

Green Growth

How SMEs are working toward a greener future



Small business perspectives on the environment

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The federal government has brought forward a renewed political focus on the environment. A CFIB survey of nearly 6,000 small business owners has revealed that SMEs do care about protecting the environment, and are making efforts to implement environmentally friendly measures in their business. However, with weak economic growth across the country, small- and medium-sized enterprises (SMEs) are concerned about the potential impact that certain new policies and regulations could have on the success of their business and their ability to remain competitive, create jobs and innovate. It is essential that the federal government strike the right balance by implementing policies that are both environmentally-friendly and business-friendly.

Introduction

Since CFIB's last report on the environment in 2007, *Achieving Eco-prosperity: SMEs' perspectives on the environment*, the political landscape around this issue has changed. The Kyoto protocol was largely abandoned and has now been replaced by the Paris Agreement. With this comes a renewed focus on actions to halt climate change as Canada works to implement the targets set out in the Agreement. In October 2016, the federal government announced a Pan-Canadian Approach to Pricing Carbon Pollution. This country-wide plan will mandate the provinces to put in place either a carbon tax or cap-and-trade system in their jurisdiction in order to meet the federal 30% emission reduction target by 2030.¹

¹ Government of Canada, "Pan-Canadian Approach to Pricing Carbon Pollution," <http://news.gc.ca/web/article-en.do?nid=1132169> (Accessed November 29, 2016).

As governments begin to further execute environmental policies, they must consider the effects on small businesses and the economy as a whole. SMEs want and need to be part of the conversation around issues such as emissions reductions and climate change. They are much more sensitive to regulatory and tax changes than larger firms, and have less capacity and fewer resources to absorb extra costs that could come from the implementation of new taxes and regulations.² Previous CFIB research has shown that annual costs of regulations are higher for smaller businesses than larger firms – in some cases, close to five times more. For example, in 2014, it cost \$6,683 to comply with regulations for businesses with fewer than 5 employees, whereas it cost businesses with 100 employees or more \$1,462.³

Additionally, variances between sectors and regions play a large part in SMEs' views on the environment and what they consider to be the most important issues affecting their business. This report aims to explore the perspectives of small business owners on a range of environmental issues and policies, with the goal of providing recommendations to policy-makers to ensure that both the environment and the economy can prosper.

Survey Methodology

CFIB conducted the *2016 National Environment Survey* from July 21 to August 29, 2016, across Canada. The password-protected online survey received 5,982 responses from small business owners across all sectors and provinces. The results are accurate to ± 1.3 percentage points, 19 times out of 20. Unless otherwise indicated, data in this report was obtained through the above survey. See Appendix B for a copy of the survey.

² For more in-depth data on the costs of red tape for SMEs, see CFIB's *Canada's Red Tape Report 2015*.

³ CFIB, *Canada's Red Tape Report 2015*, January 2015.

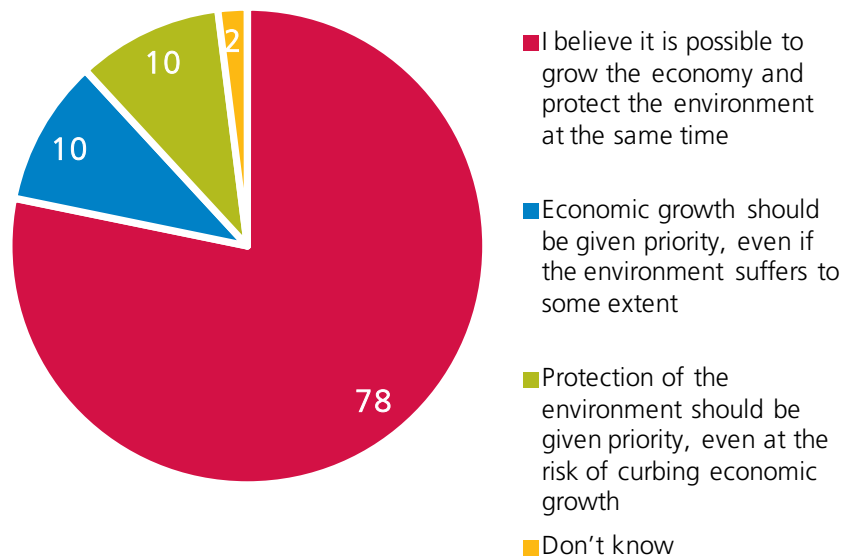
SMEs and the Environment

As small business owners tend to be more directly tied to their communities, their views and opinions on environmental issues may often reflect those of ordinary Canadians. However, small businesses are often overlooked by policy-makers who tend to focus their efforts primarily on changing the behaviours and attitudes of consumers and big businesses. Environmental policies and regulations can have a profound impact on a small businesses' bottom line. It is therefore essential for governments to understand the priorities, motivations and perspectives of SMEs on environmental issues.

Small business owners want governments to take a balanced approach when implementing environmental policies. Our survey found that a majority of members believe that actions to protect the environment can be done alongside policies that encourage economic growth (see Figure 1). Only 10% believe that either economic growth or environmental protection should be given priority to the detriment of the other. It is important that governments carefully consider both sides of the equation when implementing environmental policies and making decisions about the development of natural resources. These decisions have a profound impact on small businesses' ability to remain productive and create jobs.

Figure 1

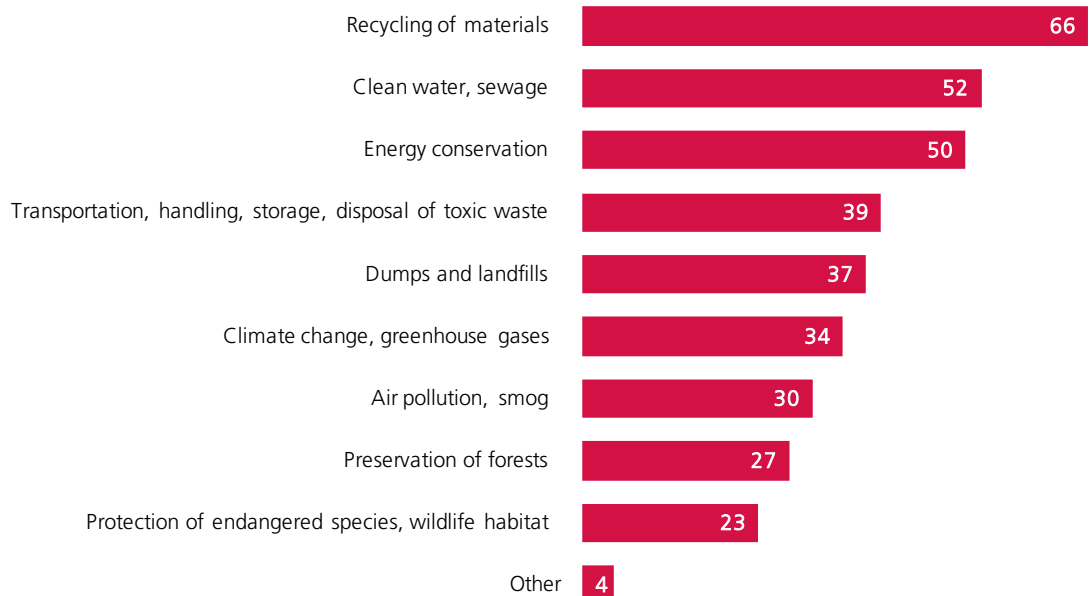
Which of the following statements best describes your own point of view? (% response)



When asked which environmental issues were most important to their business, small business owners cited the recycling of materials as their top issue at 66% (see Figure 2). This was followed by clean water and sewage (52%) and energy conservation (50%).

Figure 2

Which of the following environmental issues are the most important to your business? (% response)

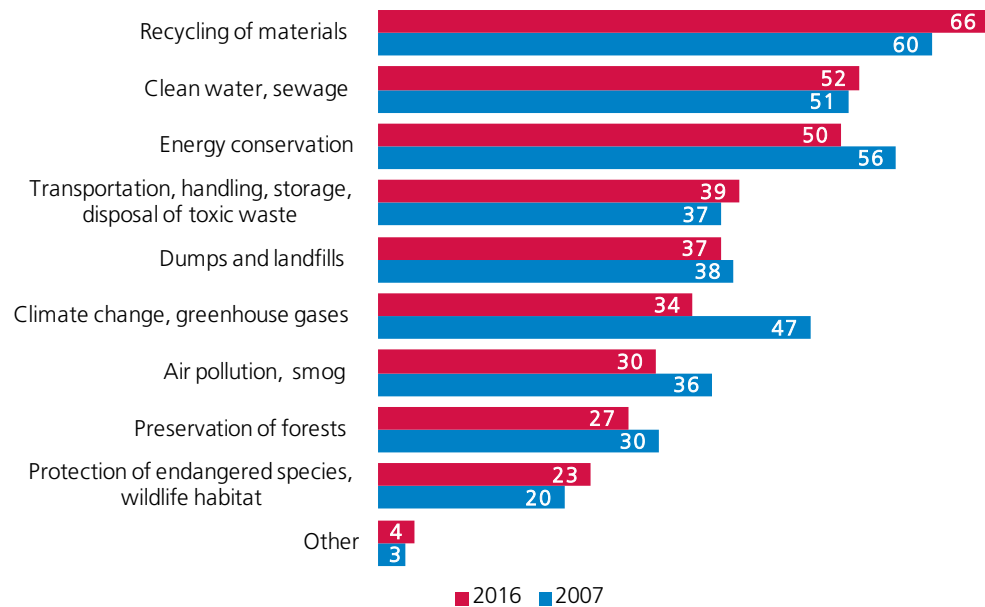


Data showed that the top environmental issues for businesses also depended on which sector of the economy they are in. Business in the agricultural, natural resources, real estate, financial, and social services sectors said that clean water and sewage was their top concern. This variance may be due in part to personal beliefs or due to the nature of the business and the resources they require to operate. For example, 42% of businesses in natural resources said that the preservation of forests was an important concern to them, compared to the average 27% for all sectors. Provincially, there are also variations between the significance of issues such as climate change. Almost twice the amount of SMEs in Quebec (41%) and Prince Edward Island (46%) placed more weight on the problem of climate change than members in Alberta (22%), Newfoundland and Labrador (25%), or Saskatchewan (26%) (see Appendix A).

Since the last survey in 2007, certain top environmental concerns have changed for small business owners (see Figure 3). Some priorities, namely the recycling of materials, dumps and landfills, air pollution, and the preservation of forests have retained similar levels of importance for SMEs in 2016 as they did in 2007. Conversely, the ranking of climate change and greenhouse gases declined in 2016, relative to 2007. Energy conservation also dropped slightly from second to third ranking in the past nine years. On the other hand, SMEs ranked the protection of endangered species and wildlife habitat, clean water and sewage, as well as transportation, handling, storage, and disposal of toxic waste, as more concerning in 2016 than in 2007.

