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Chair: Mr. John Williamson



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• (1600)

[*English*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): I call this meeting to order.

Good afternoon. My name is John Williamson. I am the chair of the public accounts committee.

Welcome to meeting number 32 of the House of Commons Standing Committee on Public Accounts.

Pursuant to Standing Order 108(3)(g) and the motion adopted by the committee on October 4, 2022, the committee is meeting today to undertake a study on “Report 2, Greening Government Strategy”, of the 2022 reports of the commissioner of the environment and sustainable development.

I would now like to welcome our many witnesses. It's nice to see you all here.

From the Office of the Auditor General, we have Jerry DeMarco, commissioner of the environment and sustainable development, and Milan Duvnjak.

From the Department of Transport, we have Michael Keenan, deputy minister, and Ross Ezzeddin, director general of air, marine and environmental programs.

From the Treasury Board Secretariat are Graham Flack, secretary of the Treasury Board; Jane Keenan, acting executive director of the centre for greening government; and Malcolm Edwards, senior engineer at the centre for greening government.

From the Department of National Defence—by video conference, I believe—we have Bill Matthews, deputy minister; Saleem Sattar, director general of environmental and sustainable management; and Nancy Tremblay, associate assistant deputy minister of materiel.

Each department will be given five minutes to make their opening statements.

As you might have heard or picked up, we're having a bit of a busy afternoon in the House of Commons today. I expect that in about 10 or 15 minutes, the bells will ring, which is the signal for members to go off and vote. I believe I have unanimous consent to continue running this meeting for the roughly 20 minutes that it will take for the four presentations to happen.

Instead of keeping you here at that point, I'm going to excuse you all, and we'll have to have you back at another time, perhaps as

soon as next week, for a round of questions and answers. It's a better use of your time than keeping you here for the 30 to 40 minutes that it could take to vote—probably closer to 30—and then have a very short question and answer session that might have to be extended anyway.

Is that okay with everyone?

Some hon. members: Agreed.

The Chair: Good. Thank you very much.

Mr. DeMarco, if you could begin, you have five minutes for your opening remarks. Thank you. It's good to see you again, sir.

[*Translation*]

Mr. Jerry V. DeMarco (Commissioner of the Environment and Sustainable Development, Office of the Auditor General): Thank you, Mr. Chair.

I would like to acknowledge that this hearing is taking place on the traditional unceded territory of the Algonquin Anishinabe people.

We are happy to appear before your committee this morning to discuss our audit report on the greening government strategy. That report was tabled in the House of Commons on April 26. With me today is Milan Duvnjak, the principal who was responsible for the audit.

The greening government strategy was launched in 2017 to address the significant contribution of federal government operations to Canada's total greenhouse gas emissions. In 2020, the Treasury Board of Canada Secretariat revised the strategy to increase the greenhouse gas reduction target to 90% below baseline emissions for the 2005-06 fiscal year by 2050. The goal of the strategy is to reduce the government's environmental footprint and transition to low-carbon, climate-resilient operations.

The federal government has publicly stated its commitment to reach net-zero emissions by 2050 and to be a national and global leader in transitioning to carbon-neutral government operations. For this audit, we focused on the greenhouse gas emissions aspect of the greening government strategy. In particular, we examined whether the Treasury Board of Canada Secretariat led the strategy in a manner that supported departmental progress. We also looked at how National Defence and Transport Canada implemented controls and measures to reduce greenhouse gas emissions.

Overall, we found that the secretariat had taken steps to support departments' efforts to reduce the federal government's environmental footprint. However, we are now five years into the strategy, and efforts to reduce emissions are not as advanced as they could be. Important information on greening government was hard to find, unclear, or insufficient. This included a lack of details on costs and savings.

[English]

In addition, the majority of indirect emissions have not been reported and the emissions of Crown corporations were not part of the strategy.

At the time of this audit, eight of the 27 departments had created reduction plans, accounting for 81% of departmental emissions. When we looked at the Department of National Defence, the largest emitter in government, we found that the actions described in its plan did not make it clear how the department would meet the 2050 target. When we looked at Transport Canada, it was also unclear how it would meet the target, because it did not provide enough context on its reported emissions or results.

