



Feb 2, 2023

Nova Scotia Department of Finance and Treasury Board  
[budget@novascotia.ca](mailto:budget@novascotia.ca)

Dear Finance and Treasury Board Minister MacMaster:

As the province prepares its 2023-24 budget, the Ecology Action Centre (EAC) urges this government to invest in solutions that simultaneously work toward **greater affordability for Nova Scotians, positive health outcomes, good jobs and a green future**.

Many of the solutions we recommend address multiple of these categories. All of them are proposed with a view to the long-term. Addressing the challenge of community and economic resilience in the face of the intersecting challenges of biodiversity collapse requires a long-term view. While we recognize that this budget focuses only on the year ahead, we urge this government to consider solutions that will help all Nova Scotians thrive in the challenging decades ahead.

This government has promised practical solutions. In the fall of 2022, the government released *Our Climate, Our Future, Nova Scotia's Climate Change Plan for Clean Growth*, following its commitments in the Environmental Goals and Climate Change Reduction Act (EGCCRA). It is imperative that these legislated goals and commitments are properly resourced so that they can succeed. At the same time, we must stop subsidizing actions that are detrimental to the progress of EGCCRA and the climate plan.

In this document we make recommendations regarding **(1) properly resourcing the commitments outlined in the climate plan and EGCCRA, (2) ending subsidies for outdated industries that will derail the possibility of a sustainable future, and (3) revenue generation**.

Thank you for your consideration. We are available at your convenience to discuss any of the below.

Sincerely,

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## Invest as follows to ensure EGCCRA and the climate plan succeed

### Environment and Climate Change

#### Protect nature

Sufficient new dollars to adequately resource NSECC to plan, consult, collaborate, research and deliver the 20% land and water protection by 2030 commitment. (i.e., more money and people to do the considerable amount of additional work in the next seven years while maintaining existing programs and services).

Financial resources should also be allocated to planning and carrying out meaningful community consultation as part of the process of modernizing the Environmental Assessment process.

#### Climate adaptation

Ensure that there is adequate funding for oversight and enforcement of the new Coastal Protection Act, as well as for educating decision makers, building and development officials, and residents.

Invest in natural infrastructure and nature-based climate solutions for the restoration of critical coastal ecosystems to provide jobs and training in coastal communities alongside gains for biodiversity and carbon storage. This should include leveraging federal infrastructure funds to invest in restoring and maintaining natural infrastructure for storm and sewage water management, which encompasses wetlands, seagrass habitats, saltmarshes, coastal buffers and rain gardens.

Develop an implementation strategy and invest in increasing the capacity for municipalities to hire climate change coordinators and adaptation staff. Studies show that every \$1 spent on adaptation now will save \$15 in future costs.

### Fisheries and Aquaculture

#### Shellfish and seaweed aquaculture

Invest in small-scale shellfish and seaweed aquaculture, including: (1) the collection of baseline ecological data throughout Nova Scotia to determine locations appropriate for shellfish and seaweed aquaculture; (2) financial and technical support for small-scale aquaculture producers in developing operational plans, avoiding environmental damage, and navigating regulatory and administrative hurdles with help from government staff or third-parties; and (3) shared depuration facilities to ensure shellfish farmers and wild shellfish harvesters have access to affordable processing capacity.



## **Seafood traceability**

Develop funding programs to strengthen compliance and education for seafood traceability and labelling to ensure a level playing field for Canadian and Nova Scotia companies competing in export markets and selling domestically as new federal regulations are being developed.

## **Education and Early Childhood Development**

### **Electric school buses**

Fund procurement of electric school buses in order to facilitate full decarbonization of the provincially owned fleet by 2030. Assuming a per-bus Manufacturer Suggested Retail Price (MSRP) of \$172,500 (accounting for 50% capital cost-share the federal government through the Zero-Emissions Transit Fund) and a yearly replacement rate of 115 buses per year, Nova Scotia would need to allocate approximately \$19,837,500 per year in order to fully decarbonize the province's school board-owned fleet (roughly 805 buses) by 2030. These calculations do not account for decreases in MSRP as a result of joint bulk-purchase through the Council of Atlantic Ministers of Education and Training (CAMET).

