswick will do as much as it can to combat climate change. Implementing *New Brunswick's Climate Change Action Plan* will help to ensure that the necessary actions are taken to support both economic growth and greenhouse gas emissions reductions, without putting an even heavier tax burden on New Brunswickers.