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Chair

Mrs. Deborah Schulte

Standing Committee on Environment and Sustainable Development

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● (1610)

[English]

The Chair (Mrs. Deborah Schulte (King—Vaughan, Lib.)):
We'll get started.

Thank you very much.

Welcome, Ms. Gelfand and Mr. Hayes. You are back to give us a chance to hear your report and ask questions. I know everybody is ready for that.

I know we're late, and I apologize. We had votes in the House, as you know.

We'll get started right away, if everybody is ready.

Ms. Gelfand, the floor is yours.

Ms. Julie Gelfand (Commissioner of the Environment and Sustainable Development, Office of the Auditor General):
Madam Chair, thank you.

Members, I feel like you are all friends and neighbours at this point.

Thank you for the opportunity to discuss our spring report on fossil fuel subsidies.

Joining me at the table is Andrew Hayes. He was the principal responsible for the audit.

This audit report is part of a suite of audit reports that will be presented to you, to Parliament, in 2017 pertaining to the tools the federal government has to help Canada reduce greenhouse gas emissions and meet its international commitments.

This fall, audit reports will be tabled on climate mitigation, climate adaptation, and funding for clean energy technology. When you combine that with fossil fuel subsidies, we're looking at basically four parts, or four aspects that the federal government controls in terms of climate and reducing greenhouse gas emissions.

As well, in early 2018, a collaborative report on climate change prepared with the provinces and territories will also be tabled, as a special tabling.

[Translation]

In 2009, Canada and the other G20 countries officially recognized that inefficient fossil fuel subsidies undermine efforts to deal with climate change, encourage wasteful energy consumption, reduce energy security, and impede investment in clean energy sources. As a

result, the G20 countries committed to phase out these inefficient fossil fuel subsidies. They have reaffirmed this commitment every year since.

It is also worth mentioning that, in September 2015, members of the United Nations, including Canada, adopted the sustainable development goals, otherwise known as the 2030 Agenda. One of the targets under these goals is to phase out harmful fossil fuel subsidies in a manner that protects the poor.

Our audit focused on whether Environment and Climate Change Canada and the Department of Finance supported Canada's G20 commitment to phase out and rationalize inefficient fossil fuel subsidies while providing targeted support for the poorest.

Finance Canada is responsible for the tax side of the commitment, while Environment and Climate Change Canada is responsible for the non-tax side.

To begin with, we asked the departments to explain how they defined the G20 commitment, including what is meant by "inefficient fossil fuel subsidies", "rationalize", and "support for the poorest".

A clear definition is important for two reasons. First, each G20 country was left to define what an "inefficient fossil fuel subsidy" is in the context of the country's national circumstances. Second, without a clear interpretation of the meaning of the commitment, the departments cannot identify the inefficient fossil fuel subsidies that should be considered for phase-out or rationalization.

We found that the departments had not defined what the G20 commitment means in the context of Canada's national circumstances.

● (1615)

[English]

On the non-tax side, Environment and Climate Change Canada's responsibility began with the November 2015 mandate letter from the Prime Minister. The non-tax side of the commitment is important, as it covers things like government grants and contributions, government loans or loan guarantees at favourable rates, government interventions to lower prices in markets, and research and development funding.

Our audit found that Environment and Climate Change Canada didn't yet know the extent of non-tax measures that could be inefficient fossil fuel subsidies. However, in February of 2017, during the time of our audit, the minister approved a plan with timelines to identify these measures and to interpret the G20 commitment.

On the tax side, the Department of Finance approached the commitment by focusing on identifying tax measures that are specific to the production or consumption of fossil fuels and that provide a preference to taxpayers. We found, however, that the department didn't consider a number of tax measures that applied specifically to the oil, gas, and mining sectors. We also found that the Department of Finance didn't have an implementation plan to support the phase-out and rationalization of tax measures that are inefficient fossil fuel subsidies.

During the audit, the Department of Finance refused to provide us with information we needed to conclude whether the department analyzed the social, economic, and environmental aspects of tax measures related to the fossil fuel sector.

[Translation]

Recently, the government introduced an order-in-council that should give us access to budget information in the future.

We have sent a letter to the Department of Finance asking for the information that it did not provide to us during the audit. At this point, we are waiting to see what the department will give us. Once we have that information, we will determine what it means for our work.

[English]

Until the Departments of Finance and Environment and Climate Change Canada complete the work we identified in the audit, we can't provide assurance that Canada will meet its G20 commitment. Meeting this commitment is important. It will have a positive impact on the health of Canadians and the environment by reducing greenhouse gas emissions and wasteful consumption of fossil fuels, and by encouraging investments in clean energy.

Madam Chair, this concludes my opening remarks. We would be pleased to answer any questions the committee may have.

Thank you very much.

The Chair: Thank you very much. I really appreciate you coming and presenting this in front of the committee. I know you already did it once before it was presented, and it was deemed to be important to this committee. That's why we wanted to have you come here, so we really appreciate it.

First up is Mike Bossio.

Mr. Mike Bossio (Hastings—Lennox and Addington, Lib.): Thank you, Chair.

Thank you, Ms. Gelfand, once again, for providing us with information that is so valuable if we're going to meet or not meet our targets.

To be perfectly blunt, I still find it appalling that we're even in the situation that we're in today, still subsidizing fossil fuel energy. We

always seem to find excuses—either it's not the right time, or we're trying to make sure we have a level playing field for our corporations to compete with other countries that have subsidies—but at the end of the day, they've just finished going through a very profitable period of time, and there was no reason whatsoever to continue with the subsidies. Right now, yes, they're in a difficult time, but at some point, we have to decide that we're going to take seriously our commitments on the G20 side.

Have you looked at how other G20 countries are meeting these obligations and what they're doing that could provide some guidance to Canada as to how we can do a better job?

Ms. Julie Gelfand: During the course of our audit, we did not do a benchmarking with other countries, so unfortunately I can't provide that information.

It is a good idea.

Mr. Mike Bossio: So we don't even really have an understanding of where Canada sits, even in terms of how lacking we are.

Right now, in your report, it sounds as though potentially we won't meet these targets, if we continue moving at our present pace. Would you say that's correct?

• (1620)

Ms. Julie Gelfand: We can't provide you with an assurance regarding whether or not Finance Canada has done a thorough review of the potential population of inefficient fossil fuel subsidies, because that's not really the way they looked at it.

First of all, they haven't defined it yet, so they have to do that. Then they have to go in to their population of tax measures and pull out all the ones that would meet that definition. Right now they have gone in to look at those that they consider to be favourable to taxpayers, but they haven't done an overall review of what might be inefficient, and therefore what we need to reduce.

Our audit does indicate that several fossil fuel subsidies have been reduced and/or eliminated, starting in 2011 and proceeding even up until the last budget. Our concern is that we haven't seen the analysis to see whether or not they've actually looked at the whole population properly, so that we feel comfortable that they've done the due diligence that's required, so that I could tell you whether or not we will meet the G20 commitment.

Mr. Mike Bossio: Is part of that because they haven't given you the data that would enable you to determine whether or not they've done this analysis and to what extent?

Ms. Julie Gelfand: That is correct.