Figure 3

Changes in Ranking of Environmental Issues of Concern to SMEs (2016 vs. 2007)



Source for 2007 data: CFIB, *Achieving Eco-prosperity: SMEs' perspectives on the environment, 2007*.

How SMEs Are Responding to Environmental Concerns

Most SMEs do not have the tools or resources available to bigger firms to implement large-scale environmental strategies or to invest in R&D. Instead, many come up with creative, low-cost solutions to reduce their environmental footprint. Some actions may seem small, but they can nevertheless have a big impact on helping the environment. SMEs also find innovative ways to reduce their footprint. Several turn to technology adoption (such as cloud computing) to go paperless, while others may purchase new lower-emission equipment.

We built a robot barn for our 200 milking cows, with energy-efficient lighting.

Dairy Farmer, Ontario

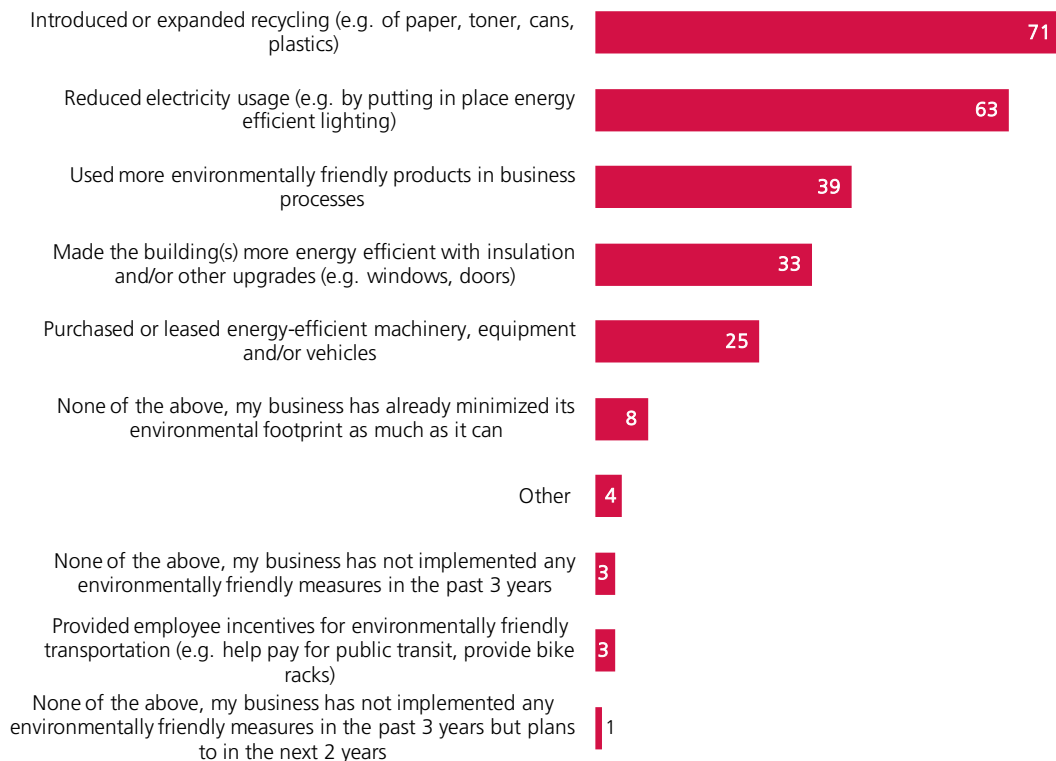
We use a service called Green Circle Salons which recycles everything down to the hair we cut off of people's heads. We also have chosen two main product lines which have the environment and sustainability as one of the top priorities.

Hair Salon, British Columbia

As a whole, small business owners have actively implemented measures in their business aimed at helping the environment. Our survey found that the vast majority of SMEs reported putting in place at least one environmentally friendly measure in the past three years (see Figure 4). From farmers to trucking companies, small business owners in all sectors of the economy have undertaken both major and minor investments to reduce their environmental footprint. The most common action reported by SMEs was to introduce or expand recycling in their place of work (71%). This was highest in the retail sector, where over three quarters of businesses said that they put this measure in place.

Figure 4

What environmentally friendly measures has your business implemented in the past 3 years? (% response)



A large number of businesses also worked to reduce their electricity usage (63%). The third most common measure implemented by small businesses was to use more environmentally friendly products in their business, such as switching cleaning products or fuel type. An additional 33% have made improvements to their buildings so that they are more energy efficient—which can often only be done if they own the building in which they operate. Over half of businesses in the agriculture sector (52%) said that they have made improvements to their buildings to make them more efficient.

Many small businesses may choose to implement environmentally friendly measures in order to reduce their overall energy expenditures. In Ontario, where hydro costs are high, SMEs cited reducing electricity usage as the top measure carried out by businesses at 70%. SMEs in Atlantic Canada have also reported that electricity costs are a major concern for their business; over 60% feel that their electricity bill is too high.⁴ Reducing energy consumption was either the first or second most common answer given by business owners in this region. SMEs in the hospitality sector also reported this as their top measure at 76%.

Table 2 lists some examples of actions that our members have taken to make their business more environmentally friendly (see Appendix B for additional comments).

Table 2

CFIB Member Comments

We are in the transportation industry. Fuel is a cost, so we do everything we can to minimize its use. All new trucks meet stringent emission controls. We monitor idling time and use energy efficient configurations to minimize wind drag and conserve fuel. In the office, we recycle as much as we can and share things like printers and copiers. We also have a financial reporting system that allows us to store in the cloud, minimizing equipment and reducing paper files and printing.

(Trucking company, Saskatchewan)

Our business was built to keep our utility usage to a minimum, our final step will be to include solar panels to power all the electricity needed for our business.

(Cheese Producer, Ontario)

All new refrigeration with LED lighting and energy efficient compressors, we are in the process of planting trees around our site.

(Grocery Store, Manitoba)

Promoted reduction of printed documents, with electronic saving as the alternative. Changed light fixtures throughout our building to accommodate LED bulbs.

(Magazine Publisher, Quebec)

⁴ CFIB, *Powering Entrepreneurship: Small business perspectives on power utilities and the cost of electricity in Atlantic Canada*, February 2016.

Recycle toner cartridges, bottles, cans, paint, cardboard. Installed energy efficient lighting. Using material in manufacturing with less toxic footprint.

(Cabinet Maker, Nova Scotia)

Geothermal in floor heating. Reed-bed septic system. Light tunnels and large windows to reduce the need for electric lighting. Windows that open for ventilation, no A/C.

(Veterinary Clinic, Newfoundland and Labrador)

Minimum passes over field because of GMO crops, uses much less fuel and stores more carbon in the soil.

(Grain Farmer, Saskatchewan)

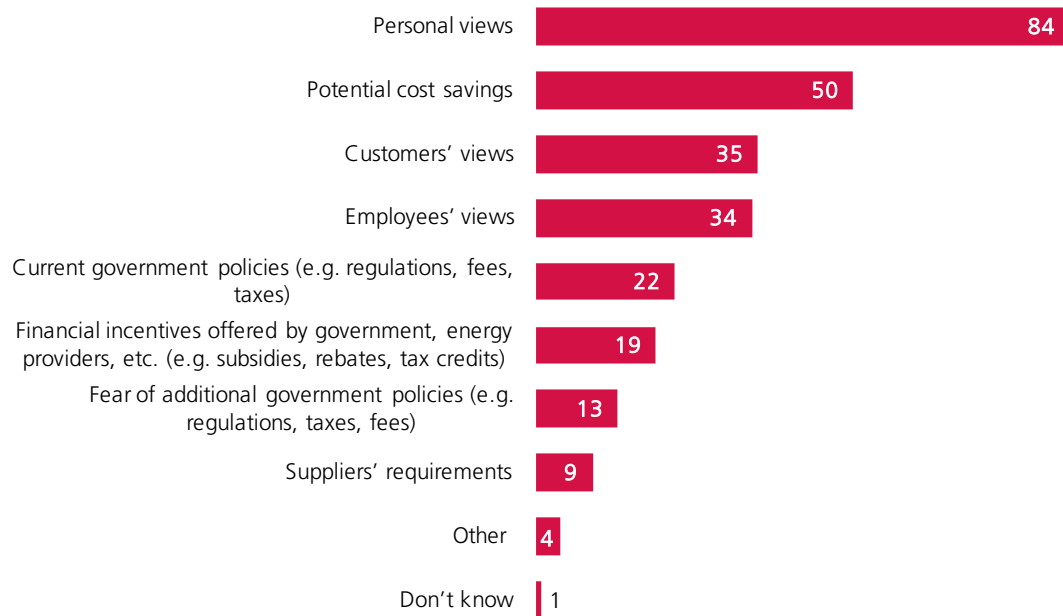
SME Motivations for Taking Action

When implementing policies to encourage environmental sustainability, governments should first consider the motivations behind small business owners' decisions to put environmentally friendly measures in place. This will ensure that actions taken by governments will not place undue burdens on small business owners and will be effective in helping them to do more to help the environment. As is the case for many Canadians, a majority (84%) of small business owners are primarily motivated by their personal views and feel that it is their responsibility to protect the environment by doing their part in their business (see Figure 5). In the comments submitted in the survey, many called the implementation of environmentally friendly measures "common sense" or the "right thing to do." Others stated that it was important to protect the environment for their children and grandchildren. Table 3 presents comments from members providing examples of what has motivated them to take action in their business.

Small business owners also recognize that there are significant economic benefits that come with reducing the environmental impact of their business. As such, cost savings is a motivating factor for half of small business owners (50%). The views of both their customers (35%) and their employees (34%) also play into many small business owners' decision to introduce environmentally friendly measures. Customers' views are especially important for newer firms than older firms; over half stated that the views of their customers pushed them to reduce their environmental footprint.

Figure 5

What motivates your business to implement environmentally friendly measures? (% response)



Governments often first turn to increased regulations and fees to incent small businesses to reduce their environmental footprint. However, only 22% said that current government policies, such as fees, regulations and taxes, were a motivation for them. On top of this, the fear of additional government taxes and regulations was one of the least significant motivating factors for small business owners, with just 13% saying that it would encourage them to do more. This number was slightly higher for SMEs in the agriculture and natural resource sectors, due to the fact that businesses in these sectors already face far more environmental regulations than other sectors.

Overall, this data indicates that putting in place punitive measures to push SMEs to reduce their environmental footprint may not be the most effective course of action. Increasing regulatory requirements adds to SMEs' paper burden, lessening both the time and money that small business owners could be investing in further measures that would assist them with reducing their emissions. Taxes and regulations will do little to change the overall attitudes and behaviours of SMEs. Governments would be better served by focusing on ways to enhance small business owners' understanding of environmental issues to help them value the personal and financial benefits of reducing their environmental footprint. Webinars and information campaigns are just some examples of what can be undertaken by the government to educate SMEs. Additional, detailed recommendations are outlined at the end of this report.