## **Natural Resources and Renewables**

### **Protect nature**

Create an emergency fund of at least \$10 million over the next several years to help save hemlocks from being wiped out in Nova Scotia from the invasive Hemlock Woolly Adelgid, including funding for direct interventions for hemlocks on public lands and creation of a support program and subsidies for private landowners seeking help to save hemlocks on their lands.

### **Energy efficiency**

Significantly increase funding to Efficiency Nova Scotia to allow for expanded programming, including that which serves low-income, Mi'kmaq, and African Nova Scotian communities, as well as landlords and renters.

Create new positions for well-trained onsite energy managers in every county of the province, available to help businesses, NGOs and communities access energy-saving retrofits and conversions, and to help developers ensure new building developments make use of shared heating systems.

Create and fully fund a new multi-year program replacing oil heating equipment in homes with electric ones across Nova Scotia. There are nearly 400,000 households in the province, about 280,000 owned by individual homeowners and 120,000 by landlords. Many are oil dependent. Provide adequate funding to meet or exceed the goal to replace 60,000 homes to move fully away from home heating oil to electric heating so that the burden of this switch does not land on homeowners, particularly those who are low or moderate income. We would also like to see a separate investment in an energy efficiency and fuel switching program focused on landlords.

Double of the HomeWarming program and the Affordable Multifamily Housing program.

Increase funding for Mi'kmaw Home Energy Efficiency Project to meet ambition of Mi'kmaw communities in the energy transition.

Create a new Home Energy Efficiency Project for African Nova Scotian communities.

Create a provincial energy efficiency program supporting the construction and renovation of net-zero homes and multi-unit residential buildings, including net-zero affordable housing. It should be large enough to train a comprehensive network of builders and building owners across the province, equipped with the knowledge and skills to make all builds net zero.

Creating an energy use monitoring system in which energy use data is generated for all buildings, and annual reports are released analyzing and assessing this data.

## **Electricity and renewable energy**

Provide a strong funding commitment to development of the Atlantic Loop, a key interregional transmission project which will support the energy transition in Atlantic Canada, and allow for a more stable renewable power supply in Nova Scotia, increase reliability in our electricity system as we add renewables and support us to transition off coal by 2030.

Commission further studies – similar to that published by National Renewable Energy Laboratory in 2022 – to understand supply side options to achieve a net-zero grid by 2035 in Nova Scotia and to provide clear pathways for balancing in-province renewables (on and offshore), storage and further build out of regional interconnections.

Provide adequate resources for farms and other businesses – both for direct funding for infrastructure as well as for capacity building to enable farmers and business owners in selecting best fit systems – to take full advantage of the increase in solar capacity which they are allowed to install under new commercial net-metering allowances.

Provide funding support for studies needed to understand how battery technologies and electric vehicles can best be used in the context of the future Nova Scotia grid for use to support backup power and storage needs. Commit to spend the amount recommended in these studies to increase reliability of the power grid in conjunction with EECD efforts to procure electric school buses.

Provide incentives for new developments that wish to install low carbon shared or district heating systems.

Commit funding to support capacity needed in Nova Scotia to successfully launch the Green Choice Program in 2023.

## **Electric transportation**

Provide incentives to cover 25% of capital cost of electric school bus deployment by contracted student transportation service providers in order to ensure that Nova Scotia remains a competitive jurisdiction for deployment. Such incentives already exist in British Columbia, and the lack of such incentives have hampered efforts to secure electric school bus deployment in Nova Scotia by contracted service providers operating across Canada.