In our audit, we mentioned that they told us there was about 243 pages of information which they felt at the time they could not provide to us, and that it would have the information we required.

Now, as a result of the new order in council, we have written them a letter asking to see that information. Based on what we get from them, we will then determine how we use that information and whether or not to launch a new audit immediately or in a year from now. We have to wait to see what information they provide to us.

Mr. Mike Bossio: They haven't given you a timeline as to when they're going to provide that information.

Ms. Julie Gelfand: Not yet.

These are all great questions that you could ask the department.

Mr. Mike Bossio: That's why I'm asking you.

Ms. Julie Gelfand: I'm not the department.

Mr. Mike Bossio: No, no, but—

Ms. Julie Gelfand: Yes.

Mr. Mike Bossio: —sending that message.

What other measures do you see Canada doing that we're not doing now that could help us to achieve those targets, or other data points that aren't being touched on and need to be touched on?

Ms. Julie Gelfand: As I mentioned, there are two types of measures. There are the tax measures that Finance is responsible for, and then all of the non-tax measures.

Environment and Climate Change Canada has developed a plan with timelines as to when they will get that information. They've indicated that each ministry will be responsible for looking at that information and deciding whether it's inefficient and how to reduce it.

We will be waiting, again. It's a topic for another potential audit: when will Environment Canada have all that information? Then we'll have a good sense of all the non-tax measures, which could potentially be quite valuable in terms of government grants, loan guarantees, and research and development.

Mr. Mike Bossio: Thank you very much.

The Chair: Next up is Mr. Eglinski.

Mr. Jim Eglinski (Yellowhead, CPC): Thank you.

I'd like to thank both Julie and Andrew for coming today and meeting with us.

You mentioned that there have been six fossil fuel subsidies that have been reformed since 2009. I was wondering if you could tell us which ones those were.

Ms. Julie Gelfand: If you go to page 9 of our report, they're quite technical. There's a whole list of them. You'll see all the different tax measures and when the budget was.....

There is, "Expenses of oil sands and oil shale leases and property, previously treated as Canadian development expenses...are treated as Canadian oil and gas property expenses..".

They're very detailed.

Mr. Jim Eglinski: Can you tell me how many of those were done under the Conservative leadership and how many were done under the Liberal leadership?

Ms. Julie Gelfand: Well, of the ones you see here, five were done up until 2013. For 2015, I'm not sure of the exact date. Up until 2015, there are six, according to our report.

Remember, again, that we aren't convinced that Finance Canada has done a good survey of the entire population in order to come up with the list of inefficient fossil fuel subsidies.

• (1625)

Mr. Jim Eglinski: You don't know what kind of costs were saved out of that. I guess those are in those pages.

Ms. Julie Gelfand: Yes, it is—

Mr. Jim Eglinski: We could list them all, and I could probably calculate them.

Ms. Julie Gelfand: Yes, we've actually put a "projected impact on budgetary balance" in the table.

Mr. Jim Eglinski: Do you have a total for the six offhand?

Ms. Julie Gelfand: I don't think we added them up.

Mr. Jim Eglinski: Okay, well let's just skip by that then.

Going through what you spoke about today, I'd like to go to paragraph 18 in your notes. How long have you been waiting? You said you sent the letter to Finance Canada, and how long have you been waiting for a response by them?

Mr. Andrew Hayes (Principal, Office of the Auditor General): We have been engaged with Finance Canada since last July over information. We've had various discussions throughout the audit. The most recent request, which followed the order in council in May, came in a formal context last Friday. We sent a letter on Friday.

Mr. Jim Eglinski: So you've been going almost a year with negotiations and getting nowhere, so now you're going by a formal written request, I take it.

Mr. Andrew Hayes: Throughout the audit we had both a formal request for information and informal discussions to understand the information that Finance was not able to provide to us. That information was characterized as cabinet confidence. At a relatively early stage in our audit examination, we found out that we would not be getting that information.

Mr. Jim Eglinski: That was their excuse, that it was cabinet confidence.

Mr. Andrew Hayes: That's the way the information was characterized in response to us.

Mr. Jim Eglinski: Thank you.

I'm going to ask a question. You may answer it, and you may not. My research tells me that between federal and provincial governments through the oil and gas sector, they support the industry with about \$3.3 billion in subsidies, as do provinces and the federal government for windmills and for solar panels. None of these energy forms are affordable on their own without some form of subsidy.

Dealing with oil and gas, because I have that number, do you think that money would be better spent other than subsidizing large industry? It could be spent on technology, science, and educating our younger people, who are about to enter the workforce, to give them the tools to give us greener energy, greener climate, and a greener country.

Ms. Julie Gelfand: Unfortunately, in the role that I play, my job is to audit what the government has said it will do. If a government makes a commitment to reduce inefficient fossil fuel subsidies, my job is to go in and let you know whether or not they're getting it done.

Your question is really a policy question, and the government has to make a decision about where and what it should spend its money on. We looked at the commitment the government made and whether or not it is meeting that commitment.

Mr. Jim Eglinski: Just to rephrase this slightly, throughout your audit, did you see anywhere that we are spending money on science and technology where we're directly putting it through the finance department? Did they give you any evidence that we are making some effort towards that?

Ms. Julie Gelfand: Another audit I will be tabling in the fall will be about funding new green energy sources, so I'll be able to give you more information on that this fall. Here we looked specifically at whether or not they had defined what an inefficient fossil fuel subsidy was and whether or not they were on track to meeting the commitment of reducing or phasing them out and rationalizing them.

The Chair: You have 10 seconds left.

Mr. Jim Eglinski: Have they looked at the inefficiency of fuels of other types? They haven't defined them yet, have they?

Ms. Julie Gelfand: The commitment the government made was on fossil fuel subsidies.

Mr. Jim Eglinski: Thank you.

The Chair: Ms. Duncan.

Ms. Linda Duncan (Edmonton Strathcona, NDP): Madam Chair, before I begin my questioning, I would like to move that we extend a request for the ministers of Environment and Finance or their designates to be called to the committee to explain their response to the report by the Auditor General on the fossil fuel subsidies.

• (1630)

The Chair: Is there any discussion?

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): I would like a little more time to think about this as opposed to just voting on it right now. I would suggest that we continue on with the delegation and then bring the motion back for discussion at a later time.

I move to adjourn debate on this motion.

The Chair: All those in favour? All those opposed?

The motion is adjourned for the moment.

Ms. Linda Duncan: I'll just proceed with my questions.

Thank you very much. It's always a pleasure to have you both here.

There are a number of things in the report. It is very thorough, as usual. I note at least six concerns raised, everything from not revealing the information, to not having a plan, to not providing any kind of timing. What's deeply disturbing... I have to admit that I didn't realize before that it's under the sustainable development undertakings, too, and that the Department of the Environment would respond to this.

To that end, I'm deeply troubled to see in your report on page 9 that Environment Canada redacted almost all of the strategic environmental assessment report. That's stunning, given the fact that we're only just starting to have the department consider doing strategic environmental assessments.

We began to try to look at the case law, and we're seeing as highly questionable the decision to be redacting this kind of information. I wonder if you could speak to that.