Table 3

CFIB Member Comments

Respect for the environment we live in; we are stewards of the environment.
(*Landscaper, Ontario*)

To provide a better environment by preserving it for future generations.
(*Bakery, Quebec*)

Because it's 2016, and sustainable development is the only relevant way to run business to lower environmental impacts.
(*Manufacturer, New Brunswick*)

It's the right thing to do for future generations and our planet.
(*Consultant, British Columbia*)

It is a human responsibility to save the planet we live and rely on.
(*Health Clinic, Alberta*)

Creating economic, social and environmental sustainability.
(*Farmer, Saskatchewan*)

Commitment to embedded sustainability in everything we do.
(*Telecommunications Company, British Columbia*)

What is the point of living if the environment is ruined. It is our responsibility to protect for future generations.
(*Retailer, Ontario*)

Actual cost savings that have already been realized on our monthly electrical bills were an incentive to do more and hence save more money.
(*Consulting Firm, Newfoundland and Labrador*)

Barriers to Implementing Changes Identified by SMEs

Although a majority of small businesses implemented measures to help the environment in the past three years, 3% reported that they did not. As such, it was important to identify what had prevented these particular businesses from taking action. When asked what barriers they faced, 38% said that the implementation of environmentally friendly measures was not relevant to their business (see Figure 6). Since many small businesses rent the building in which they operate, they are often limited by lease agreements to what actions they are allowed to take to make changes to their building. For example, they may be unable to renovate their business in order to retrofit the building with energy-efficient heating or windows, or the landlord may not allow compost bins onsite.

The second largest barrier identified by these businesses was the costs of implementing environmentally friendly measures, at 32%, which has slightly

increased from 26% in 2007.⁵ Actions such as retrofitting buildings, adopting paperless systems, and purchasing new machinery or equipment can be costly for SMEs. Increased taxes, including payroll taxes, and high energy costs make it even more challenging for many small business owners to find the necessary capital to invest in reducing their emissions. Measures can be taken by governments to ensure that SMEs have the funds to make investments in environmentally friendly measures, such as lowering taxes, and implementing tax credits.

Figure 6

What has prevented your business from implementing environmentally friendly measures in the past 3 years? (% response)



Additionally, governments can do much more to help educate small business owners on the subject of what actions they can take, big or small, to be greener. Close to a quarter (23%) of SMEs said that they lack the necessary information about what can be done in their business to protect the environment was a barrier. Many of these small business owners want to do more, but are unsure what they can do or if their actions will have any impact. Innovation, Science and Economic Development Canada provides a “SME Sustainability Roadmap” on their website with useful tools, links and information about available programs and certifications for small businesses.⁶ However, it is not prominently displayed on the website and could be difficult for small business owners to find. Governments should ensure that all resources relevant to SMEs, including programs and tax credits, are in a single location, similar to what is offered by BizPal⁷. Promoting these resources through webinars, social media, and industry associations, in addition to creating further tools aimed

⁵ CFIB, *Achieving Eco-prosperity: SMEs’ perspectives on the environment*, 2007.

⁶ Government of Canada, “SME Sustainability Roadmap,” <https://www.ic.gc.ca/eic/site/csr-rse.nsf/eng/rs00588.html> (Accessed December 7, 2016).

⁷ Biz Pal is single window online that provides businesses with information on permits and licences. It is jointly managed by governments at the federal, provincial, territorial and municipal levels: <http://www.bizpal.ca/en/>.

specifically at small businesses would allow SMEs to learn more about their responsibilities and what they can do to help the environment.

Barriers cited by SMEs are not consistent across all sectors of the economy. Understanding the different obstacles faced by businesses can enable governments to tailor programs and messaging in order for them to be relevant to the sector that they are aiming to help. The hospitality and transportation sectors both reported that costs were the top barrier to implementing environmentally friendly measures (see Appendix A). These sectors were also more prone to listing complexity as a barrier. SMEs in the manufacturing and construction sectors were slightly more likely to cite the need for more information as a barrier, whereas businesses in the natural resource sector did not cite the lack of information as an issue.

Business owners in both retail and wholesale more often stated that implementing environmentally friendly measures was not relevant to their business, as many in these sectors rent rather than own. It is frequently difficult for these businesses to implement significant changes to the efficiency of their buildings, as the cost falls entirely on the landlord. CFIB's 2007 report on the environment suggested that the idea of a "green lease" be considered in order to better share the costs of building upgrades between landlords and tenants. This type of lease would place obligations on the landlord to put in place energy efficient upgrades, but would also compel the renter to conserve energy or other environmental targets such as conserving water.⁸

Business owners need governments to provide them with information about low-cost solutions and actions that they can implement in order to reduce their environmental footprint. Punitive measures (such as regulations, fees, and taxes) would increase costs and impose additional regulatory burdens on SMEs, reducing the amount of time and money business owners can spend making improvements to their business. Rather than putting in place measures to discourage certain practices, improving small business owners' understanding of what they can do to help the environment would do more to change their attitudes and behaviours.

Information about specific actions (e.g. car pooling, going paperless), programs (e.g. recycling, composting), and financial assistance (e.g. renovation tax credits), would enable small business owners to put in place concrete measures that can help reduce their emissions. Governments should also provide small businesses with information on how "going green" can actually save them money. Although some measures, such as upgrading equipment or building renovations, require initial investments, most businesses end up saving money over the long run. Helping SMEs understand that becoming environmentally friendly is beneficial to their bottom line will encourage a greater number of business owners to do more. Further to this, providing SMEs with specific information about what actions can be taken in their sector, whether in agriculture or transportation, would also be valuable.

⁸ CFIB, *Achieving Eco-prosperity: SMEs' perspectives on the environment*, 2007.

Balancing the Economy & the Environment

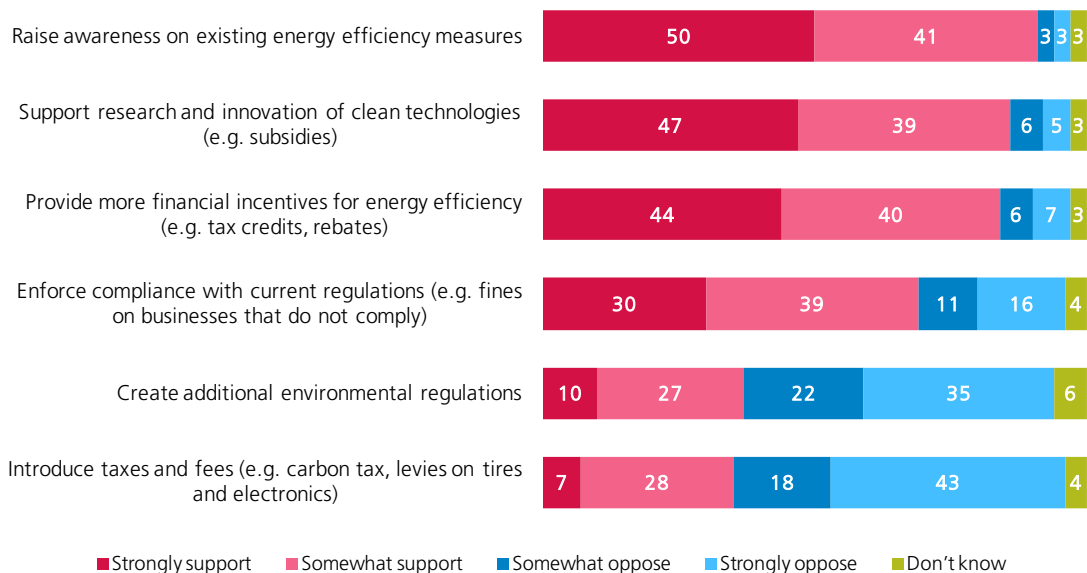
Best Government Approaches

When asked which government approaches to dealing with environmental issues they favour, 91% of SMEs said that they somewhat or strongly supported government policies that would help to raise awareness on existing energy efficiency measures they can implement in their business (see Figure 7). As lack of information is often a barrier for SMEs, small business owners are looking to governments to provide them with additional plain-language resources and tools that can enable them to further reduce their emissions.

Eighty-six per cent of SMEs strongly or somewhat support government funding (in the form of subsidies) for clean technologies, as they understand the important role of innovation in finding solutions for reducing emissions. Moreover, 84% said that they somewhat or strongly support governments providing more financial incentives for energy efficiency (e.g. tax credits, rebates). Almost 70% of SMEs also believe that businesses who do not comply with current environmental regulations should face fines.

Figure 7

To what extent do you support or oppose the following government approaches to deal with environmental issues? (% response)



Punitive measures were the least popular approaches among SMEs. Over half of small business owners are either strongly or somewhat opposed to governments creating additional environmental regulations. Introducing taxes and fees (such as carbon pricing) is somewhat or strongly opposed by 61% of SMEs nationally.⁹ Small business owners do their best to comply with current rules and regulations, but they

⁹ For further analysis of SME views on carbon pricing, please refer to CFIB's policy brief, *Small Business Perspectives on the Environment and Carbon Pricing*, November 2016.

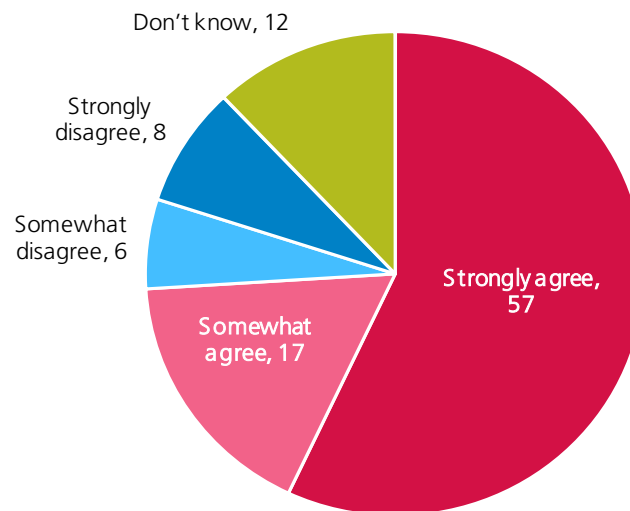
are more sensitive to tax increases and the regulatory compliance burden. Enforcing further regulatory requirements on SMEs could make it even more complex and costly to comply. Additional taxation could limit a small business's ability to invest in green technologies or other measures to reduce their emissions. As such, governments should reconsider the introduction of carbon pricing mechanisms.

Revenue Neutrality

In certain jurisdictions that already have carbon pricing mechanisms in place, such as Ontario, revenues from carbon pricing mechanisms go towards government environmental programs and other “green” initiatives. However, 74% of small business owners either somewhat or strongly agree that all revenues generated by carbon pricing should be revenue neutral for governments (see Figure 8). For example, in British Columbia, the provincial government cut taxes elsewhere in order to offset the impact for businesses affected by the carbon tax. Instead of having revenues directed into government coffers, SMEs want governments to ensure that the effects of carbon pricing will not negatively impact their ability to remain productive.

