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Standing Committee on Public Accounts

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• (1100)

[English]

The Vice-Chair (Ms. Jean Yip (Scarborough—Agincourt, Lib.)): I call this meeting to order. Welcome to meeting number four of the House of Commons Standing Committee on Public Accounts.

Pursuant to Standing Order 108(3)(g), the committee is meeting today to study report 5, “Lessons Learned from Canada's Record on Climate Change by the Commissioner of the Environment and Sustainable Development”.

Today's meeting is taking place in a hybrid form pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application. The proceedings will be made available via the House of Commons website. Just so that you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

I would like to take this opportunity to remind all participants to this meeting that taking screenshots or photos of your screen is not permitted.

Given the ongoing pandemic situation, and in light of the recommendations from health authorities, as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain two-metre physical distancing and must wear a non-medical mask when circulating in the room. It is highly recommended that the masks be worn at all times, including when seated. Proper hand hygiene must be maintained by using the provided hand sanitizer at the room entrance.

As the chair, I will be enforcing these measures for the duration of the meeting, and I thank members in advance for their co-operation.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either the floor, English, or French. If interpretation is lost, please inform me immediately and we will ensure interpretation is properly restored before resuming the proceedings. The “raise hand” feature at the bottom of the screen can be used at any time if you wish to speak or alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols.

Before speaking please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When you are not speaking your mike should be on mute. As a reminder, all comments by members and witnesses should be addressed through the chair.

With regard to a speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members whether they are participating virtually or in person.

Before we begin, I would just like to ask the committee if we could take the last 30 minutes today to go in camera to get drafting instructions for the report.

Are we in agreement?

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Madam Chair, I don't think we're in agreement on proceeding to drafting instructions.

We've just had an opportunity to review the report. We're going to be hearing from the witnesses today, and I think it's reasonable to provide members some time to go over the evidence before coming in to prepare drafting instructions.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): My stated interest would be to, if at all possible, not break with public accounts tradition and therefore that we have one report coming from this. I would like to take some time to discuss it amongst both our party and the other parties here, because I would really hate to break with public accounts tradition and not have a unanimous report.

I'd like to see if we can't, offline, set up the parameters so that we can make sure we have a unified statement coming out as we face this significant challenge of climate change.

Mr. Peter Fragiskatos (London North Centre, Lib.): Madam Chair—

The Vice-Chair (Ms. Jean Yip): Okay, then we will proceed—
Yes.

Mr. Peter Fragiskatos: I see Ms. Shanahan has her hand up, and I was just going to add a comment if I could.

The Vice-Chair (Ms. Jean Yip): Okay, why don't we start with Mr. Fragiskatos?

Mr. Peter Fragiskatos: It's a very straightforward comment. I understand what my colleagues have said, but I fail to see how taking 10 or 15 minutes at the end of a meeting to talk about drafting instructions is going to upend the tradition of the committee of having one report. We can talk about how exactly the report should be structured. These are basic things that will allow analysts to do their jobs so that we can get on with the work. If it's a sticking point, I guess it's a sticking point, but I'll allow Ms. Shanahan to elaborate as well.

• (1105)

The Vice-Chair (Ms. Jean Yip): Ms. Shanahan.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Madam Chair.

Along the same lines as what Mr. Fragiskatos said, I'm open either way. I want to clarify with the chair that we would have full rounds for everyone to ask their questions up until the expiry of the meeting, until the adjournment of the meeting. But I'm easy either way. I want to see a fulsome report and certainly a unanimous report.

The Vice-Chair (Ms. Jean Yip): Thank you.

We don't have an agreement right now. I'm going to defer to the clerk.

The Clerk of the Committee (Ms. Angela Crandall): If there's no agreement, you can move on to the witnesses, Madam Chair.

The Vice-Chair (Ms. Jean Yip): Okay, let's move on to the witnesses.

I would now like to welcome our witnesses. From the Office of the Auditor General are Jerry V. DeMarco, commissioner of the environment and sustainable development; Kimberley Leach, principal; and Elsa DaCosta, director. From Équiterre are Colleen Thorpe, executive director, and Marc-André Viau, director, government relations.

We'll start with the commissioner of the environment and sustainable development.

Commissioner, you have five minutes for your opening remarks. Please go ahead.

[*Translation*]

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

We are pleased to be testifying before the committee this morning.

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

With me today are Kimberly Leach and Elsa Da Costa, the principal and director who were responsible for the report.

As you know, the Office of the Auditor General of Canada conducts performance and financial audits of the federal and territorial governments. We provide elected officials with objective, fact-based information and expert advice. We also undertake special ex-

aminations of Crown corporations, and we conduct additional work, such as a yearly commentary on our financial audit work and the climate report that I will be discussing today.