Ms. Julie Gelfand: To be perfectly precise, the Department of Finance redacted that information.

We also found it surprising. The Auditor General himself found it surprising, something as simple as the strategic environmental assessment, which we have been auditing for five or six years. We've been going into each department to ask if they have been following the cabinet directive on strategic environmental assessment. We've been getting full strategic environmental assessments on hundreds of different proposals, and for this issue we got severely redacted strategic environmental assessments. We were quite surprised.

Ms. Linda Duncan: Definitely there will be questions I look forward to putting to the Minister of Finance.

I've always been of the mind that, within the bundle of perverse incentives, it's not just the direct spending and the tax incentives but it's also the failure to regulate or the delay in regulation. I have sat at many tables where industry pushes and wins delay after delay, the methane regulations being an example. That is a direct financial benefit to the fossil fuel industry. I'm wondering if, within those definitions, you've looked at something beyond just the straight tax measure.

Ms. Julie Gelfand: In this audit we looked at the straight tax measures and the non-tax measures, which were, as I said earlier, loan guarantees, better interest rates, and research and development.

The issue of regulation that you're talking about, we are looking at right now, and we will be tabling a report on mitigation. What the government is doing to reduce our greenhouse gas emissions and regulate is one of the things they have said they would do. We will be looking at that and tabling that in the fall.

When I introduced this concept and said there was a suite, I was looking at all the tools the federal government has, and I cut it up in terms of fossil fuel subsidies and support for clean energy, which is almost the opposite. You try to stop supporting the "bad" greenhouse gas emitters and start supporting the "good", the ones that don't emit greenhouse gases, then at the same time look at how well we are reducing our emissions overall, and also how we are adapting. How is the federal government getting ready to adapt to the changes that we're already seeing? That was the suite when I mentioned the suite of climate change audits this year. Two were to be in the spring, but we've moved the clean energy one into the fall because this audit on fossil fuel subsidies became an issue of access to information.

Ms. Linda Duncan: When the government finally brings forward what was requested, which is a plan and a timeline, will you also be looking at the different factors they look at? For example, we've signed on to a number of international commitments and obligations. A number of political commitments have been made, and of course there is the G20 and sustainable development. Are you also going to be measuring against that? I look at the government saying they are committed to shifting toward cleaner sources of energy and greater energy efficiency. Will you also be measuring whether or not they are addressing incentives that negative that?

•(1635)

Ms. Julie Gelfand: At this point we're looking at the four audits I mentioned. That doesn't stop me in the future from looking at something like that. I can audit against government commitments. If the government has said it will do x, I can audit against x. I cannot audit against my own idea of what things should be. I audit against what the government has said it will be.

Ms. Linda Duncan: I'm not suggesting that. I'm suggesting that undertakings are made: reduction in greenhouse gases, bringing forward methane regulations, and so forth. You will have a list of those things, if there has been action, where there might be a perverse incentive that could be delaying that.

Ms. Julie Gelfand: In the fall we will be looking at all the measures the government has said it would do to mitigate and therefore reduce greenhouse gas emissions.

The Chair: You have 30 seconds.

Ms. Linda Duncan: I have just one quick follow-up. Are you going to be raising any kind of objection to their ruling on cabinet confidences? I notice a 2002 Supreme Court ruling, *Babcock v. Canada*, that says it used to be that cabinet confidences were absolute but now they are supposed to be weighed against the public interest. I'm wondering if you're going to be pursuing this grader in their obligation to reveal information.

The Chair: You have 10 seconds.

Ms. Julie Gelfand: I can tell you that that the Auditor General feels very strongly that his act indicates that he has access to all information except cabinet confidences.

Ms. Linda Duncan: Thanks.

The Chair: John Aldag.

Mr. John Aldag (Cloverdale—Langley City, Lib.): Thank you.

It's always a pleasure to see you, Ms. Gelfand.

I've heard a lot about fossil fuel subsidies and would say that it's not something that I knew a lot about, so I was quite excited to see the report. I dug into it when we got it. I'll tell you that I was disappointed when I got to the end of it. It wasn't the quality of the work or the findings; it simply didn't give me a clear sense that this government and previous governments have been on a clear path to getting to where we've committed to going.

From the conversation, I assume I'm reading that correctly, and that there's really a lot more work we need to do to get from the 2009 commitment to the phase-out of these inefficient fossil fuel subsidies by 2025. Am I missing something? It seems that the message in the report is that there's a lot of work yet to do.

Ms. Julie Gelfand: Because the Department of Finance didn't do a really good job at establishing what the population may or may not be, it's hard for me to tell you whether or not there's a lot of work to do on the tax side. On the non-tax side, it's clear that the government does not have a clear idea of how it is subsidizing the industry through loan guarantees and research and development. It does not yet have that information. The minister has developed a plan, with some timelines, so they will be gathering that information. We can do a follow-up audit to look at that.

It's hard for me to tell you whether or not there's a lot of work to be done, because we don't have confidence in the work that Finance Canada did. They can't prove to us what they did do and whether or not it shows that they looked at the entire population properly.

Mr. John Aldag: Thank you.

I was a bit intrigued in terms of a few references in the document about this idea of support for the poorest. One of the recommendations on page 8 gets into a bit of that, but I don't fully understand it in the Canadian context. Are we saying that there's a role for these fossil fuel subsidies to protect the poor? It talks about "the importance of providing those in need with essential energy services". Do we know how much that element of this agreement will play into the Canadian context? I was a bit confused by that. It seems that a lot of our energy is for export. Are we subsidizing in Canada for export markets? How does that fit in? I really was unclear.

Ms. Julie Gelfand: The G20 commitment indicates that we are going to rationalize and phase out inefficient fossil fuel subsidies and take care of the poor while we do so. The sustainable development goal has a similar target.

•(1640)

Mr. John Aldag: Are we talking about our domestic poor or are we talking the world's poor?

Ms. Julie Gelfand: What we said in our audit was that the government actually didn't define these things. This is part of the reason why I can't tell you if there's a lot of work to be done: because they haven't made these definitions. What does "poor" mean in the Canadian context? If we reduce an inefficient fossil fuel, first of all, what's the definition of that? Then, how will it have an impact on something else that they still have yet to define? The G20 commitment is broad enough and actually asks each country to define these. They have to bring it into each country's context, define it, and then go through the process of rationalizing and phasing this out without having a severe impact on the poor.

Mr. John Aldag: With that, I guess it will be up to the departments to define if we'll subsidize for our own poor or for the world's poor. Is that how I'm reading it?

Ms. Julie Gelfand: It's up to each country to define it in their own context.

Mr. John Aldag: Okay. That's very interesting.

Mike has realized that he missed a question and wanted to come back to it.

Mr. Mike Bossio: Yes, there was one point that I wanted to look at. In the report, there's this one sheet that goes over the changes that were made from 2011 through to 2015, and the costs, the projected impact on the budgetary balance. At the bottom of that page, there's a note saying:

The Canadian exploration expense allows corporations to deduct 100% of their expenses for unsuccessful exploration in the year incurred. This measure also includes the cost of environmental studies and community consultations related to exploration.