Figure 8

To what extent do you agree or disagree that all revenues generated from carbon pricing should be revenue neutral for government?
(% response)



SMEs know that reducing their environmental footprint makes economic sense. Rather than imposing penalties such as taxes or fees to drive businesses to lower their emissions, governments should instead explore incentives, such as tax credits and rebates, to encourage further investments. Placing a price on carbon will limit the capital that businesses have available to invest in new equipment or innovative projects that aim to lower their emissions. Mitigation measures such as lowering taxes elsewhere, such as the Small Business Corporate Tax Rate, would help ensure that businesses can absorb the increased input costs. Businesses must be able to remain productive, create jobs, and innovate in order to keep making investments in environmentally friendly measures.

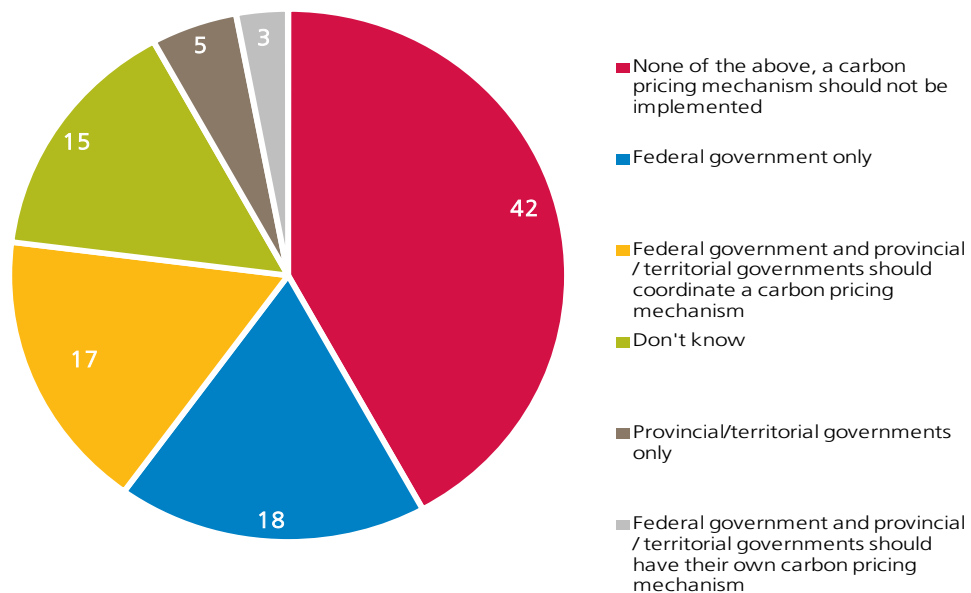
Challenges of Carbon Pricing

Carbon pricing, whether through a carbon tax or cap-and-trade, is a key plank of the federal government's new environmental strategy. With the aim of increasing the demand for clean products and technologies, the government is seeking to place a market value on the environmental costs of contributing to greenhouse gas emissions.¹⁰ The government would apply carbon pricing to compel businesses and consumers to use clean technologies and innovate in order to reduce emissions. However, as Figure 5 shows, SMEs are not convinced that this is the best approach to reach Canada's emissions reduction goals. With only 13% of businesses stating that the fear of further government regulations, taxes, or fees motivates them to reduce their environmental footprint, governments must ask themselves if carbon taxation is the most effective measure to reduce emissions. Additionally, governments must also consider differences between regions and sectors of the economy; a one-size-fits-all policy is not an effective solution when dealing with climate change.

Although the federal government has mandated that carbon pricing mechanisms be in place across the country by 2018, it is up to each of the provinces decide whether they will implement a carbon tax or cap-and-trade. Data from the survey reveals that SMEs are largely conflicted as to which level of government should be responsible for the implementation of carbon pricing: 18% of SMEs believe that the federal government should be solely responsible, and 17% believe that the federal and provincial governments should coordinate on a mechanism (see Figure 9). Nevertheless, 42% of SMEs do not believe that carbon pricing should be implemented at all.

Figure 9

In your opinion, which level of government should be responsible for implementing a carbon pricing mechanism? (% response)



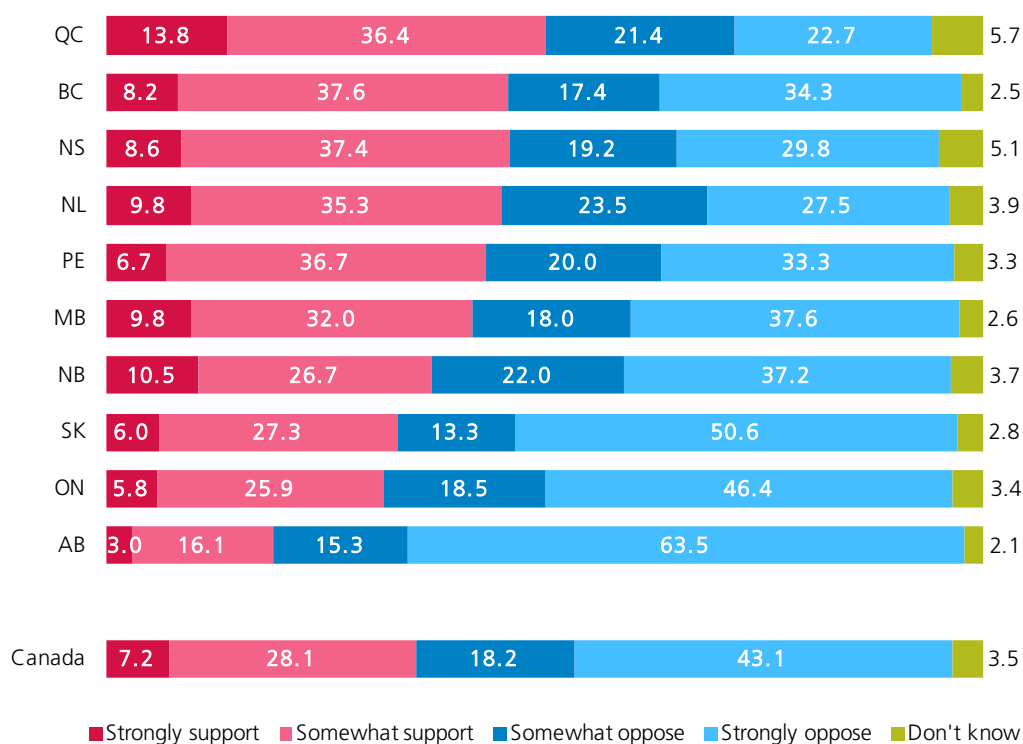
¹⁰ Government of Canada, *Canada's Mid-Century Long-Term Low-Greenhouse Gas Development Strategy*, November 2016.

The implications of carbon pricing vary across provinces and sectors of the economy, leading to differing levels of support. Provincially, Figure 10 shows that support for introducing taxes and fees is highest in Quebec (50.2% support and 44.1% oppose) and British Columbia (45.8% support and 51.7% oppose).

Figure 10

To what extent do you support or oppose the following government approaches to deal with environmental issues? (% response) (provincially)

a. Introduce taxes and fees (e.g. carbon tax, levies on tires and electronics)



Both provinces had carbon pricing mechanisms in place prior to the federal announcement in October 2016, with cap and trade in Quebec since 2013 and a carbon tax in BC since 2008. The survey revealed that opposition to a carbon tax was highest in Saskatchewan, Ontario and Alberta. The economy in Alberta and Saskatchewan are heavily dependent on the natural resource sector, where a carbon tax would have the biggest impact. In Ontario, businesses already struggling with high energy prices fear that a carbon tax would further increase their costs.

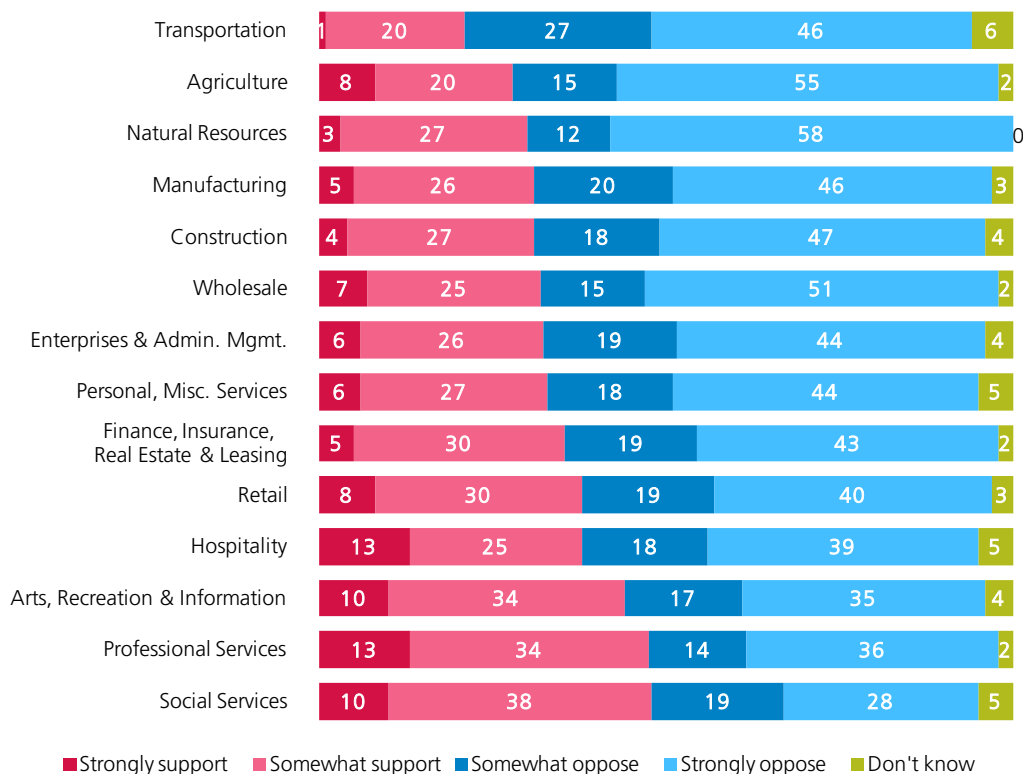
Data also shows that the level of support for carbon pricing is lowest in sectors which produce higher emissions, such as transportation, agriculture, natural resources, and manufacturing (see Figure 11). These sectors rely more on heavy machinery and would see their input costs rise substantially if carbon pricing was put in place. Many SMEs in these industries have taken significant steps to reduce their carbon footprint through investing in more energy efficient equipment or purchasing low-emission machinery and vehicles. Imposing further taxes and fees

would reduce the profitability of these businesses, therefore hindering their ability to take further actions to become more environmentally friendly.