The commissioner of the environment and sustainable development, who is appointed by the auditor general, reports to Parliament at least once a year on environmental and sustainable development issues, including the specific matters set out in legislation, such as the new Canadian Net-Zero Emissions Accountability Act.

Our most recent reports, which were tabled in Parliament in November 2021, included a report on lessons learned from Canada's record on climate change. By choosing this topic to discuss today, the committee is sending a critical message about the urgency of addressing climate change.

In preparing our report on lessons learned, we looked back at our audit work on Canada's action over the last three decades. We also asked climate experts and former senior government officials what we can learn from the past in order to help translate today's good intentions into real results.

After more than 30 years, the trend in Canada's greenhouse gas emissions, which create harmful climate impacts, is going the wrong way. Despite repeated government commitments to decrease emissions, they have increased substantially, unlike in the other G7 countries.

During that time, Canadians have felt the devastating effects of climate change, such as droughts, floods, melting permafrost, heat waves, wildfires and storms.

• (1110)

[*English*]

Our report sets out eight lessons learned from Canada's action and inaction on the enduring climate crisis.

Leadership is the first lesson. Stronger leadership and coordination are needed to drive progress on climate change. Other lessons include reducing dependence on high-emission industries, learning to adapt to climate change impacts, investing in a climate-resilient future, increasing public awareness, acting on and not just speaking about climate targets, involving all climate solution actors and protecting the interests of future generations.

The new net-zero legislation seeks to bring more rigour to Canada's approach to greenhouse gas emission reductions. Just as this committee holds government to account on financial matters and program implementation, you can also consider holding government to account on its climate plans. Ensuring that government starts translating its plans and targets into effective action would be in keeping with lesson 6 of our report. Climate change is not just an environmental issue; its social and economic implications are just as significant.

The enduring crisis of climate change looms larger than ever. Like pandemics, climate change is a global crisis, one that experts have been raising the alarm about for decades. Pandemics and climate change both carry risks to human health and the economy, and both require whole-of-society responses to protect present and future generations.

To help frame discussion on climate change such as this one, our report provides critical questions that legislatures and others can consider to prompt action against commitments. We've provided these in an appendix to this statement for your reference.

In closing, there is a need for the federal government to achieve real outcomes, not just words on paper or unfulfilled promises. All too often Canada's environmental and sustainable development commitments are not met with the actions needed to protect air, land, water and wildlife, now and for future generations. This is a trend we urgently need to reverse.

Madam Chair, this concludes my opening remarks. We are happy to answer any questions the committee may have.

The Vice-Chair (Ms. Jean Yip): Thank you, Commissioner.

I will now call on the witnesses from Équiterre.

[*Translation*]

Ms. Colleen Thorpe (Executive Director, Équiterre): Madam Chair, members of the Standing Committee on Public Accounts, thank you for hearing from us today.

My name is Colleen Thorpe. I am the executive director of Équiterre, an environmental NGO with more than 150,000 members and supporters. We are involved in the sectors of agriculture, light and heavy-duty transportation, consumers, energy and climate change in general.

I will share my speaking time with my colleague Marc-André Viau.

In his report of November 25, the Commissioner of the Environment and Sustainable Development concluded that, "Canada has gone from being a climate leader to falling behind other developed countries despite recent efforts." This finding surprised no one. Our greenhouse gas emissions have been increasing because we continue to exploit oil and gas as if there was no climate crisis.

I would like to present to you two potential solutions in response to the issues raised in lessons one and five of the report.

First, we propose that the entire public service be provided with training on the climate crisis and the loss of biodiversity. We think that a starting point for government consistency in terms of climate action goes through a common understanding of how urgent the sit-

uation is. That way, public servants will be able to use all their expertise in this "war effort".

I remind you that, in 2018, the Intergovernmental Panel on Climate Change notified us that, to limit global warming to 1.5°C, rapid, profound and unprecedented changes were necessary in all aspects of society.

Large scale training for public servants is an approach the government has used in the past to meet its commitments on reconciliation. An employee of the Department of Justice recently told me how much of an impact the training she attended on the rights of indigenous peoples had on her. One of the things she learned is that, in negotiations with indigenous peoples, it is customary to leave an empty seat at the table, representing a place for future generations.

Our recent experience with vaccination during the pandemic also emphasizes how important it is to seek the support of the public service to make broader changes to behaviour among the general public.

The second solution we are proposing concerns another part of the commissioner's report, according to which, "Internal government planning cycles also favour short-term thinking at the expense of long-term planning."