This lack of information makes it difficult for decision-makers, parliamentarians, and Canadians to track whether the federal government will meet its 2050 target and whether Canada is actually being the global leader in greening government that it has set out to be. More work is needed to ensure that the greening government strategy delivers the desired results and that complete plans and methods are put in place to track and report on emission reductions.

Climate change is an intergenerational crisis, and the time to take effective action is rapidly closing. Canada must transition from commitments and planning to meaningful actions and results.

We made six recommendations in this report. The Treasury Board of Canada Secretariat fully agreed with four of the five recommendations directed at the secretariat. It partially agreed with the recommendation about tracking the costs and savings related to greening government. The Department of National Defence and Transport Canada agreed with the recommendation directed at them.

On the topic of greening government, I would also like to note that on October 4 my fall reports were tabled in Parliament. This included our report on the fairness of the government's 2021 progress report on the federal sustainable development strategy. We found that progress reporting information for five of the eight targets under the goal of greening government was incomplete and untimely. The progress information for these targets was incomplete, either because only a small number of the 26 departments did in fact report their progress or because they presented no results at all.

Mr. Chair, this concludes my opening remarks. We would be happy to answer any questions the committee may have, whenever that may be.

Thank you.

● (1605)

The Chair: Thank you very much, Commissioner.

I'll turn now to the Department of Transport. Mr. Keenan, it's over to you for five minutes.

[Translation]

Mr. Michael Keenan (Deputy Minister, Department of Transport): Thank you, Mr. Chair.

I thank the committee for inviting me to appear before it today.

Transport Canada is firmly committed to the targets of the greening government strategy and is committed to achieving more ambitious zero-emission vehicle replacement targets than are required, at 100% rather than 80%.

As noted in the audit report, Transport Canada has made progress in meeting the Government of Canada's greenhouse gas reduction targets. Indeed, Transport Canada has developed a roadmap to net-zero emissions aligned with the greening government strategy and has implemented internal controls to validate the data received on Transport Canada's assets and their energy performance.

Transport Canada's greenhouse gas emissions portfolio is unique compared to the portfolios of other departments in that most of our emissions, over 80%, come from our vehicle fleet. In the case of other departments, the emissions come primarily from their facilities.

The situation represents a challenge for Transport Canada, but also a unique opportunity to encourage innovation in these areas to create a more efficient and environmentally friendly transportation system.

[English]

As part of the audit of Transport Canada's implementation of the greening government strategy, the commissioner issued one recommendation with two parts. One is to continually identify new activities that will significantly contribute to emissions reductions and prioritize them based on risk; the other is to develop a risk management approach that defines significant risks and corresponding mitigation measures.

Transport Canada has accepted this recommendation in both parts, and the department's carbon-neutral road map, which was originally developed in 2018, is now being updated. The purpose of the road map is to set out a plan for how the department intends to reduce its GHG emissions over the next 30 years and meet the requirements of the greening government strategy by identifying activities, measures, timelines, milestones and projected investments, as well as the estimated reductions that will come from all of them from Transport Canada assets.

The road map will continue to be updated and revised as required, as new information and technologies become available and as new risks emerge. It will significantly contribute to the department's overall GHG reduction plan.

We also agree that we should have a mechanism in place to identify and manage major significant implementation risks. To this end, as part of the carbon-neutral road map of Transport Canada, a risk management framework is currently being developed to support the prioritization of resources and respond to risks as they emerge.

In closing, our department is firmly committed to continuing the work of greening how we do business, reducing our GHG emissions and taking the necessary steps to ensure we protect the environment and reach our targets as we move forward.

Thank you very much.

The Chair: Thank you very much.

For the record, I'm going to confirm that I have unanimous consent to proceed with the next witness. I don't want to interrupt them during their remarks, so can I proceed when the bells ring in a few minutes?

Some hon. members: Agreed.

The Chair: Okay. Thank you very much.

I'm moving now to Treasury Board Secretariat.

Mr. Flack, could you or one of your associates please present opening remarks for five minutes?

[*Translation*]

Mr. Graham Flack (Secretary of the Treasury Board of Canada, Treasury Board Secretariat): Thank you, Mr. Chair.

I thank the members of the committee. I am really happy to be here and to have the opportunity to address you on the traditional territory of the Algonquin Anishinabe people.

Let me first thank the commissioner for his report. We appreciate the work that has been done, and the observations from the report will enable the government to more effectively continue on its path to net-zero emissions.