## **Municipal Affairs and Housing; Labour Skills and Immigration**

### **Support for trades**

Commit to implementing the full tiered approach to the National Energy Code of Canada for Buildings with an ambitious timeline. Provide funding for trades to support understanding of different requirements within the new tiered National Energy Code of Canada for Buildings, to build capacity of tradespeople in Nova Scotia to be able to deliver Net Zero Ready construction.

### **Agriculture; Communities, Culture, Tourism and Heritage; Health (Food security)**

Food security exists when everyone has access to affordable, healthy, safe food available through localized, community-driven, responsive food systems that are socially just and can be sustained for generations to come. Nova Scotia is well positioned to increase food security and resilience by supporting local producers; investing in increased processing, storage and distribution capacity; enabling locally based market innovation; and addressing inequities in food access which are threatening human and economic health.

### **Universal healthy school food program**

The federal government has committed to partnering with provinces in developing a national school food policy. Nova Scotia should invest in regional coordinators to support procurement, overall coordination, training, and adherence to school food program standards

Support on-the-ground human resources to build community partnerships, create supportive school food environments, implement evaluation frameworks, and support youth engagement. These human resource needs will include food service finance clerks, food service managers, and cafeteria workers paid living wages.

### **Emergency preparedness**

Invest in efforts that anticipate and prepare for food needs during emergencies and crises. There are significant knowledge gaps regarding emergency preparedness and the current capacity of the province to be self-sustaining in times of emergency and crisis. During recent extreme weather events such as post-tropical storm Fiona, emergency responders faced considerable difficulty in providing residents with hot meals and access to food. In addition to climate change pressures, our food system is extremely vulnerable to disruptions in international supply chains. Until our food system is more localized, the need for emergency food relief is expected to increase.

### **Community-led food networks**

Together with local and municipal governments, Nova Scotia should invest in community-led food networks and hubs, which are uniquely situated to close gaps in food access for our most vulnerable communities. Such investment could strengthen the climate action planning of every municipality in the province.

Communities Culture, Tourism and Heritage should provide continued investment in the development of a Regional Food Hub in collaboration with the Halifax Regional Municipality. A Regional Food Hub will support local producers to store, process, and distribute their products more

efficiently in the Halifax area and will better prepare us in the event of climate emergencies or supply chain disruptions.

## **Provincial Food and Beverage Strategy**

The Provincial Food and Beverage Strategy is an opportunity to create positive change across the food system. Successful implementation of the Food and Beverage Strategy will require additional investment of staff time and resources as well as substantial investment in on-the-ground programming.

## **Climate-friendly practices and technology for farms**

Nova Scotia Department of Agriculture should continue to support farms as they invest in climate-friendly practices and technologies that reduce emissions and energy consumption and adapt to a changing climate. Climate change is an immediate, multi-faceted crisis that threatens the health and stability of food systems. Agriculture, in particular, is responsible for 12% of Canada's greenhouse gas emissions, and these emissions are projected to rise within the decade. Additionally, farmers are increasingly vulnerable to the impacts of a changing climate. Lowering on-farm emissions will mitigate climate change and increase the resilience of our food system.

## **Nova Scotia Public Works; Community, Culture, Tourism and Heritage; Natural Resources and Renewables (Active Transportation)**

### **Active transportation**

In 2021, Nova Scotia committed to completing core active transportation networks accessible for all ages and all abilities in 65% of the province's communities by 2030. Since 2021, only one community has completed a new plan. We have spoken with communities and to meet this commitment, our calculations indicate the following investments are required:

Allocate \$1.26 million to Connect2 or a new funding stream to develop Active Transportation plans in communities that do not yet have funding to develop plans.

Allocate \$40 million to fund the engineering and design work needed to bring over 400 proposed active transportation infrastructure projects to shovel-ready states.

Allocate \$1 billion over 5 years towards cost-sharing the construction of 1300km of planned active transportation infrastructure.

These could and should be cost-shared with the federal government.

