

to gas prices



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Adam Huras | Parliament Hill

OTTAWA • The Trudeau Liberals have accepted the Higgs government's pitch to replace the federal carbon tax on consumers with a made-in-New Brunswick proposal, one that

sets up the potential for a cut to gas prices.

The feds suggest it's a win in its fight against climate change as Premier Blaine Higgs becomes the first head of a conservative government to come onside and willingly adopt a price on carbon after vehemently opposing it.

The Higgs government says it has succeeded where the former Brian Gallant-led Liberals failed — securing a deal with Ottawa that will lessen the pain at the pumps for New Brunswickers.

Details

The federal Liberals imposed a carbon tax on New Brunswick and three other provinces that failed to do so themselves in April.

That has since added 4.42 cents a litre to gas prices, or an extra \$2.52 every time you fill up a 50-litre tank of gas.

New Brunswickers then received a rebate at income tax time to offset that pain.

The province's consumers have faced that tax after the former provincial Liberal government had its plan, which aimed to shelter New Brunswickers from higher gas prices, rejected by Ottawa last year.

But Federal Environment Minister Jonathan Wilkinson announced on Wednesday that the Higgs government's proposed provincial fuel charge “meets federal stringency requirements,” and that it will replace Ottawa's carbon tax beginning on April 1, 2020.

That will stave off another price hike: the tax at the pumps was expected to rise to 6.6 cents under the federal plan next April.

“The Government of Canada intends to stand down the federal fuel charge on the same date,” the department said in a statement.

The Higgs government has agreed to enforce the same carbon tax on New Brunswickers, but it now gets to decide what to do with the revenues.

Environment Minister Jeff Carr said on Wednesday that those details have not been finalized, but suggested that gas prices will go down.

“We have said in the past that we want to be treated similar to Prince Edward Island and Newfoundland and they do have a refund program,” Carr said. “So you will see a similar program being revealed in the near future.”

He later added: “It will be less pain for our consumers.”

Higgs has also said that his plan is similar to the one adopted by Prince Edward Island and approved by Ottawa.

It applies the 4.4-cent-per-litre carbon price at the pumps, but cuts the provincial gas tax by almost the same amount.

The net additional cost to drivers is one cent per litre.

If New Brunswick uses the same approach, that would mean gas prices will drop by 3.4 cents four months from now.

Carr also said some of the dollars will be redirected to the provincial government’s Climate Change Fund, and spent on “credible projects” including flood mitigation and green infrastructure and technology, although how much remains to be seen.

The Higgs government will table legislation to make the change before the Christmas break.

Reaction

The Progressive Conservative government’s move to buy into the federal Liberal price on carbon is an abrupt about-face to the message of fighting the carbon tax that Higgs ran on in 2018.

But in the aftermath of the federal election that returned a Liberal government to Ottawa and saw the Conservatives win only three of 10 New Brunswick seats, Higgs said that New Brunswickers wanted him to work out a carbon tax to the benefit of the province.

Liberal MPs noted that on Wednesday as an acknowledgement that conservative provinces need to come on side.

“I think we sent a signal in the last election,” Saint John-Rothesay Wayne Long said. “I think it’s very encouraging to see Premier Higgs and his government come around and accept that most of the constituents of certainly my riding and all through New Brunswick want us to be aggressive, want them to be aggressive and put a price on pollution.”

Moncton-Riverview-Dieppe MP Ginette Petitpas Taylor said Higgs has “made it very clear that he realized that 70 per cent of Canadians have voted in favour of stronger policies towards addressing climate change.

“This is a step in the right direction.”

Fredericton Green MP Jenica Atwin had a mixed reaction to the announcement on Wednesday.

“I think it’s very encouraging that he (Blaine Higgs) put something forward,” Atwin said. “I do think that we need to do more.”

Fight not over

Conservative Fundy Royal MP Rob Moore congratulated the Higgs government on Wednesday for “getting the best deal they could get.”

That said, Moore said the fight against the carbon tax isn’t over.

“We’re very clear as a party that we remain opposed to the carbon tax,” Moore said.

The Supreme Court will hear Saskatchewan's challenge of the tax next month.

Ontario, Alberta and Manitoba have also mounted court challenges and New Brunswick has continued to intervene in each challenge.

Wednesday's announcement is also only half the battle.

The Higgs government has also pitched to replace Ottawa's carbon pricing system for heavy industry.

The federal government says it is continuing to review that proposal.

"We are waiting anxiously with bated breath on our backstop for large emitters," Carr said. "We're hearing from industry here in New Brunswick of economic uncertainty for them in the New Year on how they will be treated.

"The federal government has had our plan since the end of July and it's been over four months now."

Carbon tax details

- New Brunswickers have faced a carbon tax since April, when gas prices went up 4.4 cents a litre

- The feds have collected that revenue and returned it, in part, to New Brunswickers in the form of an income tax rebate

- Now, the Higgs government will implement an equivalent carbon tax

- The provincial government will also decide what to do with the revenues

- The Higgs government has suggested it will lower the provincial gas tax by roughly the same amount as the carbon tax hikes gas prices to offset the pinch at the pumps

- Exactly how that will happen has yet to be finalized, but will be in place by April 1