

THE IMPACT OF THE CLIMATE EMERGENCY: ECONOMY

[The Impact of the Climate Emergency](#) for all tiers of government

Climate change poses significant challenges for public finances across Ontario and Canada, directly impacting municipalities and the broader economy. Here's an integrated list of the top five climate impacts on public finances and municipalities:

1. Higher Disaster Response and Recovery Costs

While extreme weather events place significant pressure on all government budgets - often leading to higher taxes and borrowing.

2. Increased Healthcare Expenditures

Rising temperatures, poor air quality, and diseases like Lyme disease are making public health risks worse. This means local healthcare services and emergency response teams will face more pressure and will need more funding to meet these growing health challenges and protect their communities. That funding will come from provincial and federal tax dollars.

3. Infrastructure and Energy System Strain

Aging infrastructure is struggling to keep up with the impacts of climate change. Heavy rainfall and flooding are major issues in southern Ontario, leading to rapidly rising costs for stormwater systems and road repairs - meaning extra pressure on your taxes.

4. Strain on Natural Resource Economies

The climate emergency is affecting industries like agriculture, forestry and fishing, with extreme weather making it harder to produce and work. This means food scarcity and higher prices.

5. Rising Insurance and Risk Management Costs

As climate risks grow, insurance costs for municipalities and public infrastructure are rising. In some areas, flooding or wildfire risks are making properties hard to insure. Municipalities also face higher costs for climate adaptation, like building flood control systems. This all means money. YOUR money.

Economic Implications

1. **Municipalities play a vital role** in addressing climate impacts, managing 70% of the costs for climate-related damages. For example, Newmarket homeowners recently contributed an additional \$83 annually to the region, while Aurora residents contributed \$102, plus \$95 per household for essential municipal needs like infrastructure and stormwater systems.

These investments are a step toward however, **with [stronger action](#) we can reduce the [long-term financial burden](#) on households and [minimize future costs](#) on our economy.**

2. In **Ontario**, if current climate efforts remain unchanged, repair costs for infrastructure damaged by severe weather could rise to [\\$4.1 billion annually](#). However, with moderate efforts, this could be reduced to \$3 billion, and with **strong, forward-thinking planning, it could drop by half to \$2.1 billion**. Pay [\\$1 now or way more later](#).

Ontario, as the province with the second-highest emissions in Canada, has made the following financial decisions related to climate efforts since 2018:

- **\$2.5 billion** was spent on [flood protection](#) from 2018 to 2021 - a critical investment, but with worsening climate impacts, at least that amount will be needed every year going forward.
- **\$7 million** was spent [fighting](#) the federal carbon price in court, and another 4 million on [anti-carbon tax ads](#) - funds that could have been used to address growing health issues, support vulnerable communities or invest in clean electricity.
- **\$2 billion** worth of [carbon reduction programs were cut](#), reducing opportunities for clean energy solutions and local job creation.
- \$350 million spent on [Enbridge subsidies](#) to keep gas pipelines going to new subdivisions and another \$250 million a year in other subsidies. There has been no subsidy for wind or solar but electricity has had subsidy programs to offset the higher cost of gas power generation.
- It canceled climate programs and the cap-and-trade carbon tax, which left a multi-billion [budget hole](#).

These choices affect everyone - families living in flood-prone areas, workers seeking stable green jobs, and communities facing higher costs from extreme weather. Investing wisely in climate solutions can ease these burdens, create opportunities, and build a more secure future for all Ontarians.

3. The **federal government** has made [significant investments](#) in climate action since 2015, committing over **\$100 billion** to support a cleaner, more sustainable future. This includes:
 - **\$60 billion** allocated from 2015 to 2019 to promote climate action and clean growth, fostering innovation and creating jobs in green industries.
 - **\$53.6 billion** committed to Canada's green recovery since October 2020, helping communities transition to a low-carbon economy and adapt to climate impacts.

- **\$7.5 billion** [invested internationally](#) to aid vulnerable nations in adapting to climate change and transitioning from coal, strengthening global partnerships.
- Yet, Canada has paid out almost **\$20 billion a year** since 2015 in [loans and subsidies to oil and gas](#) (not including CCUS funding); only about \$1 billion a year to all types of clean energy.

The scale of the challenge demands **sustained and strategic action**, particularly in the oil and gas sector, where subsidies have often been directed toward projects like carbon capture - primarily used to facilitate harder-to-access oil and gas extraction, ultimately increasing emissions to be captured. Without a clear focus and coordinated investment in proven solutions that exist now like wind and solar, the benefits may fail to reach Canadians who need them most or quickly enough.

At all levels we need access to **clear and transparent information** about climate risks that empower better decisions for individuals, communities, and businesses. For example, in Ontario, no legal requirement exists for developers or homeowners to disclose floodplain risks to buyers.

A single flood or wildfire can cause damages of \$500 million, underscoring the importance of proactive planning. The financial toll of extreme weather is evident in Toronto's records:

- **2005 rainstorm:** \$44 million
- **2013 rainstorm:** \$65 million
- **2013 ice storm:** \$101 million
- **2017 high lake levels & 2018 windstorm:** \$28 million

Meanwhile, the 2023 wildfires ([2023 wildfires in Ontario](#)) led to harmful air pollution, adding **\$1.28 billion in health costs**.

What You Can Do

We can protect both our economy and quality of life while creating a safer, more sustainable future by focusing on existing smart solutions like cleaner, greener energy and infrastructure, and effective disaster planning.

Ask your election candidate what they will do to cost you less in this growing climate emergency and what they will do to help prevent emissions from going up to keep your family and community safer, food on the table, and clean water to drink. How exactly will their government plan carefully to use resources wisely, keep costs fair, and support families and communities.