Figure 11

To what extent do you support or oppose the following government approaches to deal with environmental issues? (% response) (By Sector)

a. Introduce taxes and fees (e.g. carbon tax, levies on tires and electronics)



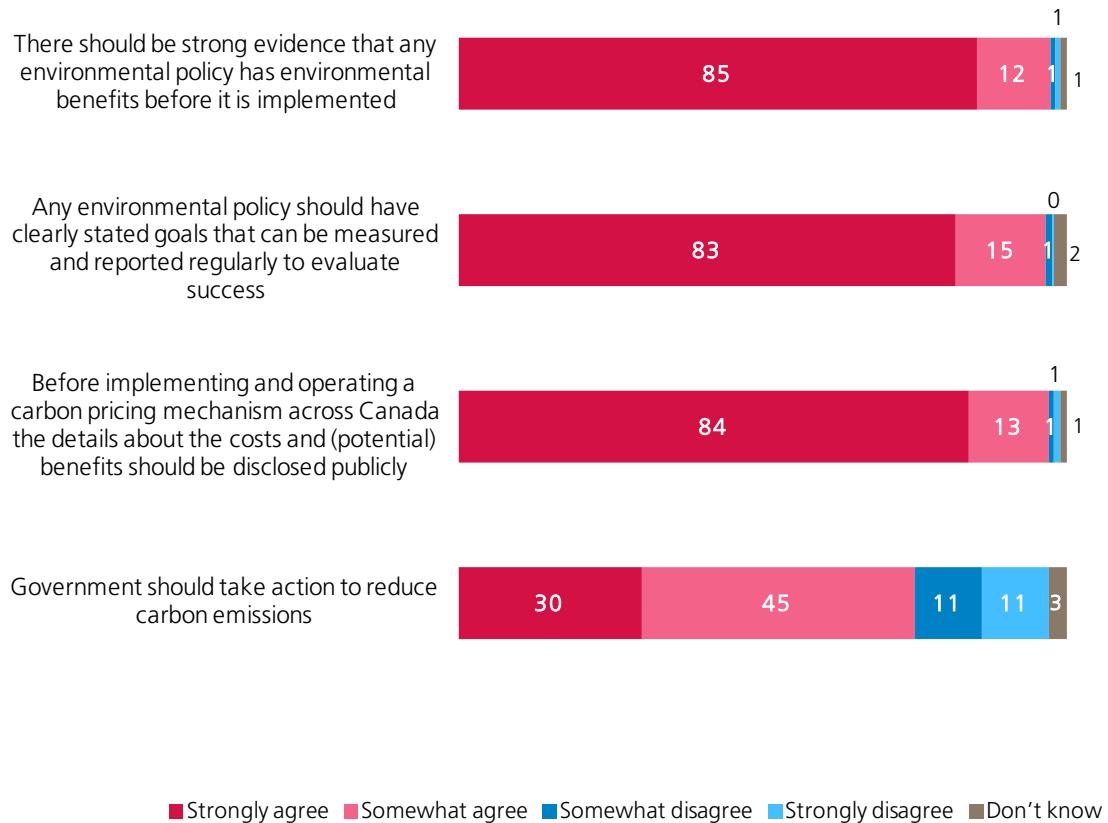
Evidence-Based Policies

Prior to implementing new environmental policies, governments must carefully consider the potential impacts on both the environment and economy, particularly with regards to the small business community. Our survey found that small business owners do want action to be taken on the environment: a majority (75%) somewhat or strongly agree that governments should take action to reduce carbon emissions (see Figure 12). However, an even larger majority (97%) somewhat or strongly believe that there should be strong evidence that any environmental policy has environmental benefits before it is implemented.

Evidence-based policy making must include transparent objectives that can be monitored and evaluated to guarantee their effectiveness, and to ensure that governments meet their objectives for both the environment and the economy. Data shows that 97% owners want governments to publicly disclose the details about costs and potential benefits of policies. Additionally, 98% of SMEs either strongly or somewhat agree that any environmental policy should have clearly stated goals that can be measured and reported regularly to evaluate success.

Figure 12

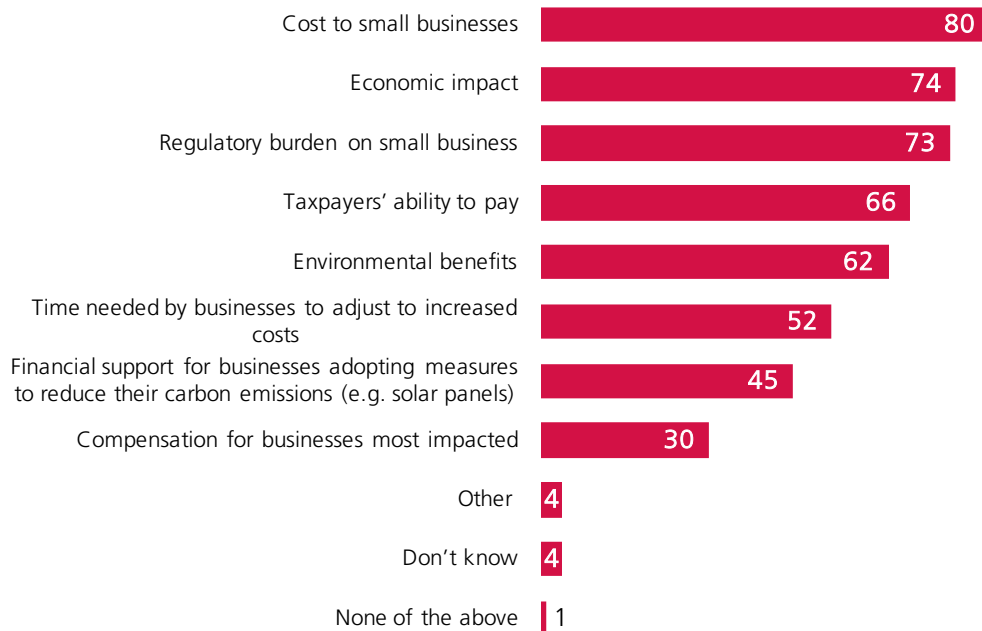
To what extent do you agree or disagree with the following statements? (% response)



When considering carbon pricing mechanisms, 80% of SMEs want governments to specifically think about the costs to small businesses (see Figure 13). With tighter margins and less capital than large firms, SMEs are not as easily able to absorb the additional costs that would be imposed by carbon pricing. A large number (74%) of small business owners also want governments to take into account the broad economic impacts of putting a price on carbon. Seventy-three per cent want governments to consider the additional regulatory burden that could be imposed on small businesses.

Figure 13

Which of the following should government consider before implementing a mechanism to establish a price on carbon emissions? (% response)



When asked what the impact would be if the carbon pricing mechanism were to increase their costs, 72% of small business owners said that it would increase their operating or input costs (see Figure 14). Another 69% said that it would reduce their business's profitability. Close to half (46%) of SMEs said that carbon pricing would put pressure on their business to freeze or cut salaries, and 43% said that it would delay further investments (e.g. equipment or employees) in their business. Only 14% of SMEs said that it would create an incentive to reduce their emissions.

Figure 14

If a carbon pricing mechanism were to increase your business costs, what would be the impact? (% response)



International Considerations

The result of the U.S. election has created many uncertainties around the new administration's climate change plans as President Trump has yet to indicate his position in regards to a price on carbon. There are concerns that the incoming administration may not impose as stringent environmental policies as the Canadian government. The United States remains Canada's largest trading partner, including for SMEs: one fifth of CFIB members export to and almost 60% import goods and services from the U.S.¹¹ Therefore, there are concerns that Canadian small businesses facing carbon pricing may be placed at a competitive disadvantage compared to their American counterparts.

By adding to the costs of doing business, carbon pricing would force many SMEs to pass on these costs to their customers. As a result, it would be more difficult for Canadian SMEs to compete with U.S. businesses that do not face the same increases in operating and input costs. It is important that governments take into account these potential outcomes when implementing environmental policies. Governments must ensure that the business environment in Canada allows for SMEs to be productive and competitive on a global level.

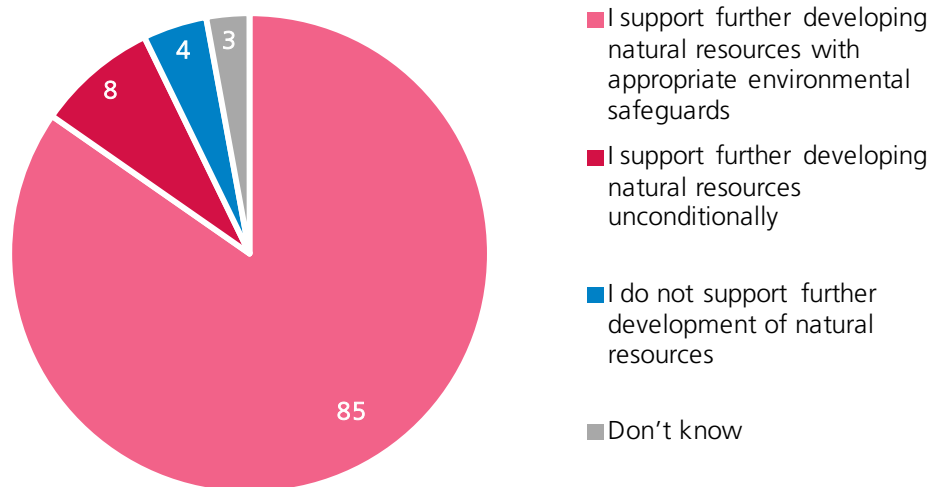
¹¹ CFIB, *Beyond the Big Border*, January 2016.

SME Views on Resource Extraction

Natural resources, particularly in the oil and gas sector, make up an important part of the Canadian economy. As seen in the past few years, the decline of the oil and gas sector has brought disastrous consequences to the Alberta economy in particular. Although the federal government has signalled its intention to reduce reliance on fossil fuels, many sectors and many Canadian jobs still depend on their extraction. Again, SMEs seek a balanced approach from governments on this issue as they recognize the importance of ensuring that the proper environmental protections are in place in order to responsibly extract resources. A majority (85%) of SMEs said that they support further development of natural resources with the appropriate environmental safeguards (see Figure 15). Very few SMEs believe environmental protections are not needed.