Is that true?

Ms. Julie Gelfand: It's in our audit, it's true.

Mr. Mike Bossio: One hundred per cent of environmental studies and community consultations are paid for by the taxpayer.

Ms. Julie Gelfand: It's a tax credit.

Mr. Andrew Hayes: That's right. I was just going to say exactly that, it would be a deduction that they would be allowed.

Mr. Mike Bossio: I don't know of any other industrial sector that would have that little gift handed to them on an annual basis.

Okay, thank you.

The Chair: Mark, 30 seconds.

Mr. Mark Gerretsen: I don't know what I can get out in 30 seconds.

The Chair: Okay, so we'll come back to you guys.

Next one is Joël.

[*Translation*]

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Thank you, Madam Chair.

Ms. Gelfand and Mr. Hayes, thank you for undertaking this exercise.

I am going to echo what my colleagues have said. I am a little disappointed with the results of this audit, because, as I understand it, you want to do your work well. You are an investigation service that provides us as parliamentarians a full analysis of a situation. There are obstructions for reasons X, Y or Z, meaning that you have no access to information.

How can you do your work adequately and provide us with the information we in turn need to do our work adequately? Can you enlighten me about that? It seems unfortunate that you cannot provide us with a full analysis as the result of the request from the Auditor General.

Ms. Julie Gelfand: Wow!

Mr. Joël Godin: I acknowledge that it is a difficult question.

Ms. Julie Gelfand: I agree. It is exactly for that reason that the Auditor General took this audit seriously. We really did not get the information that would allow us to give you the assurance that we are supposed to be able to give you. That's what my job requires of me: to do the work and tell you whether or not we will be able to achieve the objective that the government has set.

In the case of our audit, the Department of Finance did not give us access to the information, particularly the strategic environmental assessments. This is information that we receive each time we ask

for it when we do our other audits on this matter. Unfortunately, we did not get the details that would allow us to form a conclusion and to pass the necessary information on to you.

Mr. Joël Godin: That is unfortunate and I can certainly understand your disappointment. I want to tell you that, for us—perhaps I am just speaking for myself—there is not only disappointment but also some frustration, because we cannot do our job properly.

You submitted a request for the Department of Finance to send you the information. Do you have a specific deadline to gather that information, and can you confirm that you will be able to give us the complete results on a specific date?

● (1645)

Ms. Julie Gelfand: No, not at this time.

Mr. Joël Godin: Once again, it seems to be a little unfortunate that we do not have the tools we need.

Let me give you an example. In terms of the carbon tax that the government is in the process of implementing, the Department of Finance clearly must play a leading role, just like the Department of Environment and Climate Change, of course, and they have to tell us what the repercussions will be for taxpayers. However, as parliamentarians, we are unable to do our job.

Do you have any more information than we do on the matter?

Ms. Julie Gelfand: Well, I could always do an audit on the price of carbon in the future. So I could give you that information if we decided to do an audit on the matter. Certainly, all your questions would go to the Department of Finance.

Mr. Joël Godin: I currently sit on the Standing Committee on the Environment and Sustainable Development. Previously, I was a member of the Standing Committee on Public Accounts and I had the privilege of working with the Auditor General. I must tell you that you are doing an excellent job. You investigate the activities of departments, you conduct audits, you compile the information you gather and you submit your report. It is still unfortunate that there is no follow-up on your recommendations in order to make the machinery of government run even more smoothly.

I am telling you about the frustration I still feel today. I did not think I would have the opportunity to meet people from the Office of the Auditor General, but I am telling you about this frustration because I still feel it and the situation is preventing us from properly doing our work as parliamentarians.

Ms. Julie Gelfand: I can tell you that this committee passed a motion asking departments to come back one year after my reports are submitted to evaluate the progress that has been made. Here is how the process operates: I examine the commitments made by the government and I tell you whether or not—

Mr. Joël Godin: ... those commitments have been kept.

Ms. Julie Gelfand: That said, it is really up to you to do the follow-up. I would encourage the Standing Committee on Public Accounts along those lines. I believe that the committee has already passed a motion to that effect.

Mr. Joël Godin: Thank you very much.

How much time do I have left, Madam Chair?

[English]

The Chair: You have about 30 seconds.

Mr. Joël Godin: Okay.

[Translation]

My colleague mentioned earlier that we are behind other G20 countries. Can you confirm that for us?

Ms. Julie Gelfand: No, I cannot, because no study comparing us to other countries has been done.

Mr. Joël Godin: Thank you very much.

Thank you, Madam Chair.

The Chair: Thank you.

[English]

Next is Mr. Gerretsen.

Mr. Mark Gerretsen: Thank you, Madam Chair.

I wanted to confirm that of the roughly \$3.3 billion that exists in subsidies, I know that you've mentioned a few, but are there any that are no longer in existence?

Ms. Julie Gelfand: Absolutely. If you go to page 9 of our report you'll see the whole list of those that are no longer in existence, including ones that were done under the Conservative government. There's still one that remains and that's the one on flow-through shares for exploration and development expenses in oil, gas, mining, and renewable energy.

Mr. Mark Gerretsen: Right. But the two main programs that still exist would be the Canadian development expenses and the Alberta crown royal adjustments.

Mr. Andrew Hayes: Thank you.

The list that we have on pages 9 and 10 reflects the specific subsidies that are not considered to be benchmark tax subsidies. We show that there are six of them that have been phased out, as mentioned in the budget announcement, and it happened between 2011 and 2015.

Two of the others that are referred to as not applicable you'll see at the end of our report in what we refer to as "subsequent event". It follows the conclusion. That subsequent event reflects the announcement in budget 2017 to phase out those two tax measures.

• (1650)

Mr. Mark Gerretsen: What I'm trying to get at—and I'm sorry but I'm limited on time—is why do you think that the phase-out has been so challenging?

Ms. Julie Gelfand: Without actually having access to the information that the Department of Finance has, the analysis is really difficult for me to tell you that. That would be a great question to ask the Department of Finance.

Mr. Mark Gerretsen: Okay. I'm going to switch gears then for a second. There are some subsidies that exist at the provincial government level, right? I know that for Ontario I think there's about \$100 million for exploration of gas, if I'm not mistaken. In order to meet these targets, how important is it for the federal government to be working with the provincial government on this? Is it safe to say that it can't happen without provincial buy-in?

Ms. Julie Gelfand: Unfortunately, my mandate only pertains to the federal government. I cannot answer that question. It would have to go to the provincial legislatures.

Mr. Mark Gerretsen: Right. In order to meet targets of complete phase-out it's going to require that?

Ms. Julie Gelfand: All I can audit is the federal government's role in that.

Mr. Mark Gerretsen: Okay. Then I guess it's safe to assume that if it doesn't happen that there's co-operation with the provincial governments then it's very likely that that phase-out would not happen.

Is it safe to say that it's one of the things that's making it challenging?

Ms. Julie Gelfand: You know what, I really can't tell you that. The Department of Finance might be able to tell you that, but I can't tell you that.

Mr. Mark Gerretsen: It's just that I wanted to talk about it later.

Are you aware of the breakdown between the provincial subsidies and the federal government subsidies, of what the percentages are one way or the other?

