

Équiterre^o

Équiterre's Recommendations

Prebudget Consultations of the
Standing Committee on Finance

Federal Budget 2024

August 2023

List of recommendations

Sustainable mobility

1. That the government modernize existing programs (iZEV, Green Levy, ZETF and ZEVIP).
2. That the government support public transit agencies by advancing ongoing support for public transit by two fiscal years and renewing the emergency operating funding of 2022 (\$750 million).
3. That the government begin the transition of the heavy-vehicle subsector with campaigns to raise awareness and on financing opportunities for electric school buses.

Sustainable agriculture

1. That the government foster sustainable agricultural practices by providing funding to train and hire 1,000 additional advisory services officers (\$100 million) and by expanding the On-Farm Climate Action Fund (\$1.4 billion / 6 years).
2. That the government protect farmland and facilitate succession by creating an Agricultural Gifts Program and a fund to support access to farmland (\$200 million / 5 years).

Healthy eating

1. That the government help ensure that healthy eating is affordable in public institutions by expanding existing school food programs (1 billion / 5 years) and by enhancing the infrastructure and capacity of partner institutions and agencies (\$50 million).

Source reduction

1. That the government limit the production of residual materials by creating a home appliances and electronics repair fund (\$87 million / 3 years) and a reusable container and packaging fund (\$100 million / 3 years).

Climate and energy

1. That the government foster a net-zero economy by investing in workforce development (\$400 million / 5 years) through tax credits covering tuition for sustainable careers (\$150 million) by increasing funding for “skills in a net-zero economy” (\$500 million) by investing in the creation of a new program to support regional planning and fund initiatives that create sustainable jobs (\$6.5 billion / 5 years), and by investing in innovation to decarbonize the industrial sector (\$300 million) and in the economic diversification of communities affected by the transition (\$270 million / 5 years).
2. That the government show leadership by accelerating progress on the Greening Government Strategy (\$515 million / 5 years).

Introduction

Forest fires, floods, freezing rain, drought, melting ice—all of these events are becoming more frequent and more intense. The government has tabled an adaptation strategy and is moving forward with regulatory tools that will allow it to limit GHG emissions (emissions cap, clean fuels, clean electricity, zero-emission vehicle standard, nitrogen fertilizers). But further transformations are needed, particularly in agriculture and food, transport and consumption.

There will always be those who prefer inaction, claiming that our environmental policies do not have an impact on climate change because our share of GHG emissions is small compared to total global emissions. Based on this reasoning, the federal government should not table an annual budget because our share of global GDP is too low.

The measures proposed in this document will help Canada tackle the climate crisis, help communities adapt to the impacts of climate change, help workers and economic sectors transition, and help families by making life more affordable.

Sustainable mobility

Again this year in Canada, the mobility and transportation sector is a priority because it contributes to 23% of total GHG emissions. The automotive industry continues to promote the sale of light trucks. They also have an ever-increasing impact on the safety of other road users and on the space they occupy in our cities, complicating land planning and management.

In addition to making electric mobility more affordable and facilitating access to charging infrastructure, attention should be paid to educating, encouraging and rewarding Canadians who choose lower-carbon transportation options.

In the case of heavy-vehicle transportation, while action is needed on all fronts, the energy transition of school bus fleets can be a first step in reducing emissions in the sector.

Recommendations – Modernize existing programs

1. Reform the iZEV program by including the levy program or replacing the Green Levy program with a structured levy based on GHG emissions when a gasoline vehicle is purchased.
2. Expand the iZEV program to support the purchase of 50,000 electric bicycles, for example by providing a 50% purchase subsidy for low-income households (up to \$2,000) and a 20% subsidy for middle- and high-income households (up to \$1,000). An investment of \$75 million over 2 years.
3. Up to \$175 million in support over 2 years to create a new scrappage program to replace a vehicle with an electric or non-electric bicycle or an electric vehicle.
4. Make used ZEVs eligible for the iZEV program.
5. Adapt incentives for the purchase of ZEVs based on household income and cap eligibility based on income (e.g., \$100,000).
6. Extend and restructure the ZETF and ZEVIP as purchase discounts to make them more accessible to school bus operators and reduce administrative processes.

Recommendations – Public transit

7. Advance ongoing support for public transit operations to fiscal year 2024–2025 and increase the amounts planned for operations by \$3 billion per year for major infrastructure projects and \$1.5 billion per year for operational funding.
8. Renew the emergency operating funding of 2022 (\$750 million in 2024–2025).

Recommendation – Heavy transportation

9. Fund awareness-raising campaigns on the benefits of electric school buses and available funding opportunities, including through the Zero-Emission Vehicle Awareness Initiative.

Sustainable agriculture

Budget 2024 will be the first budget for the Sustainable Agriculture Strategy as part of the current Sustainable Canadian Agriculture Partnership (Sustainable CAP). The rise in extreme climate events is a wake-up call: there is an urgent need to support the transition to sustainable practices, including soil health, that combat climate change and adapt agriculture to it, thereby increasing farm resilience.

The drivers of new on-farm practices are known, and research shows that training, coaching and financial incentives, especially when combined, are powerful levers.

As shown by the latest Statistics Canada data, Canadian agriculture must surmount the problem of an aging farming community to ensure that there will be enough farmers to continue farming. Sharp increases in land prices in recent years are keeping young farmers from getting a stable foothold in agriculture and undermining farm resilience. Among the approaches available to support young farmers, those facilitating access to land are currently underused.

Recommendations

1. Provide funding to train and hire 1,000 additional advisory services officers (\$100 million).
2. Enhance the On-Farm Climate Action Fund to include the following six practices: organic amendments, crop diversification, buffer zones, compaction prevention, agroforestry and integrated pest management. (\$1.4 billion / 6 years)
3. Develop and implement an Agricultural Gifts Program (modelled on the Ecological Gifts Program) in collaboration with the provinces, territories and municipalities to promote the protection of farmland, particularly in densely populated areas with high urban sprawl.
4. Establish a farm land access fund for the agricultural community that is accessible to farm businesses and farm land trusts in the amount of \$200 million over 5 years starting in 2023–2024 and then \$25 million per year ongoing.

Healthy eating

Canada is the only G7 country that does not have a universal school food program. In Quebec, 15% of children live in families with food insecurity, and the current increase in food prices is certain to make things worse.

One solution is to create a universal school food program for all students, so young people have access to healthy meals at school.

Recommendations

1. Improve and expand existing school food programs (\$1 billion / 5 years) in partnership with the provinces and territories.
2. Enhance the infrastructure and capacity of partner institutions and agencies that run these school programs (\$50 million).
3. Work with First Nations, Inuit and Métis to negotiate a food policy agreement and fund school programs that promote nutritious meals in Indigenous schools.

Source reduction

According to the latest 2020 estimates, only 6% of the Canadian economy is circular. Home appliances and electronics (HAEs) are a strategic category of goods to focus on, as they are products that are widely consumed by Canadians but require significant natural resources and produce a large amount of GHGs. While repairing these devices represents a promising solution to extend their lifespan, only 19% of Canadians choose this option, mainly because it is more costly than buying a new product.

Food packaging is another product category that needs to be addressed to increase the circularity of the Canadian economy and reduce pressure on the use of natural resources.

Recommendations

1. \$87 million over three years, starting in 2023–2024, to implement a repair fund to reduce the costs of repairing HAEs, followed by \$87 million per year.
2. \$100 million over three years, starting in 2023–2024, to establish a reuse fund to support businesses and organizations developing reusable containers and packaging as alternatives to single-use containers, and \$35 million per year until effective reusable container systems are rolled out across Canada.

Climate and energy

Although Canada has implemented several measures to decarbonize its activities and advance the transition just over the past year, it is lagging in adopting the cross-cutting approach needed to transform its economy and reverse the trend of the climate crisis and the threat of life while adapting to their consequences.

Recommendations

1. Invest **\$400 million over five years** in workforce development, taking into account regional and sectoral contexts, to:
 - a. establish a tax credit program that fully or partially covers tuition fees to support young people who choose sustainable careers and limit shortages in net-zero industries (\$150 million); and
 - b. increase the \$250 million already allocated to “skills for a net-zero economy” to \$500 million under the Union Training and Innovation Program.
2. Invest an initial **\$6.5 billion over five years** to create a new program to support regional planning and fund initiatives that create sustainable jobs;
3. Invest **\$300 million** in innovation to decarbonize the industrial sector;
4. Invest **\$270 million over five years** to diversify the economies of communities affected by the net-zero transition and provide support for the implementation of new projects, including initiatives to strengthen municipal governments, the social safety net and welfare economics to address the ripple effects of the transition; and
5. Invest **\$515 million over five years** in exemplary procurement and accelerate progress toward the goals of the Greening Government Strategy, including using 100% clean electricity in federal buildings by 2025.