Figure 15

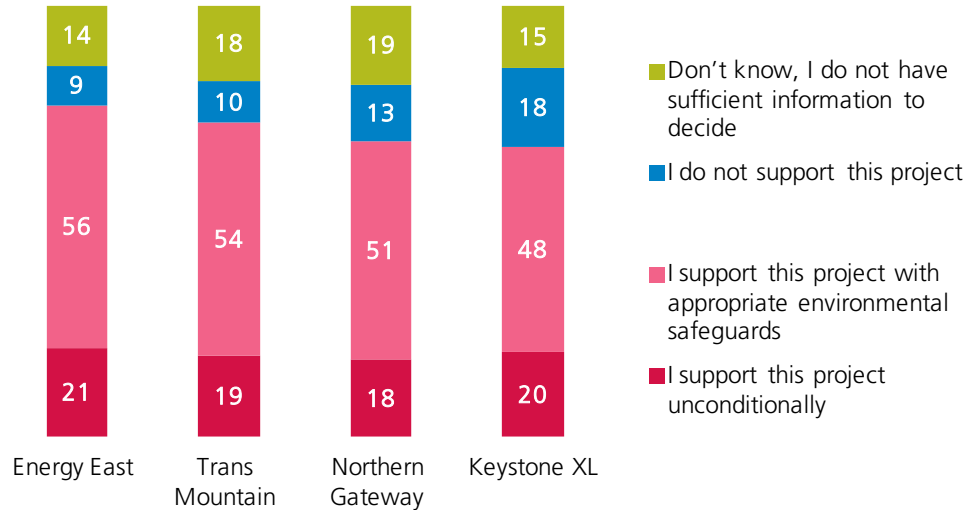
Which of the following statements best describes your point of view on natural resource development in Canada? (% response)



Small business owners recognize the importance of bringing Canadian resources to market. However, they also want to ensure that the appropriate safeguards exist prior to the approval of pipeline projects. Most SMEs believe that projects such as Energy East and Northern Gateway should move forward, as long as the necessary checks and balances are in place to ensure that the environment is protected (see Figure 16).

Figure 16

Do you support or oppose the following projects? (% response)



The level of support is not uniform across all provinces, with support lowest in Quebec and highest in Alberta (see Appendix A). SMEs in Alberta are far more impacted by the oil and gas sector; therefore, they are much more supportive of increasing pipeline capacity to expand access to markets. Despite this variance, most SMEs in every province do support these projects.

The federal government's decision to approve both the replacement of Enbridge Line 3 and the building of the Trans Mountain pipeline will help ensure that Canadian a larger number of Canadian resources will get to markets around the world. When looking to approve projects or further develop natural resources, SMEs want governments to take an evidence-based approach that looks at both sides of the equation—the economy and the environment.

We can have our cake and eat it too. There is no reason we cannot develop natural resources and run efficient, profitable businesses while protecting or enhancing the environment. But it must be done with sensible oversight and measurable goals and impacts, and not driven by mindless ideology.

Veterinary Clinic, BC

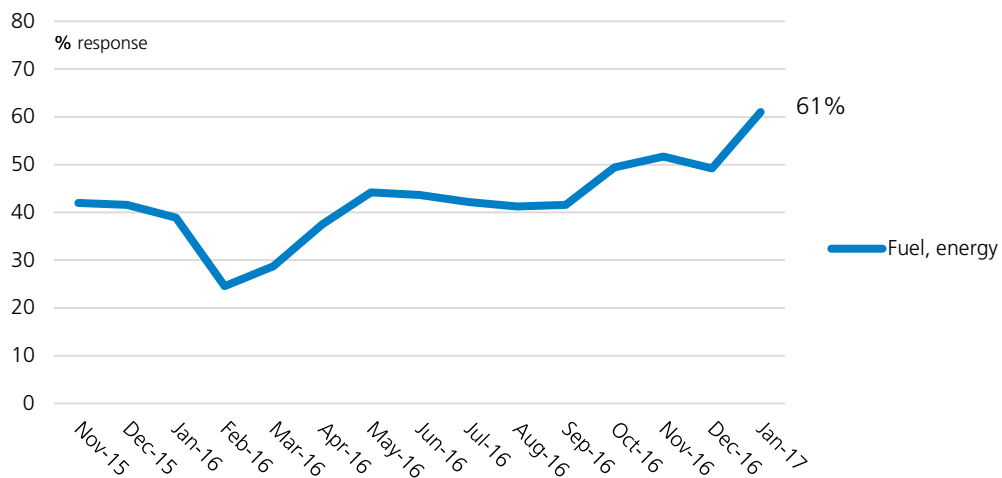
The Costs of Alternative Energy

Alternative or “clean” energy (solar, wind, hydro, etc.) is widely discussed in the federal government’s environmental strategy, and they are considering making significant investments in this area in order to incentivize green power. Additionally, they announced in November 2016 that they plan to require the provinces to close any remaining coal-fired electricity plants by 2030 (although Nova Scotia has received an extension).¹² As a result, some small business owners are worried about what the switch to “green energy” will mean for their bottom line.

Many SMEs already face considerable pressures in relation to energy prices. In CFIB’s January 2017 Business Barometer™, fuel and energy costs were the second highest cost constraint cited by small businesses after taxes and regulations. This figure rose by almost 20% since November 2015, from 42% to 61% (see Figure 17). The imposition of a price on carbon, coupled with the planned closure of coal-fired electricity plants, could further increase the number of small business owners who cite fuel and energy as a major cost constraint to their business.

Figure 17

Major cost constraints Fuel, Energy



Source: CIBF, Business Barometer, 782 responses, January 2017.

With tighter margins and less access to capital, SMEs are not as easily able to absorb dramatic energy price increases as larger firms. Despite the fact that most small businesses are already taking steps to reduce their energy usage, many are continuing to see their energy costs rise. In Ontario, there has been a particularly dramatic increase in energy costs, which has forced many SMEs to reduce investments in their business and staff – some have even had to close their doors. In

¹² Government of Canada, News Release: *The Government of Canada accelerates investments in clean electricity*, <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=1&nid=1157989>, Accessed November 25, 2016.

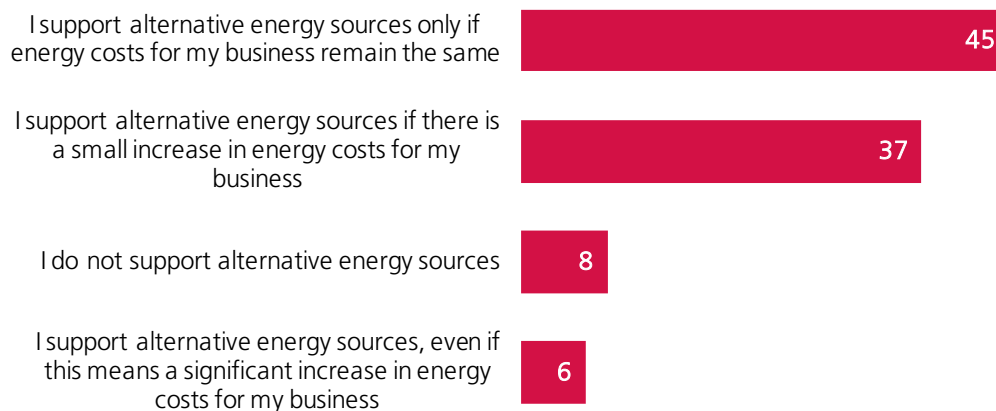
the Atlantic provinces, 60% of small business owners have seen a moderate increase and 17% have seen a large increase in their total energy costs in the past three years.¹³ Of these businesses, 74% had a loss of profits, 44% had to increase their prices, and 31% had to put their business investments on hold.

The additional financial pressure of high energy costs may prevent some businesses from being able to implement additional environmentally friendly measures. Electrification is a large part of the federal government's strategy to reduce carbon emissions by encouraging businesses and consumers to rely on electricity to power vehicles and buildings instead of fossil fuels.¹⁴ However, a larger reliance on electricity would greatly heighten its demand, further increasing costs for both businesses and consumers.

A good portion of energy cost increases can be attributed to expensive investments in alternative energy such as solar and wind. Survey data shows that small business owners do support alternative energy—they just want to ensure that the costs do not become a heavy burden on their business. A majority of small business owners support alternative energy if there is either a small increase (37%), or no increase (45%) in costs to their business (see Figure 18).

Figure 18

Which of the following statements best describes your point of view on the production of energy through alternative sources? (% response)



Small business owners are also supportive of measures that could allow their business to become more energy efficient to reduce their costs and their environmental footprint. However, it is essential that SMEs be able to access and implement clean technologies in their own businesses. Measures such as reintroducing a 100% Capital Cost Allowance (CCA) rate for technology purchases would also be helpful in improving access to new clean technologies.

¹³ CFIB, *Powering Entrepreneurship: Small business perspectives on power utilities and the cost of electricity in Atlantic Canada*, February 2016.

¹⁴ Government of Canada, "Canada's Mid-Century Long-Term Low-Greenhouse Gas Development Strategy," http://unfccc.int/files/focus/long-term_strategies/application/pdf/canadas_mid-century_long-term_strategy.pdf (Accessed January 11, 2016).

Conclusions & Recommendations

The results of the survey show that small business owners care about the environment and the majority are doing what they can in their business to protect it. The best way for governments to ensure that SMEs “go green” is to provide them with the information, tools, and the resources to ensure they can continue investing in their business. Below we have provided a list of recommendations that will help governments develop environmental policies that carefully consider the unique situation and needs of SMEs:

Ensure that environmental policies and regulations do not increase the paperburden or costs for SMEs

- ▶ Do not introduce further regulatory requirements or taxes on SMEs to encourage them to do more. Governments should instead focus on enhancing small business owners’ understanding of environmental issues and solutions to help them value both the personal and financial benefits of reducing their environmental footprint.
- ▶ Apply the one-for-one rule and the small business lens when drafting new environmental policies and regulations in order to minimize their impact on small businesses.
- ▶ Ensure that any carbon pricing measures are revenue neutral by offsetting the additional costs by reconsidering other important tax measures such as:
 - Implementing the planned reductions in the small business corporate tax rate to nine per cent;
 - Putting into place a permanent lower EI rate for smaller companies; and,
 - Introducing an EI holiday for youth hires.
- ▶ Ensure that governments take an evidence-based approach when implementing new environmental policies and carefully consider any potential impacts on SMEs and the economy prior to implementation.
- ▶ Ensure transparency around new environmental policies and regulations by measuring and publicly reporting their impacts on both the environment and the economy.

Provide further information about the environment aimed at SMEs

- ▶ Consult with SME stakeholders to help determine what information would be useful to businesses in order to help them reduce their impact on the environment.
- ▶ Educate small business owners as to the cost savings available to them by implementing environmentally friendly measures.
- ▶ Provide SMEs with sector-specific information about environmental measures that can be taken by their business.

- ▶ Provide a single window online, similar to BizPal, where SMEs can find information related to measures, programs, and financing that could help reduce the environmental footprint of their business.
- ▶ Better promote available tools and resources for small businesses through webinars, social media, and industry associations and ensure they are prominently displayed on government websites and written in plain language.
- ▶ Engage in thorough consultations and work to implement the feedback provided by the small business community regarding carbon pricing measures.

