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Climate spending creates jobs, saves households money, and creates healthier, more equitable communities

Treaty 1, Winnipeg - With an election on the horizon, the provincial government is attempting to put a bandaid on the damage caused by its past austerity approach with a 2023 budget that offers increased healthcare spending and taxcut-based affordability measures. But the province continues to miss the opportunity to promote economic opportunities, affordability, and health on a lasting large-scale level by investing in the transition to a low-carbon economy.

The 2023 budget is sparse on climate spending, especially new initiatives. Climate investments include continuing the Efficient Trucking program as well as the Waste Diversion and Recycling program; a one-time top-up of \$13.4 million for public transit systems across five municipalities; and a small \$170,000 to the climate services non-profit Climate West.

As a general rule of thumb, governments need to invest 2% of their GDP in climate mitigation every year in order to reach the internationally-agreed upon target of net-zero emissions by 2050. Manitoba's climate spending is far below.

The 2023 budget also has gaps around key climate areas, such as electric vehicles and charging infrastructure.

"Demand for electric vehicles is growing, but the cost remains out of reach for many," says Hannah Muhajarine, policy researcher with Manitoba's Climate Action Team. "The Manitoba government should be providing zero-interest loans or rebates for regular Manitobans looking to purchase electric vehicles as well, as most other provinces do. Unfortunately, there is nothing in that regard in this year's budget."

To reach critical emission reduction targets, the province also needs to put more money towards energy retrofits in buildings. While the province does fund some energy retrofits through Efficiency Manitoba, its current spending commitments are inadequate to the scale we need. Ultimately, the province needs to be investing not just in retrofits, but in the large-scale conversion of homes and buildings from expensive natural gas to cheap geothermal energy through a new utility—but there are no funds for this in the 2023 budget.

While underspending on climate, the budget dedicates significant expenditures to areas that will only increase emissions and environmental impact, such as increased spending on highways

and fast-tracking the mining approval process. The province needs to adopt a climate lens across all budgetary decisions, so that the few emissions reductions it has achieved in one area are not erased by investments made elsewhere.

The province continues to undermine its own ability to fund climate action and other important public services by fighting federal carbon pricing and slashing other provincial taxes. If the province chose to instead implement a made-in-Manitoba carbon pricing regime, it could generate significant revenue for provincial climate programs, including zero-interest loans for electric vehicles and energy retrofits, and funding the installation of geothermal infrastructure—investments that would save both the government and Manitobans money in the long-term.

“Converting all vehicles and buildings to cheap, local renewable energy would slash gas and heating costs and protect us from inflationary energy prices for the long-term,” adds Muhajarine. “But the province’s idea of increasing affordability is limited to tax cuts and a few one-off cheques. We need a provincial government that is willing to use all fiscal tools available to it, and invest now to save more later.”

As Manitoba, along with the rest of the world, determines how to respond to a challenging economic outlook, other governments are investing in the green economy, which will see returns in the form of jobs, energy affordability, increased quality of transportation systems and housing, increased health, and more. But with this year’s budget, the Manitoba government continues to underinvest in that future.

Additional background information about our recommendations for Manitoba’s budget can be found [here](#).

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