Ms. Julie Gelfand: At this point all I looked at is what I'm allowed to look at, which is the federal government. I can't access that information, other than what's in the public domain. My audit is an audit of the federal government achieving its commitment.

Mr. Mark Gerretsen: Okay. Those are all of my questions, Madam Chair.

Thank you.

The Chair: We have two minutes for your side. Does anyone else want to pick it up?

Okay, the next one up is Mr. Shields.

Mr. Martin Shields (Bow River, CPC): Thank you, Madam Chair.

I'm glad to have you here today. The question I would ask—and maybe you can't answer it—is how we are going to get that definition of who is responsible for inefficient fuel sources. You're struggling with the definition, aren't you?

Ms. Julie Gelfand: I'm not struggling with the definition. Each government is supposed to define it in their own context. There's a G20 definition that talks about inefficient subsidies as being things that reduce energy security, waste fossil fuels, and that kind of thing. There is already a G20 definition, but the government was supposed to define it for Canada.

Mr. Martin Shields: Are you using the G20 one, or are you just in avoidance?

Ms. Julie Gelfand: Right now we're using the G20 one. We've asked the government for their definition, and they have not provided us one yet.

Mr. Martin Shields: The first thing we need is a definition, clearly, so that you can move ahead.

Ms. Julie Gelfand: We made a recommendation that they do exactly that.

Mr. Martin Shields: The numbers won't mean anything if you don't have a definition.

Ms. Julie Gelfand: And it's hard for them to do a complete analysis that meets our criteria, if we don't even have a definition. They don't have a definition.

Mr. Martin Shields: Right. You talked about grants or loans, and I can talk about billions that went to Bombardier, who supposedly use fossil fuel to support an industry. I could say that might be something you could look at.

Ms. Julie Gelfand: Environment and Climate Change Canada has a plan to go to all the different ministries to find out all the non-tax measures. We should soon have a compilation of them. We could audit that information and provide you with the results.

Mr. Martin Shields: Right.

You've identified some; we have those here. They were started back as far as 2011. You've been able to follow those through. You've been able to do analysis. You've been able to get information on six that you have in your report.

Ms. Julie Gelfand: Right. What we have is the information from the Department of Finance. We don't actually have the analysis that proves that they looked at the environmental, social, and economic aspects, because they refuse to provide us with that information.

Mr. Martin Shields: Yes, you identified the six in your report, but what you are saying is that you haven't been able to identify the other ones in other areas out there. There could be a list of five or 100. You can't get to the next level yet.

•(1655)

Ms. Julie Gelfand: The department hasn't provided us with the information. That is correct.

Mr. Martin Shields: Right. All you can deal with is ones you can identify, but you can't do the analysis.

Ms. Julie Gelfand: The department has done the analysis. They told us they cannot provide it to us because, they claim, it was a cabinet confidence. There's a new order in council, which apparently will provide us with that information. We wrote a letter to them on Friday asking them for that information.

Mr. Martin Shields: How confident are you in that?

Ms. Julie Gelfand: I can't comment.

Mr. Martin Shields: What a surprise.

It's a challenge. All those pieces, if you were coming back from a year later to see what you have here, I think are an indication of what you could do. I also think it's an example of what we would like to see, of the full breadth of what you can bring to this.

From a committee standpoint, I hope that within a year you are able to come back with a report that would say, "I was at the starting point; now, here is the story I am able to complete, because I have the information."

Is that what it would look like to you, that in a year you might be able to do that?

Ms. Julie Gelfand: Our audit planning is already pretty much in place for the next year, but if I'm getting a sense from this committee that this is very important to you, it could be that I can delay or move

back one of our future audits and get it in more quickly through the system, rather than waiting longer. I have some flexibility. I may not be able to do it in a year, but within two years I could come back.

Mr. Martin Shields: As an auditor, in a sense you've just started with a lot of work here, you've set up a structure, but you can't complete it. To me that would be an auditor's nightmare.

Ms. Julie Gelfand: This was a very disturbing situation. The Auditor General therefore tabled the report, because it was an issue of a refusal to provide information to the Auditor General. It was very serious.

Mr. Martin Shields: Okay.

The Chair: You have two minutes.

Mr. Martin Shields: I'll ask any of my colleagues. Do you have anything further that you would like to follow up with?

[Translation]

Mr. Joël Godin: I would like to continue on this matter, Madam Chair.

My thanks to my colleague.

We are talking about the environment, but I feel that the Department of Finance is much more powerful than the Department of the Environment. Finance trumps the environment. As we read the report, we see that the Department of Finance is the one blocking and redacting the documents.

Do you have the feeling that the two departments are nicely complicit in coming up with a specific result and in protecting Canada's environment in the process?

Ms. Julie Gelfand: That is a very difficult question to answer.

Mr. Joël Godin: I have no doubt about that.

Ms. Julie Gelfand: Personally, I conducted an audit.

Mr. Joël Godin: Are we to understand that you did not have the tools?

Ms. Julie Gelfand: The audit we conducted was intended to determine whether or not Canada was going to fulfill the commitment it made at the G20, which it has repeated annually and which is still current. At the moment, I cannot assure you that the commitment will be met.

Mr. Joël Godin: My impression is that the Department of Finance has somewhat been taking the lead in this in terms of the consequences for the Department of Environment, depending on the financial results.

Am I wrong to say that?

Ms. Julie Gelfand: The Minister of Finance has responsibility for the tax aspects, while Environment and Climate Change Canada has responsibility for the non-tax aspects. Those two responsibilities are very different from each other.

Mr. Joël Godin: It is often all about the bottom line. When you were gathering your information, did you feel that my statement could be correct?

Ms. Julie Gelfand: I can make no comment on that.

Mr. Joël Godin: Thank you very much.

[English]

The Chair: Sorry, we ran out of time there. My apologies.

Mr. Fisher, go ahead.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you, Madam Chair.

Thank you, Commissioner, for being here. I always enjoy your visits. There is so much in this report, and so much that you've brought forward today, that this may seem a little scattered. I've just been scribbling and scratching things out. I have a few questions that would probably have really quick answers, as well as things that would be more about clarification of things you've already touched on.

When did the order in council come forward?

Ms. Julie Gelfand: It was the morning when the Auditor General tabled, which was May 16.

Mr. Darren Fisher: Would this order in council give you access to everything you need, have requested, and require?

Ms. Julie Gelfand: That is our hope. That is the reason we sent a letter to the deputy minister of finance on Friday, to request that information.

Mr. Darren Fisher: Prior to that order in council, what was the department's obligation to your office, as the commissioner, and your legislative role?

• (1700)

Mr. Andrew Hayes: Our powers to access information come from the Auditor General Act. It's a broadly worded access provision. The Auditor General's position is that this statutory provision gives us access to everything we should have for our audit purposes, including cabinet confidences.

Traditionally, orders in council have dealt with our access to certain kinds of cabinet confidences, and that has generally been sufficient for our audit purposes. In this audit, to get the information from Finance, it wasn't sufficient, which is why there was a new order in council.

Mr. Darren Fisher: So this was an exception to the well-followed rule.