That problem is particularly acute when it comes to ruling on the protection of natural environments. Weighting is based on the value attributed to that environment and, right now, the calculation is based on its extraction potential. So the value of the forest is equal to the amount of wood that can be extracted from it. However, we know that, for Canada and its huge territory, one of the most effective ways to fight climate change is by maintaining natural spaces, which are today referred to as natural infrastructure.

So it has become necessary for the government to create models that put a value on that infrastructure while taking into account its ecosystem services, such as air quality, water filtration, climate regulation, carbon storage and the maintenance of habitat. Those calculations are based on well-established methods, and the public service could develop tools with the support of renowned experts.

I now yield the floor to my colleague.

● (1115)

Mr. Marc-André Viau (Director, Government Relations, Équiterre): Thank you.

To conclude our presentation, I will quickly go over the last point, which pertains to planning, and to the role of the commissioner of the environment and sustainable development and of the government. It mainly concerns lessons one, six and eight.

Essentially, lesson one of the report tells us that all levels of government must work together, which requires planning and coordination. Lesson six is among the most valuable ones, as it talks about the need to set ambitious targets, but also about achieving them. Finally lesson eight talks about the importance of long-term planning.

This rarely happens when I appear before a parliamentary committee, but I must say that I am optimistic this time. Why? Because Bill C-12 on achieving net-zero emissions by 2050 received royal assent on June 29, 2021. We are here talking about a piece of legislation on Canada's climate responsibility, something that has been missing over the past 30 years.

More specifically, “the purpose of this Act is to require the setting of national targets for the reduction of greenhouse gas emissions based on the best scientific information available and to promote transparency, accountability and immediate and ambitious action in relation to achieving those targets”.

The Canadian Net-Zero Emissions Accountability Act asks the minister of the environment to set targets and to plan and implement measures to achieve them. We think that is a fairly good response to the concerns raised in the commissioner's report.

Far be it from me to say that the act is perfect. There is room for improvement, and the commissioner has a role to play in that regard.

On January 25, the commissioner received a letter cosigned by four environmental organizations, including ours, about his role in implementing this act. This will help ensure that the future assessment report on measures we will read in 2050—so in 30 years—will consist of lessons learned in achieving net-zero emissions, and not of lessons learned from what we will not have done.

Under the—

[English]

The Vice-Chair (Ms. Jean Yip): Thank you, Mr. Viau, for your comments.

Mr. Marc-André Viau: Can you let me wrap up?

The Vice-Chair (Ms. Jean Yip): Yes.

[Translation]

Mr. Marc-André Viau: Under the act, the commissioner must, at least once every five years, examine and report on the Government of Canada's implementation of measures aimed at mitigating climate change, including initiatives to achieve the most recent target in greenhouse gas emissions mentioned in the relevant assessment report.

We really look forward to hearing the commissioner talk about the role he will play in the implementation of this act, including on the topic of the frequency of reports and the report that will be used as a reference.

When it comes to lesson six, it will be important to set targets—

[English]

The Vice-Chair (Ms. Jean Yip): Thank you so much, Mr. Viau. We'll have to wrap it up now.

We will now have to go into our rounds of questions, and we'll begin with the official opposition for six minutes.

Mr. Lawrence, please go ahead for six minutes.

Mr. Philip Lawrence: Thank you very much. I'm very much enjoying our new chair. I think she's doing a fabulous job.

Thank you very much to our witnesses.

All of my questions will be for the commissioner. I also intend to split the last minute or so, and give that to the great member of the Green Party, Mr. Morrice, just so that everyone is aware.

I would like to read from the report. It says the Paris Agreement was to “reduce greenhouse gas emissions by 30% below 2005 levels by 2030, and under the Copenhagen Accord, it committed to reducing emissions by 17% below its 2005 level by 2020.”

Have these targets been achieved? If not, how far away are we?

• (1120)

Mr. Jerry V. DeMarco: Thank you, Madam Chair.

I'd like to address that by first saying that the 2020 data are coming from Environment and Climate Change Canada very soon, so we can't definitively say what the 2020 data will be. However, looking at the trend line, it does not appear that the 2020 target will have been met. There's a two-year lag in Canada in the data on emissions.

So, no, the targets have not been met. We've had several targets over the years and four major international agreements: Rio, Kyoto, Copenhagen and Paris. We've had several plans over the years, but the problem is in implementation, not so much in setting targets.

Mr. Philip Lawrence: Thank you.

In the last seven years, has this government achieved any of the international carbon reduction targets?

Mr. Jerry V. DeMarco: Not that I'm aware of...

Mr. Philip Lawrence: That is absolutely zero, despite the impact of the carbon tax.

