

Reducing Carbon

ARE CANADIANS WILLING TO PAY FOR THEIR GOOD INTENTIONS?

Greg Lyle

At both the federal and provincial levels in Canada, environmental policy is going through a major shift. The Trudeau government has already begun a radical 180 degree turn from the Harper government's approach to environmental policy, beginning with climate change. In Alberta, the Notley government introduced a carbon tax in its April 14 budget. Pollster Greg Lyle has some new numbers, exclusive to Policy, which flesh out how Canadians are feeling about environmental issues.

Canadians say they care about the environment. But good intentions will only carry us so far. If it proceeds with a carbon pricing initiative, the new federal government will be putting Canadians' good intentions to the test. Are we willing to pay more to reduce carbon emissions?

Our latest poll at Innovative Research indicates that while an overwhelming majority of Canadians say they are concerned about climate change, it ranks well down the list of issues they regard as most important. Our survey was conducted from April 8-12, and 2,383 Canadians were invited participants in our Canada 20/20 online survey.

On climate change, 37 per cent of participants said they were very concerned, while 44 per cent said they were somewhat concerned, for a resounding 81 per cent who cared about climate change.

But when asked to rank the most important issues, climate change ranked only seventh on the list at 6 per cent. Jobs and the economy were the top-ranked issue (23 per cent), followed by healthcare (17 per cent), honest and accountable government (13 per

cent) the gap between rich and poor (10 per cent) taxes (8 per cent) and government spending (7 per cent).

This changes among those passionately engaged. Among those who are very concerned about climate change, the issue is tied with jobs and healthcare as number one on the list of issues facing their province.

An earlier online poll of 3,055 Canadians in December found a positive initial reaction to the federal Liberal gov-

ernment's position at the UN Climate Change Conference in Paris. More than half of those following the Paris Conference were left feeling more favourable to the federal government. Just 16 per cent felt less favourable.

In December we also asked Canadians in BC, Alberta, Quebec and Ontario how they felt about their provincial government's position on climate change. The policies were summarized as follows:

BC A revenue-neutral carbon tax that has been in place since 2008, rising gradually each year and fully offset by reductions to other taxes

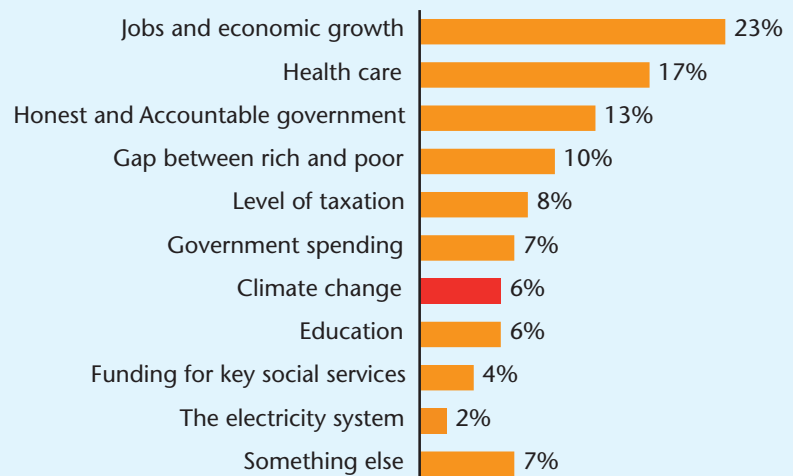
ALBERTA A new climate change strategy that includes a carbon tax, phasing out coal generation, and capping overall oil sands emissions

ONTARIO To partner with Manitoba and Quebec in a joint cap-and-trade system covering all three provinces

QUEBEC To partner with Ontario and Manitoba in a joint cap and trade system covering all three provinces

Figure 1: As an Issue, Climate Change is Not a Top Priority

Q Looking at the list of provincial issues below, which is the most important issue to you? [asked of all respondents]



In BC, Ontario and Quebec a plurality support the government's policy, with particularly strong support in Quebec. Albertans are more divided but people likely to vote for the provincial NDP government are strongly supportive.

