

October 31, 2016

Karina Gould, MP Room 835, Confederation Building, Ottawa, ON K1A 0A6

Re: Input to 2017 Federal Budget

Dear MP Gould,

Thank you for the opportunity for BurlingtonGreen (BG) to provide input to the federal government on its 2017 budget. While our submission will view the budget through an environmental lens, as is appropriate to our mandate, BG recognizes the challenge of balancing a wide range of needs spanning economic, environmental, and social issues and we have tried to ensure that our proposal realistically addresses the important questions and themes identified in your outline.

Much of what we propose echoes the thinking of national organizations such as: Canada's Ecofiscal Commission, The Green Budget Coalition, the Federation of Canadian Municipalities, the Canadian Centre for Policy Alternatives, and the <a href="People's Climate Plan. We encourage the federal government to carefully consider the recommendations and strategies proposed by these organizations; they offer credible research as well as practical solutions to addressing priority environmental issues while stimulating economic growth, innovation, productivity and broader labour market participation, a vital requirement in growing the middle class. The following summarizes our recommendations to Minister Morneau:

- 1. Move forward with carbon pricing AND consider a similar model for other forms of air and water pollution: We applaud the government's initiative to set up a mandatory pan-Canadian carbon pricing policy and look forward to its incorporation into the 2017 budget.
- 2. <u>Step up</u> the planned phase-out of fossil fuel subsidies and begin the phase-out of fossil fuel extraction and distribution by refusing to approve new pipelines and coal-generated power production.
- 3. Invest in green infrastructure, technology, education and training and climate adaptation/mitigation initiatives
- Ensure that international trade agreements, such as the TPP and CETA, safeguard our environment, protect our government from costly litigation and enable Canadian businesses to compete and thrive globally.

In making these recommendations, we are mindful that to be practical, they must be both fiscally responsible and supportable by citizens, both individual and corporate, if they are to have any chance of success and sustainability. We believe that savings and revenues generated through pollution pricing policies and the

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transition away from dirty energy subsidies can be used to offset the costs of incentives to grow clean energy and infrastructure as well as contribute to creating a more equitable labour market and a healthier environment for all Canadians. Furthermore, the Canadian economy would benefit from greater participation in the green-tech sector and be less susceptible to fossil fuel price fluctuations that have adversely affected our economy in recent years. The following points offer further thoughts on this theme:

- At present, Canada lags behind in the growing and lucrative green technology sector: the current
 estimated annual value of global clean-tech markets is \$816 billion, but of the 65 publicly traded
 companies on the Cleantech Index, only one is Canadian.¹ These markets represent a huge opportunity to
 grow Canada's economy and labour market opportunities (new jobs) through the commercialization of
 new ideas and technologies.
- Savings/revenues from pollution-pricing policies can be used to:
 - o provide tax cuts: for example, income and business tax cuts exceeded pollution-pricing revenue under B.C.'s carbon policy from 2008 to 2013 by \$760 million and an estimated savings of \$800 million was generated annually in the U.S. by using pollution pricing instead of regulation to reduce acid rain. Reducing taxes is an effective economic stimulation strategy both at the individual and corporate levels.
 - increase assistance to low-income and other vulnerable families (e.g. rebates/discounts to offset increased costs of transitioning to clean energy; other needed social and training programs for this group)
 - invest in training and education programs for young Canadians and displaced workers to prepare for careers in growing green tech sectors and ensure that no worker is left behind in the transition to a clean energy economy
 - o stimulate innovation by investing in research and development of alternative technologies and products
 - support development of green infrastructure: funding for alternative power generation such as solar panels, wind turbines and heat pumps; more robust and greener public transit (electric buses, trains; improved service to promote ridership) and cycling infrastructure;
 - o promote green transportation modes: positive incentives for auto manufacturers and car buyers to switch to electric vehicle production/consumption and an 'environmental' tax for fuel-inefficient vehicles
 - o incentivize transition to green building, implementing energy conserving retrofits and improving water/wastewater treatment facilities/technologies
 - o provide funding to support carbon storage capacity: incentives for private and public sector organizations to plant trees, implement rigorous tree protection by-laws
 - support public education campaigns in partnership with environmental agencies, provincial and municipal governments and private and public sector corporations to promote awareness of climate change and available incentives to address it, and encourage the uptake of practical carbon-reduction tools and strategies

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o save billions in health costs (the health cost of air pollution resulting from illness and premature deaths between 2008 and 2031 is estimated at \$228 billion³) and free up budget for other priorities.

Facing up to climate change is a challenge without precedent; it requires overcoming inertia, changing our thinking and creating an economic shift of seismic proportions. Canada can learn from other countries that have shown leadership: there are many examples of effective initiatives, such as those described in the <u>case studies</u> presented by the Ecofiscal Commission.

As an organization with a local focus, BurlingtonGreen also strongly encourages the federal government to work closely with municipalities. Again, funds diverted from fossil fuel subsidies or generated through pollution tax initiatives could be applied to bolster excellent programs such as the Federation of Canadian Municipalities' Green Municipal FundTM, for which the federal government has so far provided an endowment of \$550 million. Additionally, other joint programs with municipalities could be designed to provide funding support to a wide range of local green infrastructure and environmental remediation projects. Local initiatives also have the best chance of shifting people's thinking and behaviour over time as they experience directly the benefits of a cleaner, greener environment and a thriving community to their health and quality of life.

At BurlingtonGreen, we believe the time to stop thinking of the economy and the environment as two separate and competing priorities is now. We need a more innovative and integrative paradigm: an economic strategy that puts a healthy environment at the centre of things, so that all Canadians can enjoy a new kind of prosperity: one that links economic, social and environmental standards into a standard of living worthy of passing along to future generations, in a nation that views its natural environment as a treasure to be guarded, and not simply a resource to be tapped. In fact, our lives will ultimately depend on us embracing this new paradigm, and the time to begin is right now, in planning Canada's budget for next year, so that we can build a "100% renewable energy economy by 2050, creating over a million clean, safe and rewarding jobs for Canadians"⁴.

Again, thank you for the opportunity to participate in this budget consultation process. We would be pleased to speak with you further on this subject at your convenience, and look forward to participating in the upcoming Pre-Budget Town Hall meeting on November 19th.

Sincerely,

Jane Jenner,

Advocacy Team Member,

BurlingtonGreen Environmental Association

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³ Ecofiscal Commission: five reasons Canada needs ecofiscal solutions

The People's Climate Plan