What would the cost of the carbon tax have to be—\$500 a tonne or \$1,000 a tonne—to have any meaningful impact on carbon emissions, because it hasn't as of yet?

Mr. Jerry V. DeMarco: I wouldn't attribute the lack of progress to the relatively new carbon tax. The carbon levy is in effect and will be scaling up in increments of 15 megatonnes per year. It's intended to achieve behaviour modifications, so you won't flip a switch and see a carbon levy having an immediate effect on emissions. It's more of a long-term trend.

I can't say for sure what the effect will be. I can't say what the magic number is for the amount, because it depends on all of the other programs the federal government is implementing—

Mr. Philip Lawrence: Thank you very much.

Just to conclude, before I throw my time over to Mr. Morrice.... In the last seven years, we've failed. In 2019, we had a 1.1% reduction when we were supposed to have 30% or 17%, depending.... We have failed to hit one single target during this government's time.

It's over to you, Mr. Morrice.

Mr. Mike Morrice (Kitchener Centre, GP): Thank you, Philip. Thank you for the opportunity to have a chance to chat this afternoon.

My question is with respect to lesson 8 in the report. I'll draw out the words that are similar to what we heard from Ms. Thorpe as well. Lesson 8 from the report says that "Climate change is an intergenerational crisis with a rapidly closing window for action."

Commissioner DeMarco, you mentioned in the report that the first time we talked about phasing out fossil fuel subsidies was back in 1985. You also mentioned that, essentially, the emissions reduction fund is another net new fossil fuel subsidy introduced this past year, which, in fact, continues on at a time when.... I know that in the report we don't have the specific numbers, but the IISD has shared that we continue to subsidize oil and gas by about \$18 billion. As well, there's talk of a new tax credit—another new subsidy for oil and gas that we know we can expect in this upcoming budget.

Ms. Thorpe or Commissioner DeMarco, can you comment on the juxtaposition between what you're sharing—a rapid need to take action on the climate crisis—and the current government's intention to continue to increase fossil fuel subsidies?

Mr. Jerry V. DeMarco: I can start and then pass it over to Ms. Thorpe.

The emissions reduction fund is a fossil fuel subsidy, and we have a performance audit report on that very subject that we released in November.

The current government has committed to eliminating fossil fuel subsidies. The most recent commitment says it in plain terms. It no longer uses the word "inefficient" before those words, which was the subject of quite a lot of debate over the years. There is a current commitment to phase out fossil fuel subsidies by the government, and we'll be watching to see how well they progress on that commitment.

Ms. Thorpe, do you have anything to add?

• (1125)

[*Translation*]

Ms. Colleen Thorpe: Of course, Équiterre shares the view according to which fossil fuel subsidies are not being eliminated or are not being eliminated quickly enough. Yet commitments have been made in that respect.

What we really want to emphasize here is the importance of consistent government action. In other words, departments must work together. The government must understand that, without that consistency, a good activity may be cancelled out by another activity.

[*English*]

Mr. Mike Morrice: Thank you for both of those responses.

Mr. Viau, if you'd like to jump in, I would welcome that.

Do I have another 30 seconds?

The Vice-Chair (Ms. Jean Yip): I'm sorry, that's all the time we have.

We'll have to move on to the next six-minute speaker, Mr. Fragiskatos.

Mr. Peter Fragiskatos: Thank you, Madam Chair.

Thank you to the witnesses.

It is a very interesting report. There are a number of things that could be asked here, but I want to begin by looking at what was said about COVID-19 and the emergency response and how that might apply to the crisis of climate change.

In the report, it says the COVID-19 pandemic "suggests that Canadians can draw crisis management lessons" from it, and that "economic recovery efforts will provide opportunities for the emergence of a stronger, more climate-resilient society—if governments at all levels, citizens, the private sector, and civil society work together."

That's a profound statement. I'm not disagreeing with it. I think there are lessons to be taken from the pandemic and applied to a range of different challenges and, indeed, crises such as climate change. I wonder if you could elaborate.

I suppose this goes to Mr. DeMarco. I wonder, sir, if you could elaborate on how exactly to do that, because what's being called for is straightforward, but at the same time, I think it would be enormously complex to have the federal government implement. What would be some pragmatic ways to move ahead?

Mr. Jerry V. DeMarco: I'm going to link my answer to in lesson 8, the lesson relating to longer-term planning and intergenerational equity.

These two crises have some similarities, but they have important differences. COVID-19 has shown that we can respond to immediate crises and marshal the resources necessary to do that. The longer-term crises are where society has more difficulty dealing with them.

The climate change crisis is both a long-term crisis and now a short-term one, as we're seeing with the increased frequency and magnitude of extreme weather. We need to address equally both short-term crises like COVID-19 and long-term crises. That would mean changing some of the approaches the government takes to long-term planning.