Ensure that SMEs have the necessary resources and tools to invest in green and clean technologies and practices

- ▶ Reintroduce a 100% Capital Cost Allowance (CCA) rate for technology purchases to help SMEs access new “clean” technologies.
- ▶ Encourage SMEs who do not own the building in which their business operates to adopt a “green lease” with their landlord:
 - This lease would enable landlords and tenants to agree upon certain environmental targets for energy, water, air quality and recycling, and would allow landlords to execute “green” renovations.¹⁵
- ▶ Provide more financial incentives for energy efficiency such as a federal “green renovation” tax credit for businesses. This credit would help SMEs finance eco-friendly renovation work, similarly to the *Rénovert* residential tax credit offered in Québec.¹⁶

Recognize the diverse situations faced by each province

- ▶ Allow provinces to tailor solutions to their unique needs. Actions such as carbon sequestration, and cutting electricity emissions can serve as other ways to accomplish the same goal.
- ▶ Enable provinces to seek an energy mix that puts the needs of small businesses and consumers first. For example, natural gas produces much fewer greenhouse gas emissions than coal, and is more efficient and cost effective than solar or wind energy.

Ensure that investments in clean energy put the needs of businesses and consumers first

- ▶ Ensure that policies that push electrification do not significantly increase energy costs for consumers and SMEs by carefully balancing supply and demand.
- ▶ Encourage provincial governments to pursue energy-price plans that address consumer and business usage rather than the time of day that energy is used.

¹⁵ Real Property Association of Canada, *news release: Real Property Association of Canada develops Canadian “green” standard office lease for the commercial property sector*, June 3, 2008.

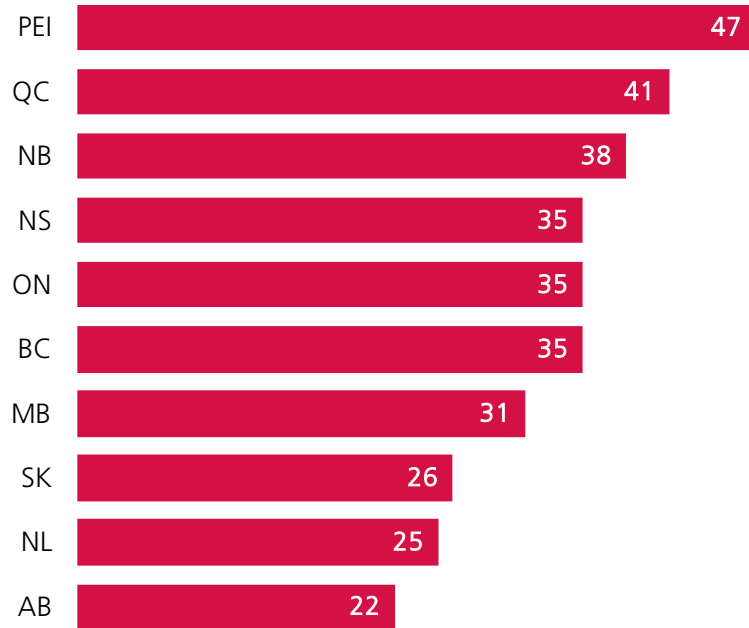
¹⁶ Revenu Québec, *Rénovert Tax Credit*, <http://www.revenuquebec.ca/en/citoyen/credits/renover/> (Accessed January 13, 2016).

- ▶ Ensure that federal and provincial investments and incentives to grow green energy do not force consumers and businesses to pay prices that are above market value.
- ▶ Ensure that governments explore the best options for consumers and SMEs by carefully considering regional situations and needs prior to signing contracts or breaking ground on clean energy projects.

Appendix A – Supplementary Data

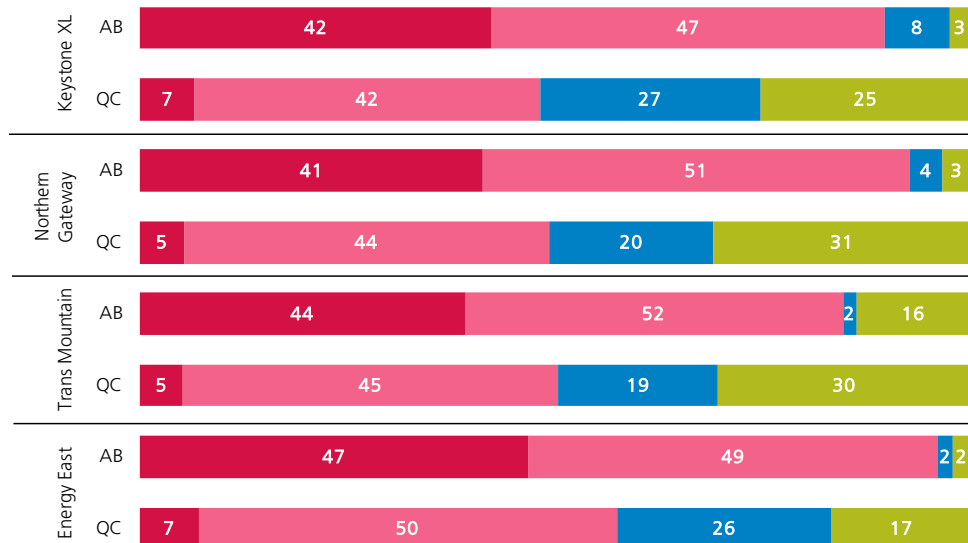
Which of the following environmental issues are the most important to your business? (% response) (by province)

Climate Change



Do you support or oppose the following pipeline projects? (% response)

Provincial data for Quebec and Alberta



- I support this project unconditionally
- I support this project with appropriate environmental safeguards
- I do not support this project
- Don't know, I do not have sufficient information to decide

What has prevented your business from implementing environmentally friendly measures in the past 3 years? (by Sector) (% response)

	<i>Too Costly</i>	<i>Too Complicated</i>	<i>Not relevant to my Business</i>	<i>Need more information</i>	<i>Cannot justify the cost due to lack of interest by customers</i>	<i>Difficulty Obtaining Financing</i>	<i>Other</i>
<i>Agriculture</i>	25	13	0	25	38	13	13
<i>Natural Resources</i>	33	17	33	0	17	0	50
<i>Construction</i>	28	8	36	28	19	0	6
<i>Manufacturing</i>	30	15	27	30	15	6	18
<i>Hospitality</i>	67	33	22	22	33	44	11
<i>Wholesale</i>	40	10	45	10	15	10	5
<i>Retail</i>	38	18	43	25	35	15	13
<i>Transportation</i>	50	30	20	10	30	0	0
<i>Arts, Recreation & Information</i>	0	0	100	0	50	0	0
<i>Finance, Insurance, Real Estate & Leasing</i>	36	9	27	18	27	9	27
<i>Professional Services</i>	4	4	74	19	4	0	4
<i>Enterprises & Admin. Mgmt.</i>	40	20	20	40	20	0	0
<i>Social Services</i>	13	0	50	25	25	0	12
<i>Personal, Misc. Services</i>	57	14	14	50	14	29	14

Appendix B – Member Comments: What environmentally friendly measures has your business implemented in the past 3 years?

When renovating the building we put in energy efficient lighting. We use paper bags not plastic. Our town has increased recycling and so now not just cardboard is recycled at the store but much more. We added insulation to the attic of our building to upgrade the R factor. We just added blinds to the front windows. To keep the sun out that pours in after closing, we face north. Also we believe that closing the blinds at night in the winter will retain some heat in the building.

(Shoe Store, Alberta)

We recycle paper, metal, and acceptable items for the Calgary recycling program. We have purchased a new company vehicle that is very efficient in fuel consumption. We have increased the insulation around troublesome roof areas. We have monitored, and implemented an energy use reduction strategy. We tour the shop and turn off unused equipment, tools, radios, etc. Our employees are on board to reduce consumption as well.

(Truck Repair Shop, Alberta)

Switched to much smaller work vehicles that get much better gas mileage i.e. 50% better. Recycle all electronic parts and refrigerant.

(Appliance Repair Store, Alberta)

The products that arrive to our warehouse are manufactured with our company name. We use these same incoming boxes to ship orders out. Reducing the quantity of box purchases-and recycling of all the other boxes we receive. Have switched some packaging from vinyl to paper boxes.

(Manufacturer and Retailer, British Columbia)

Recycling of all plastics, cardboard, metal both in production and that used within the office and employee areas. Educated employees on various personal activities they can do at the facility and in their daily lives to encourage less waste. People within the company trade (buy and sell) used items to each other or their friends thus reducing the contribution to landfills.

(Consultant, British Columbia)

We put in new lighting around our shop with Hydro incentive for more energy efficient lighting. We were the first in our area to change to Waterborne paint system for our auto body shop.

(Automotive Repair Shop, Manitoba)

Paperless office, all documents are created, signed and stored electronically. Paperless AR, we invoice electronically and provide discounts and other incentives for clients to pay using EFT, Credit Cards or email money transfers

(Polling Firm, Ontario)

Conserving electricity is important to my company as electricity is very expensive. Equipment is turned off when not in use. New LED lighting for the showroom and shop area was installed, and new manufacturing equipment upgrades are now more energy efficient right out of the box.

(Jeweller, Saskatchewan)

New energy efficient natural gas furnace. Emphasis on recycling as much as possible.

(Equipment Rental Agency, Saskatchewan)

Installed 100% LED lighting. Installed geothermal heating. Subscribed to Bullfrog Power making monthly payments towards cleaner electricity. Implemented office recycling of all possible products including electronics, paper, plastics etc... Use environmentally friendly cleaning products and recycled toilet paper & photocopying paper products. New building built in 2010 built to strict environmental standard & codes.

(Dentist, Saskatchewan)

Compostable bags, new energy efficient lighting, paper-free, waste-free till transactions, fully able to recycle 90% of our product shipping materials.

(Retailer, Saskatchewan)

Energy efficient lighting installed (retrofit). More sophisticated recycling program internally for office (paper, co-mingled recycling, toner, ink cartridges, etc. Introduced more environmentally friendly degreasers into our processes. Greater use of EFT payments to avoid paper use. Reduction of the amount of paper printing through e-storage of files/records. Custom designed recycling programs for ships we service with expanded waste stream management and emphasis on landfill diversion.

(Pressure Washing Service, Ontario)

the majority of our employees walk or take public transit to work, this was done as a strategic initiative to be closer to the uneducated workforce we generally employ. We recycle our own scrap and have policies, procedures and project directed at the development of reducing our own process scraps. We have installed capacitor banks on all our processes to limit demand and spikes on the public system cause by our draw. We have replaced our roofing with membranes that reflect the sun's UV/NFIR heat as well as provided thermal insulation in the winter and are currently looking for more ways to be energy efficient. We have decreased our use of liquid nitrogen inputs by over 60% in the past 5 years.

(Plastic Manufacturer, Ontario)

We are moving towards a paperless business process and are open to employees working from home when possible which reduces their environmental footprint by reducing the commute.

(Laboratory, Ontario)

We recycle all filters, all automotive fluids, paper/cardboard, electronics, batteries, toner/ink cartridges, cleaning products and waste, all metals.

(Automotive Repair Shop, British Columbia)

Ultimately as a shoe repair business, almost every job we do is a "recycling" job that is good for the environment. Recently, we changed from plastic bags to paper bags.

(Shoe Repair Shop, Saskatchewan)

We have been using more natural products on our trees for bugs, like our own soap and water mixture. We recycle our waste, bottles, cans, old electronics. We buy back nursery pots for reuse.