### **Invest in transit**

Transit is an essential service and a key investment in addressing the ongoing housing, health, and climate crises. The province must work with the federal and municipal governments to share the cost of re-establishing reliable service levels.

While transit ridership has been steadily returning to pre-pandemic levels, growing cuts to service frequency and suspension of routes threaten this trend. Transit operators across Canada are in dire



need of operational funding to return to planned service levels that will make transit a reliable travel option and grow ridership.

In 2022, the Nova Scotia Department of Public Works distributed \$10.9 million of federal funding among 28 transit service providers to offset lost fare revenue due to the impacts of the COVID-19 pandemic. Nova Scotia should match the amount distributed last year and invest \$10.9 million towards the operating costs of transit service providers.

## **Cease and restrict subsidies to the following, in order to transition to a more sustainable economy**

### **Biomass**

End all subsidies, policies, regulations or other forms of support that encourages the cutting and burning of trees from our forests for energy, whether here in Nova Scotia or in foreign biomass plants.

### **Coal mining**

Ban it. Every pound of coal mined is a pound of coal that will be deposited straight into the atmosphere in the form of CO<sub>2</sub>. It is simply unconscionable in this day and age, with the climate crisis already upon us, to allow any more coal to be dug up and burned.

### **Gold mining**

End all subsidies and policy supports or encouragement/promotion for gold mining in Nova Scotia. Mining gold in Nova Scotia is not needed, it's terrible for the environment, and leaves a legacy of long-term pollution at contaminated sites. Hundreds of millions of dollars in liabilities from abandoned gold mines are already on the books for government. Don't create more.

### **Sea-cage fish farming**

End subsidies and financing for sea-cage salmon and trout farming. This industry profits at the expense of the marine ecosystems that coastal communities rely upon, producing untreated waste, sea lice, disease and mass fish die-offs. Alternatively, land-based fish farming is now technically feasible and rapidly grabbing market share in the sale of salmonid products. With a viable alternative that eliminates much of the environmental damage of sea-cage farming now available, profit is the only justification for the continuation of net pen operations. Continued investment in sea-cage development damages wild fish habitat, creates social conflict in coastal communities, and will ultimately hurt Nova Scotia's ability to compete with land-based aquaculture producers in the future.

### **Diesel school buses**

End the practice of purchasing diesel school buses through the Council of Atlantic Ministers of Education and Training (CAMET) and facilitate the joint purchase of battery-electric school buses in collaboration with Prince Edward Island, New Brunswick and Newfoundland and Labrador. PEI has already ended the practice of purchasing diesel school buses, and the PEI Public Schools



Branch estimates that the cost of operating an electric school bus is 25% of the cost of operating a diesel school bus based on real-world operational data. The EAC estimates that approximately \$205,000 can be saved in operations and maintenance (O&M) costs over the 12-year lifetime of each bus, for potential savings of 165 million across the entire provincially owned school bus fleet if every bus is decarbonized (approximately 805 buses).

## Revenue generation recommendations

### Royalties

Substantially increase taxes and royalty rates for gold mining. If the government ignores our recommendation above and continues to allow and promote gold mining in Nova Scotia then it should at least charge appropriate royalties and taxes to (a) ensure that all environmental remediation and long-term costs for tailings management are borne by the mining companies, not the public; and (b) actually produces enough royalties to benefit the public purse for public benefit. At less than 1% net revenues, Nova Scotia has one of the lowest royalty rates in the world. Nova Scotia is seriously undercharging gold mine companies and is, essentially, giving away a valuable and finite resource for next to nothing, while assuming considerable long-term environmental and financial risks well into the future.

### Revenue generation tools for municipalities

Municipalities across Nova Scotia have significant responsibilities in mitigating and adapting to climate change. However, other than raising property taxes, they have few tools to raise revenues to make the needed investments. The province should make the necessary legislative and charter changes to allow municipalities in Nova Scotia to utilize more progressive methods of revenue generation, such as differential tax rates.