

# **Federal Budget, January 27, 2009**

## **Environmental Assessment**

The Harper government has failed Canadians on environmental issues. For Canada to even come close achieving our fair share of global greenhouse gas emissions reductions, boost our economy and create jobs; we needed large scale investments in mass transit, passenger rail, affordable housing, energy conservation through building retrofits, and renewable energy. These investments should be twinned to a “Made in Canada” procurement policy that would help support new jobs in manufacturing and services while reducing the distance between producers and consumers.

This did not happen. The Budget only once mentions the words “climate change” and only in the context of expansion of nuclear energy. It fails to consider the long-term consequences to the environment and is literally a short-term program only which expires at the end of 2010, and does not provide continuing funding to the cities and to major environmental investments.

Further, the biggest financial commitments are poorly allocated including \$300 million to support nuclear energy, \$250 million for research and development into unproven carbon capture and storage (CCS), and an inadequate \$250 million over 5 years for the development of more fuel-efficient vehicles.

### **Green Infrastructure Fund**

This budget offers a pathetic, mostly symbolic \$1 Billion over five years for the “Green Infrastructure Fund”. The infrastructure investment overall is very modest in size and falls well short of the amount that was hoped for by cities and environmental organizations. The budget did give the example of “sustainable energy” so it is possible that some money will be allocated to renewable energy, making it the first of its kind.

### **Home Reno Tax Credit**

The Home Renovation Tax Credit of \$1,350 per household for spending over \$1,000 and under \$10,000 does not in any way require that the spending improve the energy efficiency of the home. Due to the fact that money needs to be spent up front, it benefits wealthier Canadians who are just as likely to put in new hard wood floors or a new granite counters as make their home more energy efficient, while offering nothing to low-income Canadians would benefit most from lower energy bills.

In addition, home energy retrofits are great but tax credits are not, instead we should have a results-based program that rewards cost-effective investments in

energy efficiency measures. Dollar for dollar, an incentive cheque beats a tax credit for generating effective action.

## **Expansion of ecoENERGY Retrofit Program**

The ecoENERGY Retrofit program provides home owners with grants of up to \$5,000 to offset the costs of making energy-efficiency improvements. An additional, \$300 million will be provided over two years to the ecoENERGY Retrofit program. Although this is a step in the right direction, it is grossly inadequate, an investment of \$1 Billion over 5 years would be a fitting expansion and would only cover 20% of Canadian homes.

## **Clean Energy Fund**

The Clean Energy Fund, will apparently lead to up to \$2.5 Billion in research and development into environmental technology, including CCS. This figure includes \$2 Billion already being spent by Alberta on CCS, combined with an existing federal contribution of \$200 million, makes the new federal contribution just over \$300 million. Why invest in unproven CCS research when funds could be allocated to proven ways to reduce GHG emissions like public transit, high-speed rail, wind energy and solar power?

## **Biofuels**

The budget offers \$10 million for research into biofuels, a short-sighted strategy which actually produces as many GHG emissions in production as gasoline in a traditional combustion engine and contributes to global food shortages, price increases and starvation.

## **Inter-Urban Rail**

The budget offers an increase in funding to VIA Rail of \$407 million to be allocated to passenger rail services including more frequent trains and a faster arrival time of 30 minutes when travelling from Montreal to Toronto. Although this contribution is welcomed, it pales in comparison to what is needed and fails to actually provide high-speed rail (trains that travel 300+km/hour).

## **Wind Energy**

Besides specific funding being granted to the wind energy farm in Summerside, PE, which will have an output capacity of 12MW when all three phases are complete, this budget offers very little for wind energy.

## **"Streamlining" Environmental Assessments**

The budget mentioned plans to streamline federal approval processes so that more provincial, territorial and municipal projects under the Building Canada Plan can move forward without hesitation and start in the upcoming spring construction season.

Although the government claims that infrastructure approval processes are subject to duplication and inefficiencies in administration, leading to unnecessary project delays, virtually all “shovel-ready” infrastructure projects proceed absent *Canadian Environmental Assessment Act* reviews, in fact many proceed without provincial environmental assessment reviews because most fall under municipal jurisdiction, of which very few have environmental assessment laws or bylaws.

The budget mentioned that the government will be introducing changes to the federal regulatory framework through legislative, regulatory and administrative actions to “drive efficiencies in assessing environmental and other impacts” of infrastructure projects. These changes will be introduced through amendments to the *Navigable Waters Protection Act* and amendments to the *Fisheries Act*. These amendments will presumably restrict the application of federal environmental assessments. It is not clear how the government plans to promote inter-jurisdictional cooperation, however the budget did not provide the relevant federal agencies either the resources or political direction to speed up assessments using the existing legislation.

## **Accelerating Action on Federal Contaminated Sites**

The increase in funds allocated to the federal contaminated sites cleanup, which will provide \$81 million over two years for both additional assessments and program management, is a welcome improvement. It is expected that this funding increase will accelerate long overdue environmental remediation work on sites covered by the Federal Contaminated Sites Action Plan in all regions of Canada.

## **Conclusions**

Most major countries have announced economic stimulus which includes large scale energy retrofits, investments in infrastructure to reduce greenhouse gas emissions, money to aid domestic manufacturers both become more “green” and more competitive as well as skills training for the rapidly expanding green economy.

Canada has already fallen behind in the area of economic stimulus, expansion of renewable energy and energy efficiency gains despite major slowdowns and jobs lost in its economy. Canada currently provides zero funding to wind or solar industries – there were no programs at the Canadian federal level that supported solar photovoltaic (PV) power and financial support for wind power had failed to be

renewed, however now there is modest infrastructure funding for a relatively small wind energy farm in Summerside, PE.

Federal governments in most of the world play a leading role in mass transit. Canada is the only country in the OECD without a national transportation plan. Canada is also the only country that does not provide significant stable funding for urban mass transit, and now, with a paltry \$500 million announced for public transit – that will continue.

All in all, this budget fails to transition Canada to renewable energy, fails to increase energy efficiency, fails to expand green infrastructure and fails to provide the necessary skills training for the industries of tomorrow. There is no clean and green future with the Harper government.