Action is driven by passion. We all know that if we want to lose weight we should eat less, eat better and exercise more, but many people who know what they should do still fail to actually do it because they don't feel the urgency to act. Environmental action, whether we are talking about conservation, recycling, or paying for carbon, is just the same.

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When it comes to what we think, there is no doubt Canadians see an environmental problem. Canadians are engaged in climate change. While only 3-in-10 say they have a detailed understanding of climate change, more than half say they have a general understanding of the issue. Almost 6-in-10 Canadians believe that climate change is definitely occurring and another 26 per cent say it is probably occurring. The more people say they know about the issue, the more certain they are that climate change is definitely happening.

The challenge is our feelings. A majority of Canadians (59 per cent) agree that “We need to take dramatic

action now if we want to stop climate change before it's too late.” But only 28 per cent strongly agree with that statement. We see the same problem when we ask how concerned Canadians are about climate change. Just over two thirds of Canadians say that they are concerned about climate change, but only 31 per cent are very concerned. The passion is lacking.

Why should we care about this lack of passion? It matters in two ways.

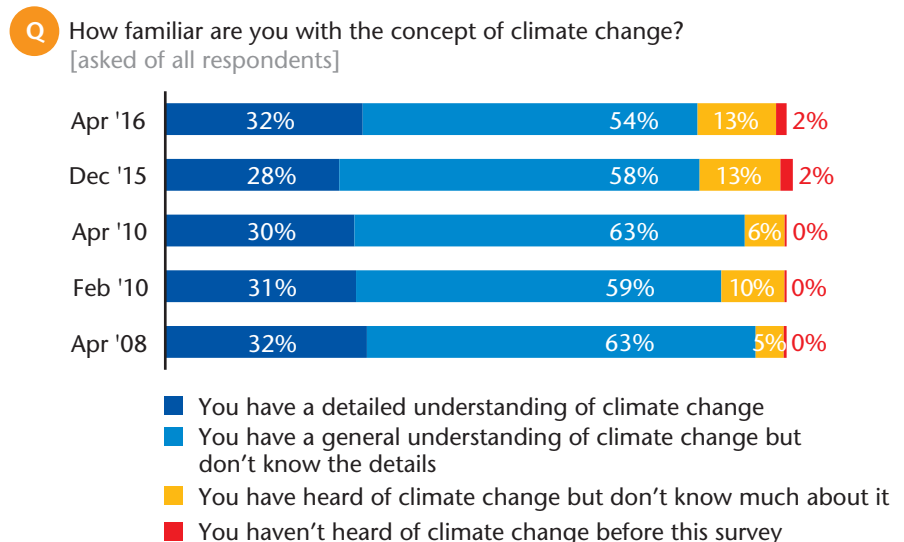
First, as noted, climate change does not rank highly compared to other issues competing for attention on provincial government agendas. Second, it matters in terms of being willing to pay for a price on carbon. The actual increase in the cost of fuel due to a price on carbon will depend on the fuel and the final price set by governments. Given that uncertainty, we tested three scenarios; one third of our respondents were asked about a 5 per cent increase in the cost of energy each year for the next 10 years, another third were asked about a 10 per cent annual increase and the final third were asked about a 15 per cent annual increase.

More oppose than support creating a price for carbon given those impacts. On average, only one Canadian in three supports introducing a price on carbon, with 45 per cent opposed. As expected, the actual level does make a difference. Respondents were equally divided (38 per cent support, 38 per cent oppose) if it means a 5 per cent increase a year, there are 12 percentage points more opposed than willing to support at 10 per cent increase and a majority (51 per cent) are opposed to a 15 per cent increase in the cost of energy.

Passion again makes a big difference. On average, a majority (50 per cent) of those who are very concerned about climate change support introducing a price on carbon with these impacts. Even at the 15 per cent level, those who are very concerned are equally divided with 42 per cent supporting a price on carbon with the same amount opposed.

Despite the general lack of passion, federally the right voters care. Voters in the federal Liberals' base tend to support a price on carbon. A majority of the most passionate Liberal voters support a price on carbon with these impacts.