Mr. Andrew Hayes: We encountered a situation where we were asking for information that wasn't covered by a list that was in previous orders in council.

Mr. Darren Fisher: Mr. Bossio asked you a question as I was scribbling things down, and I don't know if I got an answer. It might be something that is your opinion, and maybe you didn't feel like sharing it. Will we potentially not meet our G20 commitments, going the route we're going now, or will we absolutely not meet our G20 commitments?

Ms. Julie Gelfand: I can't give you an opinion on that, because I don't know. Finance has not convinced us that they've done the proper analysis to understand the entire population.

Mr. Darren Fisher: I'm trying to read all these tables in your report. It looks like the subsidies for oil sands have pretty much been phased out. Is that fairly accurate?

Ms. Julie Gelfand: These are mostly tax measures. We have not looked at the non-tax measures. That's what Environment and Climate Change Canada is doing now. We may encounter more inefficient subsidies that are non-tax measures. We don't know.

Mr. Darren Fisher: Again, I understand Linda's comments across the way, but to the untrained eye it looks like there hasn't been any focus on reducing or removing any subsidies on the exploration side: mining exploration, LNG.

Ms. Julie Gelfand: There is one new fossil fuel subsidy, which was introduced in 2015 and is supposed to sunset in 2025, and it is related to LNG.

Mr. Darren Fisher: Do you know when in 2015?

Ms. Julie Gelfand: No. It just says 2025.

Mr. Darren Fisher: Are the fossil fuel subsidies that were removed between 2011 and 2016 the bulk of the fossil fuel subsidies?

Ms. Julie Gelfand: Again, because we are not convinced and we don't know if the Department of Finance has looked at the entire population, we can't tell you that. We can tell you that these are the ones they've told us have been phased out, but we don't know if they've done a complete analysis, and they can't show it to us.

Mr. Darren Fisher: Okay. Got it.

You see? I told you I was really seeking a lot of points of clarification from all the great questions that were being asked.

Mr. Mike Bossio: Is it unusual—

Mr. Darren Fisher: Excuse me?

He's just singing a Tom Jones song in my ear.

A voice: That's Mike.

Mr. Darren Fisher: That's now in the blues, "Hugs".

Voices: Oh, oh!

The Chair: You have just under two minutes left.

Mr. Darren Fisher: Okay.

This is my last point of clarification. I'll give a last minute, if I can, to Mr. Bossio.

In your report, you state that the ECC department has a plan to support the G20 commitments we've made, but they have yet to implement that plan, or "a" plan.

Ms. Julie Gelfand: That is our understanding. During the course of the audit, they developed a plan with a timeline to find out all the non-tax measures—loan guarantees, research and development—so they are now surveying, or should at some point be surveying, all the ministries to find out what the non-tax subsidies are that may be considered inefficient fossil fuel subsidies.

Mr. Darren Fisher: Did they tell you what the timeline was?

Ms. Julie Gelfand: I don't know the answer to that question.

Mr. Andrew Hayes: They did have a timeline. The plan that we saw was in draft. At the point where we saw it, it was being approved by the minister at the very end of our examination phase of the audit.

At this point in time, I think that's a question best asked of the department.

Mr. Darren Fisher: Fair enough.

Thank you very much for giving me clarity on all those little points that were kind of foggy.

If I do have a minute left, I'd be pleased to pass it on to Mike.

The Chair: You have 30 seconds, Mike.

Mr. Mike Bossio: With regard to the data we're looking for from the minister, is this an unusual request for that kind of data? And if it isn't an unusual request, is it an unusual response?

Ms. Julie Gelfand: It is not an unusual request. We often request all kinds of information. It is unusual to be refused that information.

Mr. Mike Bossio: Thank you.

The Chair: Unfortunately, we've run out of time there.

Ms. Duncan.

• (1705)

Ms. Linda Duncan: Thank you very much.

I just want to give one example of a fossil fuel subsidy that might relate to the poor. That would be the subsidy for providing diesel to isolated communities. I note that the government had it listed in the budget that they would work to replace this with another source, but they haven't done the action. That's what I'm saying; those are the kinds of initiatives that are probably interesting to look at.

Will the report that Environment Canada provides to you also be publicly available?

Ms. Julie Gelfand: That's a great question to ask of the department. I don't know.

Ms. Linda Duncan: Okay.

I just thought I would point out that I also went to your 2012 report. It is noted there, on page 9, that the OECD raised concerns that Canada had not provided full estimates of its tax expenditures. So this has been an ongoing issue about not disclosing. Again in that report, I would note the calculation of \$40 billion in just direct spending on energy fossil fuel production over 30 years. That's a lot of money for trying to phase out. You also mentioned in a report as far back as 2005 that Finance published a framework for evaluation of environmental tax proposals.

Where is this stuff? Why is it so difficult to bring it forward? Are they saying that those frameworks are no longer valid, that they need a new framework?

Ms. Julie Gelfand: That's a great question to ask the department.

Ms. Linda Duncan: Okay. Those are my questions.

I want to thank you, Madam Commissioner, for your continued, thorough audits. I look forward to having the officials in here to give some explanations. I agree with you that it's our job as members of Parliament to hold them accountable, and not yours. You just do the excellent audits.

Thank you very much.

The Chair: Thank you all very much.

We've come to the end of the question period.

I just want to bring something to everybody's attention, because it was alluded to several times. We did ask to have the department officials with us today. They told us they were unable to get the right people here today. It was a short order. They will be available for next Wednesday.

What we're not sure about is whether we are going to be here next Wednesday, but we'll hold them to that.

Ms. Linda Duncan: And if so, it will be in the fall.

The Chair: No. Well, at the moment, they're suggesting Wednesday of next week.

If we're here Wednesday, we will do it. If we are not, then it's up to the committee to decide. We did hold the thought there on your motion.

Is there an agreement from the committee to have the departments in front of us as soon as possible on this issue?

Some hon. members: Agreed.

The Chair: Okay.

I think we have brought some really good questions to the forefront. I think we would like to put them in front of staff.

There is obviously going to be a lot we will want to ask that they won't be able to answer, and you've already shared that they're just getting started, and certainly ECC may not be able to share much.

You asked us a question, which I don't think we've answered. I think we've answered two of the questions we've had, but the other was whether we would be interested in having you come back with your subsequent audit of what you get from ECC and anything now revealed through the order to reveal any of the information.

I believe the committee would be in favour of that. I don't know whether you need a motion. You don't.

I think I see agreement around the table. I'll just ask.

Do we have the agreement of the committee to have Ms. Gelfand come back as soon as possible with that information?

Do you want to speak before we do that, Ms. Gelfand? Go ahead.

Ms. Julie Gelfand: I'm an independent agent of Parliament and it's up to me to decide which audits to do when.

I am hearing from this committee that this is a very important issue. I will go back into my planning exercise and see whether or not or when I can. I don't actually....

The Chair: You don't need any direction.

Ms. Julie Gelfand: I don't report to you. I report to you when I've reported, but you can't tell me what to do. I do that independently.

The Chair: No, no, we appreciate your consideration. How's that?

Mr. Gerretsen, you want to say something?