• (1610)

[*English*]

Mr. Chair, the federal government is one of the largest property and fleet owners in the country, and the largest buyer of goods and services. That's why the greening government strategy sets the target of net-zero greenhouse gas emissions by 2050, with an interim target of a 40% reduction by 2025 for our conventional fleet and federal facilities.

Within Treasury Board Secretariat, the centre for greening government leads and coordinates the strategy across departments and agencies that own the buildings and fleet and procure goods and services.

Mr. Chair, in his report, the commissioner noted that Treasury Board Secretariat, by developing and leading the strategy, is taking

steps to support the federal government's efforts to reduce greenhouse gas emissions. He also found that the Treasury Board Secretariat provided departments with useful guidance and tools to help them develop emission reduction plans and report on the results.

However, we all agree that more work is needed. Climate change mitigation is an ongoing and evolving effort, and it's important that we always review our approach and seek opportunities for improvement. To that end, we welcome the commissioner's recommendations to enhance our approach to implementing the greening government strategy. You'll see our action plan in response to those recommendations detailed for the committee, with precise dates in terms of when we propose to meet the objectives.

The one area where we differ with the commissioner is on the notion that we have not developed an approach to tracking costs and savings. We have a robust approach to implementing the greening government strategy that is cost-effective and similar to that used in other jurisdictions in order to measure and evaluate greening expenditures up front, before the project starts. The centre for greening government uses life-cycle costing analysis and total cost of ownership methodologies to inform decision-makers on the best value options to decarbonize government operations. In fact, the approach we've taken has resulted in governments in Canada and abroad reaching out to us to get more information on the costing methodology we use. We need to do a much better job of explaining this methodology to Canadians and parliamentarians, and we will.

[*Translation*]

The next update of the strategy is scheduled for next year. This will reflect the government's series of actions and act on the commissioner's recommendations.

We would like to thank the commissioner for giving attention to our efforts in his report. We look forward to receiving your comments and answering your questions.

The Chair: Thank you very much.

Up next is Bill Matthews from the Department of National Defence.

[*English*]

Mr. Matthews, you have the floor for five minutes, please.

[*Translation*]

Mr. Bill Matthews (Deputy Minister, Department of National Defence): Thank you, Mr. Chair.

Greetings to all the committee members.

Since my two colleagues have already been introduced, I have only two more points to raise.

[English]

First, the context for DND and its operating environment is very important as we work to meet these commitments.

The Department of National Defence and the Canadian Armed Forces are one of Canada's largest employers and maintainers of equipment and infrastructure. This includes more than 20,000 buildings on bases and wings in the national capital region as well as in other cities. It includes housing for our people in uniform, as well as armouries, laboratories, workshops, medical facilities, shooting ranges and office buildings. It also includes vehicles, aircraft, ships and so much more.

I'd add, Mr. Chair, that many of our buildings, equipment and even power grids are old and in need of upgrade or replacement. Given all of this, DND was an obvious choice to be included in this audit.

The department is making progress, considering the size, age and complexity of our holdings and the ongoing work of the Canadian Armed Forces. While we are ahead of schedule in terms of meeting some of our shorter-term targets, the department still has some work to do to complete its plans to meet the 2050 targets, as the report points out.

The second point, Mr. Chair, is just a word of thanks to the commissioner's team for the significant work required just to perform this audit. The Department of National Defence is implicated

specifically in the first recommendation of the report. As already mentioned, the department accepts the recommendation. This will mean that it will complete its work to increase prioritization, risk management and mitigation related to activities that will significantly reduce DND's greenhouse gas emissions.

Mr. Chair, I look forward to our next session, when we'll have Q and A. Hopefully I will have COVID behind me and will join you in person.

● (1615)

The Chair: Thank you very much.

I see the bells are ringing, so I'm going to suspend the meeting and we'll regroup here as a committee for in camera business after the vote.

To our witnesses, thank you for appearing today. Thank you for coming to Parliament Hill.

To our friends at the Department of National Defence, we hope you'll join us next time. We do understand and appreciate your precautions, and I apologize for this disruption. I hope you understand; these are the wheels of democracy at work.

Thank you. I will suspend the meeting now.

[*Proceedings continue in camera*]

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