For now, at present, it's quite frequent for governments to focus on short-term deliverables like this year and, in the private sector, this quarter perhaps. The future may be discounted in those sorts of decision-making fora.

On decision-making structures—and we've heard some comment about that in terms of the chair representing future generations in the example Ms. Thorpe provided—we do need to change our decision-making structures so that the long-term future, our children and their grandchildren, are not discounted in present-day decision-making.

Mr. Peter Fragiskatos: Thank you very much.

I think it's something that we and all parliamentarians ought to continue to think about. COVID-19 is a very immediate crisis as is climate change, but it also has such a large long-term element that there's attention there that needs to be further considered.

Recommendation 7 calls for enhanced collaboration among all actors. How did you put it here? It says, "Enhanced collaboration among all actors is needed to find climate solutions".

Yes, how can one disagree with that? But I'm looking for a particular issue. On which particular issue or issues would you call for enhanced collaboration? What should be the most immediate areas of focus for collaboration?

There are any number of things.... You say "all actors", but for our purposes, let's focus on governments here. Where can the federal government work with other levels of government? I know that another concern you have is making sure there's greater collaboration between the federal and provincial governments. On what particular issues? Is it climate adaptation and mitigation? Is it helping the transition to green energy? Do you have any ideas on that?

• (1130)

Mr. Jerry V. DeMarco: Thank you.

I'm going to use this meeting as an example of that enhanced collaboration and involving all actors.

Just as this committee has for decades held the government to account on financial matters and program implementation, taking this step today shows that this committee is willing to expand its view and look at issues that traditionally have been seen as environment and sustainable development, separate from social and economic.

I'm very pleased that this committee has invited us here today to speak about this issue because it is a sign that this lesson is being learned and being implemented.

It's important in all three of those areas. As I mentioned, climate change is not just an environmental issue anymore. It's an economic issue and a social issue, so that all of our structures that typically focused on other matters at the expense of the environment and sustainable development now bring them into account.

Mr. Peter Fragiskatos: Thank you very much.

I have a short amount of time remaining. I know you can't answer it because it's such a complicated question, but many observers have made the point that we won't reach a net-zero outcome

and we won't live in a net-zero world unless there's an embrace of nuclear energy.

What is your view on that particular issue?

Mr. Jerry V. DeMarco: Those are policy choices for governments to make in terms of what the mix will be to reach net zero. It's also impossible to know exactly what technologies will advance further between now and 2050.

As you foresaw, I can't answer the question in terms of what role it will play. It is presently part of the mix in energy in Canada and other countries. It remains to be seen what percentage of our energy mix will be provided by nuclear between now and 2030, and then between 2030 and 2050 in terms of the next two targets.

The Vice-Chair (Ms. Jean Yip): Thank you very much.

Now for the next six minutes we have Madame Sinclair-Desgagné.

Please go ahead.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Thank you, Madam Chair.

I would like to begin by thanking the witnesses for joining us today so that we can benefit from their expertise and their knowledge.

I think this is the first time the Commissioner of the Environment and Sustainable Development has appeared before the committee. So I welcome him and congratulated him on his appointment.

My question is for the commissioner and his team.

In recent years, a huge amount of money has been disbursed to oil companies. One of the things I am thinking of is green support that was probably intended to lead those oil industry businesses toward a transition. However, when we read your report, we see that those changes have probably not taken place, and that the situation in terms of greenhouse gas emissions has not improved.

I actually have two questions for you.

When money is disbursed to oil companies, shouldn't accountability be demanded in return? If accountability and results are lacking, shouldn't funding for the oil sector be completely cut off?

Mr. Jerry V. DeMarco: Thank you, Madam Chair.

This is in fact the first time I am appearing before the House of Commons Standing Committee on Public Accounts. I am happy to be here and I thank you for the invitation.

Subsidies are an important issue. I recommend that you read our report on the emissions reduction fund, another report we published in November. We need accountability, as you said. We need to see whether these kinds of subsidies have a positive impact on reducing greenhouse gas emissions. We also need accountability regarding the fund's other objectives, including in terms of employment.

As I said earlier, the current government said it would eliminate subsidies for the gas and oil industry, so we will look into this issue over the next few years to make sure that those subsidies have really been eliminated.

• (1135)

Ms. Nathalie Sinclair-Desgagné: That's great.

Don't you think the government could go further and ask for things such as all financial institutions disclosing their climate risks, as the Bank of Canada requested in its latest report, in order to comply with the principles of the Task Force on Climate-related Financial Disclosures?