Mr. Mark Gerretsen: I just want clarification on one thing.

When you were talking about how Finance wasn't providing you with the information, you did, if I heard Mr. Hayes correctly, say that the formal request wasn't put in until just last...

Can you repeat that?

• (1710)

Ms. Julie Gelfand: No, no.

We made many requests during the time of our audit, for an entire year or more. It refused. It allowed us to proceed with writing in an audit that it had refused that information. That is “highly unusual” as Mike would say.

The new order in council that was presented to the Auditor General a few hours before he tabled...is what we are now referring to when we ask for the new information.

Mr. Mark Gerretsen: I get it. Thank you.

The Chair: I think that's clear.

We're going to continue on this discussion when the staff is able to come in front of us and when you are able or willing to come back to us on this issue.

Thank you very much for today.

Ms. Julie Gelfand: Thank you so much.

The Chair: I'm going to suspend very quickly just to allow those who aren't going to continue with us to leave.

The next thing we're going to talk about will be John Aldag and our next study. We will just review that very quickly as a team.

Thank you.

[*Proceedings continue in camera*]

• (1710)

_____ (Pause) _____

• (1715)

[*Public proceedings resume*]

The Chair: We are now public, so I'll carry on.

Are you heading off?

Ms. Julie Gelfand: We're going to head off. Thank you very much. Have a great summer.

The Chair: Do you want to take a piece of cake?

I'm really sorry that we don't get to do this with Penny. I was really wanting to say thank you.

To you, Tim, and of course, to Penny, we really can't thank you enough for the work you've done. We've had some excellent reports come out as a result of your hard work. They've been very well regarded. I've had good feedback on the two that are already out there.

I want to personally and on behalf of the committee say thank you. It has been a real pleasure to get to know you. Many of us are new, and this has been a great experience that you've made very easy for us, so thank you so much, and we wish you all the best in your retirement. You can't definitely be retiring. You're way too young.

I have also a little card from us. We have one for Penny, and we have cake.

Mr. Darren Fisher: Can you put it in the blues that we love Penny, too?

The Chair: We absolutely love Penny too, and the comments apply to both because you were an awesome team. We dragged you all the way out on our committee trip, and you kept us on track and kept everything documented so that we could then incorporate it into a report, and we're most grateful, so thanks very much.

Ms. Linda Duncan: I want to add that I knew these two when I was first elected, when I was environment critic, so I'm doubly sad to see them disappearing because I've had the benefit of their stellar work all these years.

The Chair: Tim shared with us that he has been on this committee for—how many years?

Mr. Tim Williams (Committee Researcher): Seventeen.

The Chair: All that experience has come to guide us, so it's amazing.

Jim, do you want to speak?

Mr. Jim Eglinski: Tim and Penny—Penny's not here—on behalf of the Conservative Party, thank you for working with us over these last two years and for your wisdom and guidance. Lots of times you stopped and corrected us all, and we appreciate that.

I hate to tell you this, but retirement's not all it's made out to be.

The Chair: It's not all it's cracked up to be.

You mean he might want to come back?

Mr. Jim Eglinski: I tried it maybe a couple of times now. We might see you back here. Anyway, good luck in your endeavours from the Conservative side, and remember, have fun out there.

The Chair: Yes, and stay well.

The cake says, “Thank you, Penny and Tim”, and you are going to cut it for us because we're going to keep working. Is that okay? You'll bring out slices. That would be awesome.

Mr. Joël Godin: Take a picture first.

The Chair: Take a picture, and we'll tweet it out or whatever. Tim is going to come and take a picture so Penny can see what she's unfortunately missing.

We'll get going because we're almost out of time.

The next thing up is what John sent around. I think you've all had a draft outline. We had something previously that was identified for review, and it has been refined, so I'm going to turn the meeting over to John.

You can walk us through what you're proposing.

Mr. John Aldag: Sure, thank you, but I don't see it as John's study, as much as—

The Chair: Ours, yes.

Mr. John Aldag: —ours.

This was very much a first crack at thinking about it. I hope everybody has had a chance to look at it. I really invite comments. I assume that at some point we're going to be turning it over to the analysts and to the clerk to make it happen.

As I said, I had a small group who have been involved in this field for a number of decades. What we looked at was really six sessions, and we can decide if we want to expand or contract that.

The first one is very much just trying to lay the foundation for the study, which is looking at the existing state of heritage legislation rules in Canada. Parks Canada plays a lead role for built heritage within the federal public service, so we will have the person who heads up that program. They administer the federal heritage buildings review office and other programs. Then there's the Historic Sites and Monuments Board of Canada. Dr. Alway has been with that organization for years. This is to try to get a sense of what the state of built heritage is, legislation regulation, and other programs.

The second is starting to explore some of the benefits and impediments to built heritage programs within Canada. I tried looking at what the financial, environmental, and social benefits are, and then at what some of the impediments are to achieving these objectives within society.

On the third one, we talked about having international best practices. This was identifying who would have comparable federal structures in Canada. Britain has some great things happening, as do many European countries, but they don't have the same kind of division of powers that we have in Canada. It was felt that the Americans and the Australians were probably the closest. If the committee wants, we could also look at other ones and see if they would apply to a Canadian context.

There is a session on indigenous heritage. Although there's not a lot of built heritage, there's archeological and cultural heritage. There seems to be a bit of a void in terms of how we're dealing with indigenous communities and the protection of their very rich history.

There's a session on financial and tax incentives. The thought is that this is where we could bring in the Van Loan piece, to give it some context within what's happening at the federal level.

Then we have contributions and grant programs, a bit of a different beast from the tax incentives.

That's what I had come up with. If we had a minute now just to throw it out, then—if there are any real gaps in terms of what people would like to see—we could give direction to the clerk and analysts as we work on organizing it.

● (1720)

The Chair: Linda, please go ahead.

Ms. Linda Duncan: I had a brief talk with John. I'm still a bit confused about how this ties with the private member's bill. The private member's bill, as I understand it, has to do with tax measures, and that can only apply to private property, not government property. So I'm still a little confused about how the two tie together. We might want to be more careful about how we separate those out.

I'll have Wayne do the public property ones, because that fits under his portfolio, parks and protected spaces. He's quite keen to do that.

The part I would like to participate in is regarding the private properties.

One aspect, which could apply to both the public and the private, is the issue of energy efficiency. I shared with John that I actually initiated a program in my own riding, in a heritage area called Old Strathcona. It's sort of the last heritage area of the city. We called it "greening the avenue". Part of the challenge is that in those old heritage buildings, people rent for shops, restaurants, and so forth. They pay rent to somebody who owns the building. Part of the problem of maintaining those heritage structures is the energy costs. We looked at all kinds of initiatives.

I know that there is, in Canada—probably located in Toronto—a separate foundation that actually deals with this issue. If we could just Google it and look around, it would be good to have them come to testify, because I think energy costs would be a big deal for... I know that the federal government is now looking to go renewable for all its facilities. That would include parks and historic sites, so it might be good to pursue that.