Figure 2: Familiarity With CC: Marginal Improvement in the Depth of Understanding of Climate Change over Last December



NOTE: Prior to 2010, the term “global warming” was used in place of “climate change”

New Democrats and the PQ are more divided. For both of those more left-leaning opposition parties, some of their potential supporters are more supportive than their core of climate change. So the issue matters more among the voters they are contesting with the Liberals than in their respective bases.

The current Conservative base is strongly opposed to a price on carbon. This is not because of denial. Even among the party's core vote, more than 60 per cent say climate change is probably happening and that belief grows notably among less firm Conservatives. The issue is those voters much less likely to be very concerned about the issue and are not convinced that action is needed now.

Of course, in Canada's federal system, policy areas such as energy and the environment include overlapping federal and provincial responsibilities and the federal government cannot act alone. It needs to bring the provinces along with it.

In Alberta, both government supporters and unaligned voters support carbon pricing. Government opponents are strongly opposed. So despite stereotypes, the Alberta government's

inclusion of a carbon tax in its April 14 budget carries little political risk, unless the issue so enrages the opposition that the two parties on the right, Progressive Conservatives and Wildrose, unite.

“ Quebec, which is in many ways Canada's greenest province, is not so green on this issue if it means paying even more for carbon pricing. Quebec has already established a cap-and-trade program and Quebecers are proud of that program. But they are not prepared to pay more. ”

In Ontario, Liberal government supporters also support carbon pricing, but unaligned voters are opposed, as are most opposition voters. The government can move now, but it will need to be more cautious as it needs to expand its base in the lead-up to the election.

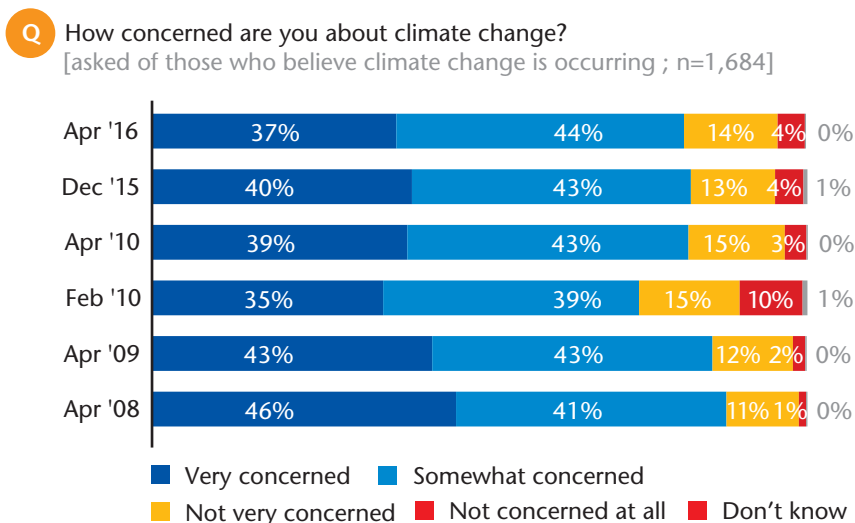
Quebec, which is in many ways Canada's greenest province, is not so green on this issue if it means paying even more for carbon pricing. Quebec has already established a cap-and-trade program and Quebecers are proud of that program. But they are not prepared to pay more. On average, supporters of the provincial Liberal government oppose carbon pricing when tied to these price impacts. Unaligned and opposition voters also tend to be opposed. Quebec could be tricky to navigate on this issue if voters see the national initiative as a new tax.

BC is also challenging. Half of BC Liberal voters oppose carbon pricing as tested. They can live with the status quo but they resist paying more. Unaligned voters are also more opposed than supportive of a carbon price. Even opposition voters are divided. It will be hard for a government within a year of an election to be seen to be doing anything that would result in higher prices.

At first glance, Canadians like the new federal government's fresh initiative on climate change and they support provincial government policies, at least in theory. However, once the possibility of higher taxes comes into the picture, the issue becomes more challenging. The Alberta and Ontario government have some freedom to pursue these initiatives. In Quebec and BC, with well-established and high-profile carbon pricing initiatives, any suggestion of even higher prices creates backlash among provincial government supporters, which limits the policy options available to those governments. **P**

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Figure 3: Concern Over CC: Intensity of Concern is Marginally Lower than Back in December



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