That way, it would follow the lead of countries such as the United Kingdom and New Zealand, which have asked their banks to disclose their climate risks, to ensure better financial stability over the medium and long terms.

Mr. Jerry V. DeMarco: That is actually another topic we are interested in and are considering right now.

I can tell you that the mandate letters of the Minister of Finance and the Minister of Environment and Climate Change ask them to implement rules on this and to require federal organizations to disclose their climate risks, as proposed by the TCFD. So this is underway.

I recommend that you look at section 23 of the new Canadian Net-Zero Emissions Accountability Act, whereby the minister of finance must disclose information on financial risks and opportunities related to the climate. I don't know when the Minister of Finance's first report will be published.

Ms. Nathalie Sinclair-Desgagné: Thank you very much. Your answer is very enlightening.

How much time do I have left, Madam Chair?

[*English*]

The Vice-Chair (Ms. Jean Yip): Sorry, Angela, how much time do we have left?

The Clerk: One minute.

The Vice-Chair (Ms. Jean Yip): One minute.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: That's great.

I will now put a question to the Équiterre representatives.

Two years ago, Équiterre published a report on federal subsidies for fossil fuels in Canada in 2020. All fossil fuel subsidies were then documented. The report concluded that

the reform and the phasing out of fossil fuel subsidies were a crucial step in securing a safe future in terms of the climate and a transition to a low-carbon economy. The report also stated that fossil fuels are undermining efforts in the fight against climate change, and that they are diverting significant government resources from sectors such as health care, education and social services.

Mr. Viau, are you surprised to see the government still continuing to fund the oil and gas sector, even though that is hampering the fight against climate change?

Mr. Marc-André Viau: Thank you for the question.

Yes, I am surprised because this is a climate crisis situation that has been acknowledged. At the same time, I am not surprised, in the sense that it is difficult to break out of our dependency. That requires efforts from all departments, including the Department of Natural Resources, the Department of the Environment and the Department of Finance, as the commissioners said. The commissioner actually talks a lot in his report about collaboration within government, among various departments, and about collaboration with provinces and municipalities. We are seeing a major lack of collaboration. Will is also needed to manage to eliminate fossil fuel subsidies in 2023.

• (1140)

[*English*]

The Vice-Chair (Ms. Jean Yip): I'm sorry, we'll have to move on.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Thank you very much, Mr. Viau.

[*English*]

The Vice-Chair (Ms. Jean Yip): Thank you.

We'll move on to Mr. Desjarlais, for six minutes.

Mr. Blake Desjarlais (Edmonton Griesbach, NDP): Thank you very much, Madam Chair.

I want to thank the witnesses who are present with us today, particularly the Commissioner. Thank you very much, and welcome to your very first testimony at the public accounts committee.

I had the opportunity to look at the report. I want to ask questions related to three portions of it: lessons 2, 7 and 8. To begin my questioning, I'd like to begin with lesson 2.

In this report, it suggests that our high reliance on, and abundance of, natural resources poses an interesting kind of irony and problem for Canada. We have this tremendous resource capability, like we do in my home province of Alberta. Through that, we've been able to invest in our economy and infrastructure. On page 15, you can see that the sector, to date, still employs a huge number of people—some 422,000 people in 2019 and, and particularly important to me, 10,000 indigenous people.

How can the federal government identify, and assist communities and workers most affected by the transition to a low-carbon economy? By identifying these workers, what kind of assistance will be required to ensure we can have a good transition to protect workers at the forefront, Mr. Commissioner.

Mr. Jerry V. DeMarco: I'll focus my answer on the concept of a just transition.

This committee focuses quite frequently on financial and other matters. On financial matters, we want to see how the numbers add up for the year's budget and also look at not just the deficit for the year but the total debt moving forward, or accumulated surplus.

We need to look at the climate in the same way. Greenhouse gases cannot continue to put us in an environmental debt not only for the present generation, but also future generations. We have to have that carbon budgeting approach to greenhouse gases like we do with monetary and fiscal issues.

The just transition is critical. We can't use a Darwinian approach to a just transition. It wouldn't be a just transition if we left communities behind. As we pointed out in our report, there are many communities and entire regions of the country that rely on fossil fuel exploration, development, processing, production, and so on. There needs to be a viable plan.

I believe that the current government is committed to that. We're actually doing an audit on the early days of the just transition for coal workers as a bit of a microcosm for what will need to do in other just transitions in the other fuel bases. I would say that no one should be left behind. The Government of Canada has a critical role, working with the provinces, territories, municipalities and indigenous communities, to make sure that no one is left behind as we go along on this important transition.