I would be particularly interested in being engaged. I founded a group in Edmonton in the 1970s, called the Society for the Preservation of Edmonton's Heritage. I know what a struggle it is. Part of it is the tax measure, but it's just getting the money to put together the proposal and organize people. If we could get at that, too... I know some of that merges into municipal and provincial, but you could have something that is of national significance that's in a city, or something.

I'm really interested in the private part, but I know Wayne will be keen on the rest of it.

Mr. John Aldag: Linda, if you have any leads—the organization you mentioned—I think that could fit quite nicely under the financial, environmental, and social piece.

Ms. Linda Duncan: Yes, okay.

Mr. John Aldag: I didn't put in things like municipal and provincial best practices that we may be able to learn from. I'm just trying to be careful about that, but I think there may be some lessons we could learn, both from municipalities and the provinces and territories.

● (1725)

Ms. Linda Duncan: But he did an injunction from it being torn down.

Mr. John Aldag: Right.

The Chair: Okay.

Jim.

Mr. Jim Eglinski: Thank you, John, for putting this together. I read it with some interest.

I'm quite interested in this whole concept, but I'm interested in a slightly different perspective.

Back at Canada's 125th birthday we tried to have the Alaska Highway designated as a national historic site. We were working on it all the time while I was a mayor, and I still see the negotiations going on. I think that's something we might want to look at in this report, because there are other areas of Canada that are trying to do similar things, not necessarily for a building but a region, because of the historic interests in Canada. I wonder if we could step into that a little bit and do a little bit of research on that.

Mr. John Aldag: On that, Jim, we have Dr. Alway, who is the chair of the Historic Sites and Monuments Board. The idea would be to bring him in right up front, to talk about how that program fits in with the identification of potential persons, places, and events of national significance.

He's been with the program for quite a number of years. Whether or not we would have to squeeze...if that's enough for its own session, or we can perhaps expand the first one. As I said, I was a bit unclear on how much time the committee was willing to give to this, but I think with some of these suggestions, it gives an idea that we could perhaps expand by a session or two and still—

Mr. Jim Eglinski: The reason they've been trying to make the highway an historic site is because of World War II and the significance it played with the aboriginal people in the settlement of northern British Columbia, northern Alberta, the Yukon, and right up to Alaska, so it has a lot of tie-in to this.

The Chair: Yes.

I'm watching the time. I think it's good information and good input, and I think we have a place where that can go.

I'm going to turn the floor over to Mark in a minute. What I'm thinking is that this talks about “three weeks,” and we could start with this. Then, if we find that we have an area we want to delve into a little deeper or that we didn't feel we covered properly, we could always look to see how that expands.

Remember what is going to come back to us. We have work coming back to us that we're going to have to do as well.

I think that six sessions is a good start, and then I think we can see how it rolls, because we never know how many people are actually going to be able to come and be witnesses as well.

Mark, please be very quick.

Mr. Mark Gerretsen: To Linda's point, I was just curious about how this ties back into Mr. Van Loan's bill. The committee is required to study that within a certain period of time, right? What is our timeline for studying that?

The Chair: We've asked for an extension, so we now have until December 1 to report back to the House.

Mr. Mark Gerretsen: Okay.

To Linda's point, are we planning to do these concurrently? How are we doing these?

Mr. John Aldag: What I had envisioned in the structure of this would be to orchestrate one or two sessions; the way it's laid out now is two. One would be for looking at financial and tax incentives. It would not look specifically at the Van Loan bill but at the types of

things that exist now, or it could be in other jurisdictions. The Americans have a similar program to what Bill C-323 proposes.

It would be for us to explore those measures, and then when we actually get the bill for review, we would have some context for how it could fit into an overall—

Mr. Mark Gerretsen: Your suggestion would be to do this first, and then, when it's finished, officially start Van Loan's bill, with the fact that we have some context that we've brought from the previous study.

Mr. John Aldag: Yes, I don't know if we would even have to have the report completed and tabled, but we would at least have the testimony that we've heard from witnesses about what options are available on the financial and non-financial incentives.

● (1730)

Ms. Linda Duncan: He has to testify, too, right? He could be on the same panel.

Mr. John Aldag: Yes, so if we wanted to, we could have Peter in as one of those witnesses to speak to his piece, surrounded by other options. Then, when we actually get to study his, we could say what we've heard about what works, whether it makes sense to proceed with this one, and whether there is tweaking that needs to be done. Then, we could send it back, either unamended or with amendments.

The Chair: Thank you.

Joël.

[*Translation*]

Mr. Joël Godin: Madam Chair, I would like to kill two birds with one stone and introduce a motion.

Ms. Jeanneault, who assists this committee, has advised us about Mr. Alway's appointment. The review of the appointment is scheduled for the first session.

[*English*]

The Chair: I was going to bring that up.

[*Translation*]

Mr. Joël Godin: I would like us to be able to ask Mr. Alway some questions about his appointment. In the first session, we could perhaps give him a moment and then begin to look at the whole thing.

[*English*]

The Chair: Everybody knows that we had a notice to basically approve his reappointment. I was going to ask the committee if we were interested in reviewing that, then having him in and speaking to that, or whether we were fine with it. Do we feel we need to actually have him come and speak in front of us? You're suggesting it's significant enough that we include it, because it's relevant to the topic.

Mr. Darren Fisher: I don't know this topic.

The Chair: We don't need to decide right at the moment but it's a suggestion that we include it there. It is an appointment of Richard Alway. The Historic Sites and Monuments Act designates a chairman of the Historic Sites and Monuments Board of Canada. It's a reappointment for this.

Mr. Martin Shields: When did that come out, Madam?

The Chair: This came out June 9.

All right. We have to really wrap it up.

Mike.

Mr. Mike Bossio: It's an eight-month extension, really. Let's not take a separate meeting for this. When we have him here as a witness and if people have questions they want to ask him, great, but it's an eight-month extension.

Ms. Linda Duncan: We haven't even reviewed the deputies—

Mr. Mike Bossio: Exactly.

The Chair: Okay. We'll consider incorporating it as we go through our witnesses.

John has made recommendations. We've had some suggestions that I know have been picked up here and recorded. This means we are going to start preparing and working towards this if everybody is in agreement.

Are we all in favour?

Ms. Linda Duncan: As long as it's kept succinct....

The Chair: Yes. That's why we've done it like this.

Some hon. members: Agreed.

The Chair: That's approved for moving forward as laid out.

Are you going to start working on that for the fall?

Mr. Alexandre Lavoie (Analyst): Yes.

The Chair: Thank you very much.

What else do we need to do other than end the meeting and just say, thank you, Tim. Thank you very much.

Are you going to be here on Monday?

Mr. Tim Williams: Yes.

The Chair: But Penny is not?

Mr. Tim Williams: I don't think so, but she says something here. She says, "I'm so sorry that I cannot be there! I'm still waiting on the final version of the French report for tabling tomorrow. Thank you so much for the cake and for being such a friendly, thoughtful committee."

The Chair: We're going to take the cake for sure.

I want to thank Rafael, my excellent support. He made sure that you got the cake. I really appreciate the work that he did to make sure that all got done.

Thank you very much, everybody.

Have a good day tomorrow and a good weekend. We'll see you next Monday.

The meeting is adjourned.

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