



## News Release

[Share this page](#)

# Government of Canada Announces Pan-Canadian Pricing on Carbon Pollution

**October 3, 2016 – Montréal, Quebec – Environment and Climate Change Canada**

The Government of Canada knows that a sustainable, clean growth economy is necessary for our collective health, prosperity, and security. Canada is committed to creating a cleaner, more innovative economy that reduces emissions and protects our environment, while creating well-paying jobs for the middle class and those working hard to join it.

That is why the Government of Canada today proposed its pan-Canadian approach to pricing carbon pollution. Under the new plan, all Canadian jurisdictions will have carbon pricing in place by 2018.

In order to accomplish this, Canada will set a benchmark for pricing carbon emissions—set at a level that will help Canada meet its greenhouse gas emission targets, while providing greater certainty and predictability to Canadian businesses.

Provinces and territories will have flexibility in deciding how they implement carbon pricing: they can put a direct price on carbon pollution or they can adopt a cap-and-trade system.

Pricing carbon pollution will give Canada an edge in building a clean-growth economy; it will make Canadian businesses more competitive; it will bring new and exciting job prospects for middle class Canadians; and it will reduce the pollution that threatens our clean air and oceans.

Our government understands that the economy and the environment go hand in hand. That is why we must take action on carbon pollution now—to strengthen the middle class today and preserve our planet for posterity.

## Quote

“I have heard from Canadians from across our country, and their message is clear: climate change is one of the defining issues of this century and they expect their governments to lead the way and take action. To make sure the next 50 years are better than the last 50 years, we need to reduce our greenhouse gas emissions and transition to a low-carbon economy that works for everyone—especially the middle class and those working hard to join it.

“Pricing pollution is one of the most efficient ways to reduce greenhouse gas emissions and to stimulate innovation. Already 80 percent of Canadians live in a province where there is pollution pricing. We want to continue this trend and cover the final 20 percent.

“We are standing at the threshold of an incredible opportunity to build a strong and clean economy, one that will protect our environment and create opportunities for middle class families today and in the generations to come.”

– *Catherine McKenna, Minister of Environment and Climate Change*

## Quick facts

- Provinces and territories will have flexibility in deciding how they implement carbon pricing: they can put a direct price on carbon pollution or they can adopt a cap-and-trade system.
- Pricing will be based on greenhouse gas emissions and applied to a common and broad set of sources to ensure effectiveness.
- The price on carbon pollution should start at a minimum of \$10 per tonne in 2018 and rise by \$10 a year to reach \$50 per tonne in 2022.
- Provinces and territories choosing a cap-and-trade system will need to reduce the number of greenhouse gas emission permits they make available to businesses. The number of available pollution permits will decrease every year, based on both emission cuts through to 2022 (equal or greater to what would be achieved by a direct price) and a 2030 target equal or greater to Canada's.
- The Government of Canada will provide a pricing system for provinces and territories that do not adopt one of the two systems by 2018.
- Revenues from carbon pricing will remain with provinces and territories of origin.
- Provinces and territories will use the revenues from this system as they see fit, whether it is to give it back to consumers, to support their workers and their families, to help vulnerable groups and communities in the North, or to support businesses that innovate and create good jobs for the future.
- The Government will work with the territories to address their specific challenges.
- The overall approach will be reviewed in 2022 to ensure that it is effective and to confirm future price increases. The review will account for actions by other countries.

- Provinces and territories have been early leaders in addressing climate change. The Government of Canada will continue to work with provinces and territories to implement carbon pricing as a central component of the Pan-Canadian Framework on Clean Growth and Climate Change. It is one of the essential tools Canada will put in place to reach or exceed its objective of reducing its emissions by 30 percent below 2005 levels.

## Related products

[Government of Canada proposes pan-Canadian pricing for carbon pollution](#)

[Pan-Canadian approach to pricing carbon pollution](#)

## Contacts

Caitlin Workman  
Press Secretary  
Office of the Minister of Environment and Climate Change  
819-938-9436

Media Relations  
Environment and Climate Change Canada  
819-938-3338 or 1-844-836-7799 (toll free)

[Environment and Climate Change Canada's Twitter page](#)

[Environment and Natural Resources in Canada's Facebook page](#)

Search for related information by keyword

Hon. Catherine McKenna

Environment and Climate Change Canada

Nature and Environment

### Date modified:

2016-10-03

## Government of Canada activities and initiatives

### [Tell visiting family and friends about eTA](#)



Canada's entry rules have changed. Starting November 10, 2016, if your family or friends plan to fly to Canada, they may need an eTA before they board their flight.

### [#Budget2017 Consultations Begin!](#)



Share your ideas on how to strengthen Canada's middle class and how to grow our economy over the long term.

### [Have your say! Political activities of charities](#)