The transition is important, because if we don't do that, we'll have a different transition to a hotter climate, which is even more difficult to adapt to. We're going to be transitioning one way or the other. We're going to do it in a diligent way, and have a just transition to a net-zero world, or we're going to keep muddling through and have a much hotter world that will have increasing levels of disaster that we'll have to adapt to.

Mr. Blake Desjarlais: Thank you very much for that, Mr. Commissioner.

I want to discuss how that relates to lesson 7, in particular the collaborations among actors to find solutions.

I know, from my work, that there are tremendous numbers of partners across Canada, particularly workers and workers' unions, who want to participate in this plan. They want to feel encouraged in the development of Canada's energy future and to be participating in Canada's future mix. However, they feel excluded and are not part of this discussion with the government. They feel today as though they're still excluded from these discussions. I worked with indigenous partners for a very long time in my previous life. This is the reality facing them, as well.

How can the government actually ensure that it's hearing the voices of people who are impacted by this the most? To date, the people I've worked with have not.

Mr. Jerry V. DeMarco: It's absolutely essential to involve all actors, what we call in our report a whole-of-society approach.

As Commissioner, I report on the performance of the federal government, so the focus is there. The solutions are not entirely there. As you mentioned, the solutions are dispersed across all levels of government, communities and people. They are dispersed across the world, too, given that it's a global issue.

Canada can make inroads in that. One of them, and I used an example already today, is having a body like this that was focused on other matter previously, with the environment set aside as a niche area for others to be concerned about. I'm very happy to see this

committee expand its ambit of concern to look at climate. Government departments, especially central agencies, and the Department of Finance, for example, need to not only expand their ambit of concern to these important environmental and sustainable development issues, but also expand the ambit of input from the communities you spoke about.

This is absolutely crucial, especially at the local level, for climate adaptation. The communities are the ones that experience it. They should have a strong say in how we address it.

• (1145)

Mr. Blake Desjarlais: If I have enough time, Madam Chair, I'd ask one quick question related to the participation of youth and, of course the intergenerational equity piece.

With what kind of tool would you recommend to ensure that young people understand this problem and how this generation in particular is disproportionately being affected? I really enjoyed your framework, just mentioning the idea of debt, this carbon debt.

Can you explain or expand on that as a tool for young people?

Mr. Jerry V. DeMarco: I'm not sure that young people need to understand it better. It might be our generation that needs to understand it better. My experience with young people is that they're ahead of us on a lot of these issues, so I think we can learn from them in the spirit of your previous question. I think they, along with local communities and others, are important sources of input. It's their future at stake. We're supposed to be holding this planet and this country in trust for future generations, but for the last 30 years we've breached that trust.

I would say that youth have an important role. They themselves are self-organizing, and I wouldn't want to be too prescriptive about how they participate and how they learn about climate change, because I think there's no shortage of initiative on their own part to do that. It's whether our generation will listen.

The Vice-Chair (Ms. Jean Yip): Thank you very much.

We now have to move on to our second round of questions. We will have five minutes, starting with Mr. Cooper.

Mr. Michael Cooper: Thank you very much, Madam Chair.

I'm going to direct my questions to Mr. DeMarco.

Mr. DeMarco, I have questions arising from page 25 of your report on international climate finance. You note that the government had provided \$2.65 billion between 2016 and 2021 to help the developing world fight climate change and develop adaptive infrastructure. Since then the government has committed a further \$5.3 billion over the next five years. This amounts to a total of \$7.95 billion that Canada has contributed or will be contributing in total to the UN goal of mobilizing \$100 billion per year for this purpose. Your report included no breakdown of where that money will go or how it will be spent.

Do you have a breakdown of where the money, the \$2.65 billion, has gone to date?

Mr. Jerry V. DeMarco: It's an area that interests our office greatly in looking at the relationship between environmental and financial matters, as we've been talking about today.

We've highlighted this issue in the report and it's actually one that we're contemplating conducting a full audit of. I can't tell you what value for money they've received from those expenditures to date, but it is something that we're looking at closely and it may be something that we select as an audit for the coming year in making sure that Canadians are getting value for money from investments like that. This is similar to how we looked at the emissions reduction fund in November in assessing whether Canadians are getting value for money from these large expenditures that are intended to help with climate change, and whether these are in fact helping.

Mr. Michael Cooper: It is a very sizable amount of money, and just to be clear, at this point you are not in a position to comment on where the dollars have been allocated, what investments have been made and so on.

Is that right?

Mr. Jerry V. DeMarco: We've done preliminary research and are contemplating doing a full audit of this area, but we have not done one.

Mr. Michael Cooper: Thank you for that.

We have seen a government that talks a lot, but as you note, they have missed every single target. You made reference to the carbon tax as relatively new. It's been in place for six years. I don't know that I would characterize that as relatively new. As your report notes, Canada is performing the worst of any G7 country relative to its Paris commitments.