(Tree Farm, Saskatchewan)

Deployed new computer systems that are highly energy efficient. Continued development and deployment of client support systems that permit more remote management and less onsite visits. Adjusted scheduling so when we do need to go on the road, numerous tasks are completed at the same time to keep trips minimized. Select vendors that have environmentally friendly packaging whenever possible (prefer all packaging is fully recyclable).

(Computer Consultant, Ontario)

Reduced hours of use with hydro electric power....changed method of scheduling work related trips to reduce fuel consumption....found new opportunity to have outdated office equipment, computers, toners, etc. recycled

(Monument Maker, Ontario)

We are a trucking company. Try to keep our units maintained for maximum fuel efficiency and emission discharge. Recycle as much waste product as possible IE waste oil, used filters, tire recycling. Installed energy efficient lighting. Timers for our vehicle engine block heaters.

(Trucking Company, Ontario)

Our new building we used energy efficient windows and extra R Value Insulation, thicker walls, etc. Well insulated building. We recycle packaging materials from plastic drums, jugs, pails, totes. We have on site recycling commercial bin for papers, cardboard, plastics, and glass. Our company helps farmers to reduce the reliance of commercial fertilizers (ex. phosphorous), herbicides and pesticides.

(Agricultural Service, Manitoba)

We are in the Automotive repair field. Since the inception of Emission test I have personally spent over \$150,000.00 to buy emission control Equipment to test and repair Auto mobiles on Ontario roads.

(Automotive Repair Shop, Ontario)

Reduced power consumption by energy efficient lighting and power compression equipment. Expanded recycling program.

(Steel Distributor, Ontario)

We sell rx glasses. Some of our lines are made with recycled plastic. Our fluorescent tubes are supposed to be more eco-friendly as well. We do not own the building so are extremely limited as to what else we can do.

(Optician, Ontario)

Installation of an energy efficient green roof. As Roofing contractors, we are using less tar and gravel and using more elastomeric membrane as well as a liquid rubber roof system which is far less harmful to the environment, as well as to our employees.

(Roofing Contractor, Quebec)

Recycling programs for all paper, plastic, glass and metal. Avoiding draining of pools (conserve water), using environmentally friendly products, refurbishing programs for old pool equipment (avoid land fill or recycling). Using email for invoicing and contracts. currently trying to implement a paperless reporting system for work orders and customer forms. Using smaller vehicles with smaller engines against the norm of the industry (we can't afford electric, although it would be VERY useful).

(Pool Service Company, Quebec)

Using heat generated by low temperature water circulators to help heat the building. Installed low energy lighting.

(Manufacturer, Quebec)

1) Recycling of all our recyclable garbage in the factory. 2) Better insulation in our factory and reduction in our energy consumption. 3) 100% increase in our use of recycled materials in our manufacturing processes (recycled content is now over 25%). 4) Promotion by our industry to consumers in order to reduce the consumption of our disposable products by 52%. Thus reducing our environmental footprint by 52%.

(Plastic Bag Manufacturer, Quebec)

A complete analysis then reduction of energy consumption, all food waste to landfill, purchase of compostable paper and plastic products, reduction of delivery frequency, energy efficient water faucets installed, worked with supplies to have deliveries come in rubbermaid containers, instead of cardboard, refusal to accept any styrofoam.


(Restaurant, British Columbia)

Converted all in store lighting to LED and Induction style. Renovated and reinsulated building. Recycling program, installed bike racks, switched printers to optional single copy invoices, implemented electronic statements and payments. Re use back side of printed paper for minimal waste. Installing new hot water boiler system.

(Hardware Store, Northwest Territories)

2016 National Environment Survey

As is our usual practice, your individual responses will be strictly confidential (only aggregate results will be released).

To ensure that our scanner accurately records your answers, please mark clearly within the appropriate boxes. 

1. Which of the following environmental issues are the most important to your business? (Select as many as apply)

- Climate change, greenhouse gases
- Dumps and landfills
- Recycling of materials
- Air pollution, smog
- Preservation of forests
- Transportation, handling, storage, disposal of toxic waste
- Clean water, sewage
- Energy conservation
- Protection of endangered species, wildlife habitat
- Other (Please specify) _____

2. Which of the following statements best describes your own point of view? (Select one answer only)

- I believe it is possible to grow the economy and protect the environment at the same time
- Protection of the environment should be given priority, even at the risk of curbing economic growth
- Economic growth should be given priority, even if the environment suffers to some extent
- Don't know

3. What environmentally friendly measures has your business implemented in the past 3 years? (Select as many as apply)

- Introduced or expanded recycling (e.g. of paper, toner, cans, plastics)
- Reduced electricity usage (e.g. by putting in place energy efficient lighting)
- Made the building(s) more energy efficient with insulation and/or other upgrades (e.g. windows, doors)
- Purchased or leased energy-efficient machinery, equipment and/or vehicles
- Used more environmentally friendly products in business processes
- Provided employee incentives for environmentally friendly transportation (e.g. help pay for public transit, provide bike racks)
- Other (Please specify)(Please write in)
- None of the above, my business has already minimized its environmental footprint as much as it can
- None of the above, my business has not implemented any environmentally friendly measures in the past 3 years
- None of the above, my business has not implemented any environmentally friendly measures in the past 3 years but plans to in the next 2 years

4. Please describe the measures you implemented.

5. What has prevented your business from implementing environmentally friendly measures in the past 3 years? (Select as many as apply)

- Too costly, my business could not afford it
- Difficulty obtaining financing
- Too complicated (e.g. regulatory compliance, paperwork)
- Cannot justify the cost due to lack of interest by customers
- Need more information to understand what can be done at my business
- Not relevant to my business (e.g. not allowed to make changes to the building where my business is located)
- Other (Please specify) _____

6. What motivates your business to implement environmentally friendly measures? (Select as many as apply)

- Personal views
- Employees' views
- Customers' views
- Suppliers' requirements
- Current government policies (e.g. regulations, fees, taxes)
- Financial incentives offered by government, energy providers, etc. (e.g. subsidies, rebates, tax credits)
- Fear of additional government policies (e.g. regulations, taxes, fees)
- Potential cost savings
- Other (Please specify) _____
- Don't know

To help reduce carbon emissions, the federal government is considering implementing a mechanism to establish a national price on carbon emissions (e.g. carbon tax, cap-and-trade system). Some provincial governments have already implemented or are planning on implementing a carbon pricing mechanism (i.e. carbon tax in British Columbia and Alberta, cap-and-trade scheme in Quebec and Ontario).

7. In your opinion, which level of government should be responsible for implementing a carbon pricing mechanism? (Select one answer only)

- Federal government only (i.e. with no carbon pricing mechanism at the provincial/territorial level)
- Provincial/territorial governments only (i.e. with no carbon pricing mechanism at the federal level)
- Federal government and provincial/territorial governments should have their own carbon pricing mechanism (i.e. federal plus a provincial/territorial mechanism)
- Federal government and provincial/territorial governments should coordinate a carbon pricing mechanism (i.e. provincial governments would be responsible for implementing their own mechanism, and any province/territory without a mechanism would be subject to the federal government's mechanism)
- None of the above, a carbon pricing mechanism should not be implemented
- Don't know

8. If a carbon pricing mechanism were to increase your business costs, what would be the impact? (Select as many as apply)

- Increase operating/input costs
- Delay investments (e.g. equipment, employees) in my business
- Pressure to freeze/cut salaries
- Reduce my business' profitability
- Creates an incentive to reduce my business' carbon emissions
- Other (Please specify) _____
- No impact
- Don't know

When all revenue from carbon pricing is used to lower the burden of other taxes (e.g., personal income taxes, corporate income taxes, etc.), it is considered to be revenue neutral for government.

9. To what extent do you agree or disagree that all revenues generated from carbon pricing should be revenue neutral for government (i.e., all revenues generated by carbon pricing must go towards tax reductions)? (Select one answer only)

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know

10. Which of the following should government consider before implementing a mechanism to establish a price on carbon emissions (e.g. carbon tax, cap-and-trade system)? (Select as many as apply)

- Economic impact
- Environmental benefits
- Taxpayers' ability to pay
- Cost to small businesses
- Regulatory burden on small business
- Time needed by businesses to adjust to increased costs
- Financial support for businesses adopting measures to reduce their carbon emissions (e.g. solar panels)
- Compensation for businesses most impacted
- Other (please specify) _____
- None of the above
- Don't know

To reduce carbon emissions, some provincial governments are trying to reduce the share of energy that is produced from fossil fuels and increase the share that is produced from alternative sources (e.g. wind, solar, hydropower).

11. Which of the following statements best describes your point of view on the production of energy through alternative sources? (Select one answer only)

- I support alternative energy sources, even if this means a significant increase in energy costs for my business
- I support alternative energy sources if there is a small increase in energy costs for my business
- I support alternative energy sources only if energy costs for my business remain the same
- I do not support alternative energy sources
- Don't know

12. To what extent do you support or oppose the following government approaches to deal with environmental issues? (Select one for each line)

	Strongly support	Some support	hat	Some oppose	Strongly oppose	Don't know
Introduce taxes and fees (e.g. carbon tax, levies on tires and electronics)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enforce compliance with current regulations (e.g. fines on businesses that do not comply)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Create additional environmental regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide more financial incentives for energy efficiency (e.g. tax credits, rebates)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raise awareness on existing energy efficiency measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support research and innovation of clean technologies (e.g. subsidies)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. To what extent do you agree or disagree with the following statements? (Select one for each line)

	Strongly agree	Some agree	hat	Some disagree	Strongly disagree	Don't know
Government should take action to reduce carbon emissions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Before implementing and operating a carbon pricing mechanism across Canada the details about the costs and (potential) benefits should be disclosed publicly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Any environmental policy should have clearly stated goals that can be measured and reported regularly to evaluate success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There should be strong evidence that any environmental policy has environmental benefits before it is implemented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. Which of the following statements best describes your point of view on natural resource development in Canada? (Select one answer only)

- I support further developing natural resources unconditionally
- I support further developing natural resources with appropriate environmental safeguards
- I do not support further development of natural resources
- Don't know

15. Currently, different projects seek to develop a capacity to transport oil across the country. Pipelines are being proposed to access several markets. Do you support or oppose the following projects? (Select one for each line)

	I support this project unconditionally	I support this project with appropriate environmental safeguards	I do not support this project	Don't know, I do not have sufficient information to decide
Energy East (conversion of an existing natural gas pipeline to transport oil from Alberta to New Brunswick)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trans Mountain (expansion of an existing pipeline between Alberta and Burnaby, BC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northern Gateway (creation of a new pipeline to transport oil from Edmonton, Alberta to Kitimat, British Columbia)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Keystone XL (expansion of an existing cross-border pipeline to give oil sands crude a more direct route to U.S. Gulf Coast refineries)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: