

BACKGROUND

BC's Climate Budget 2008: What Will It Take?

Major BC environmental organizations will be assessing the climate impact of BC's 2008 budget on the following key parameters:

Carbon Pricing

The cap and trade system BC has committed itself to as part of the Western Climate Initiative will be one means of establishing a price for carbon (on emissions covered by that system when it is established, possibly not until 2012). Establishing a carbon tax now covering a broad range of fossil fuels (linked to their relative carbon intensity) will be the primary fiscal measure to ensure industry, businesses and individuals are given the most accurate price signals that encourage innovation and climate-friendly behaviour change.

Elements of a carbon tax that will be important to assess:

Revenue-neutrality: how is government recycling the revenue in a way that reinforces a strong behaviour change and innovation incentive among industry, individuals and businesses?

Increases over time: has government established a concrete timeline for scheduled increases in the tax to provide growing incentives to make larger behaviour changes over time and a strong incentive to businesses and entrepreneurs to invest now in low-carbon products and services of the future?

Public Infrastructure Investments

Well-targeted government infrastructure investments can make powerful contributions to shaping community design over time, influencing British Columbians' lifestyle choices and providing direct reductions in emissions. In particular we will be looking for significant allocations to transit to kick start the \$14 billion Transit Plan announced last month, support for low energy retrofits on publicly owned buildings, sewage infrastructure upgrades that capture renewable energy and investments in the electrification of ports and trucks stops. We are also looking for mechanisms and funding to support programs that protect biodiversity and enable municipalities and industries to adapt to the unavoidable consequences of climate change.

Incentives for citizens, businesses, institutions and local government:

In order to meet the challenge of climate change, British Columbians will need to make significant energy efficiency investments as well as different lifestyle choices over time. Government needs to play a large role in helping British Columbians with these changes and making the right changes and choices. We will be looking for budget allocations that help with energy retrofits to existing buildings, that encourage municipalities to use their bylaw and development powers to shape low-carbon communities over time, and that draw more renewable energy into our power supplies.

Cross-budget consistency

Many of the fiscal measures we are seeking are tools that will take us in the direction of meeting BC's greenhouse gas emissions reduction goals. However, we also hope to see existing budget measures that are taking us in the wrong direction – increasing our greenhouse gas emissions – reduced or eliminated. These include expenditures on new roads and bridges that only serve to breed more traffic, a quarter of a billion dollars the BC taxpayer gives to massively profitable companies in the form of subsidies to oil and gas production (particularly new unconventional sources), subsidies on dirty marine fuel and efforts to lift the national moratorium on offshore oil and gas exploration and oil tanker traffic.

We also hope that government has considered calls for a new legacy fund with an escalating portion of oil and gas revenues. Oil and gas revenues currently generate about \$2 billion per year, yet BC is one of the few oil and gas producing jurisdictions to not allocate a portion of these revenues to a heritage, legacy or 'rainy day' fund. Alberta, Alaska, Norway, and Chad all have such funds.

Equity

While the BC government's strong commitment to tackling global warming is a very welcome direction, we need to ensure policy and fiscal approaches taken also address inequalities in incomes, carbon footprints, and regional disparities. In terms of the budget, our organizations will be looking for generous incentive programs that specifically target low-income households, funding for transition programs for workers in affected industries, and large-scale public investments in key areas like transit and housing.

Environmental Spokespeople in the 2008 Budget Lock-up

BC Sustainable Energy Association – Thom Hackney; **Better Environmentally Sound Transportation** – Kris Etches; **Canadian Parks and Wilderness Society** – Chloe O'Loughlin; **Dogwood Initiative** – Will Horter; **Georgia Strait Alliance** – Christianne Wilhelmson; **Living Oceans Society** – Oonagh O'Connor; **Sierra Club BC** – Lisa Matthaus; **West Coast Environmental Law** – Greg Gowe; **Wilderness Committee** – Andrea Reimer