Since 2005, we have seen a 1.1% reduction in GHGs. That's notwithstanding the fact the government committed, pursuant to the Paris Agreement, to a 30% reduction, and now the Prime Minister has upped the ante to a 45% reduction.

How possibly can Canadians have any confidence that a government that has presided over an increase rather than a decrease in GHGs and has blown through every single target can meet that ambitious target whereby we would have to see emission reductions of 50 times what has been achieved over the last 14 years of just 1.1%?

• (1150)

Mr. Jerry V. DeMarco: Thank you.

Yes, it's a crucial issue, and lesson 6 is all about that. It's nice to have plans and targets, but if you don't act on them, then what are Canadians getting for all of this effort? The story from 1990 to 2019—which is the full time span for which we have data—has been about a 20% increase in emissions over successive governments, from the first commitment in the green plan to Rio, all the way to the present, so there have been a series of failures followed by failures and other failures. I would say that when the Greenhouse Gas Pollution Pricing Act was passed in 2018, it signalled a new approach. I would say it's too early to say, at the current level of the carbon levy, what percentage of the reductions will come from that vis-à-vis the other many programs—there are about 64 programs in Canada right now at the federal level. What I am looking forward to seeing is how the carbon price and other measures will add up in the new plan that is expected to be tabled next month under the net-zero act. We'll have to look at that new plan from Canada to see whether it adds up with the carbon price and all of the other measures to reach the new target you mentioned as well as to get us on the path to net zero for 2050.

Mr. Michael Cooper: How much time do I have left, Madam Chair?

The Vice-Chair (Ms. Jean Yip): Mr. Cooper, your time is up.

Mr. Michael Cooper: Thank you.

The Vice-Chair (Ms. Jean Yip): We're moving to Ms. Bradford for five minutes.

Thank you.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you very much.

I'd like to thank our professional witnesses for joining us today and for providing their expert testimony.

Following on the previous line of questioning, I'd like to point out that I think the report clearly identifies that all governments wear this and that you can't talk about just the present. The report also addresses the fact that many of the initiatives that we've put in place do not lead to instant results we'll be able to notice right away. It does take time to build on these things.

I feel that we all have to work together and engage the public, so my line of questioning will look at how we can enhance transparency and improve communication with the public and all sectors of society. Public support of initiatives to mitigate the effects of climate change and reach our climate commitments would be greatly improved by enhancing transparency about our progress towards meeting our commitments and the policy measures that we plan to put in place in the future.

Along that line, I am wondering if you could—and I'll address this to the commissioner—tell us how the federal government could strengthen Canadians' awareness of the climate crisis and the measures to address it. I know in some parties there's some discrepancy as to whether or not this is in fact a real crisis. I know it's certainly not the government's stance, but how can we improve that so we can get the buy-in of all Canadians? It's going to take all of us working together to tackle this problem.

Mr. Jerry V. DeMarco: Yes, that's an important lesson in our report: The need to continue the job of increasing public awareness of the issue. Certainly, it is much improved from what it was when I first became exposed to this issue in the early 1990s and when I attended the Rio convention in 1992, at which the UNFCCC was signed. The average Canadian now understands the problems with climate change. Unfortunately, it's taken years of inaction at the Canadian and global levels to reach the point where we're seeing the tangible effects in terms of extreme weather and more frequent extreme weather. I think the public awareness is getting there, though there's more work to be done.

In terms of accountability and transparency, which was part of your question, Canada needs to do a better job in not only coming up with plans but also disclosing the basis, assumptions and modelling for them, which is something on which Canada lags behind other countries like the U.K. in terms of transparency in the modelling. We've had plans over the years that, on paper, have appeared to add up but that, in practice, haven't even come close to adding up in terms of the reduction, so I think we have to be more transparent about the assumptions and also factor in when we go off script and put in programs that undermine our climate change efforts, which has happened as well.

• (1155)

Ms. Valerie Bradford: What are the knowledge gaps and sources of misinformation on the topic? How can they be best addressed?

Mr. Jerry V. DeMarco: As I said, the public's understanding of it is increasing. In our report, we note that Canada isn't necessarily a leader in the public understanding on climate. Other countries have done a better job of that, and have a better understanding of it. I think one of the things Canada could do is make sure that the issue of climate change is looked as a central priority for the country, not just as something that Environment and Climate Change Canada and Natural Resources Canada work on. It's something that is a whole-of-government, whole-of-society, challenge to deal with.

It's a difficult question. You know, "just transition" is a good name, but it's not an easy thing to do. There are short-term considerations that need to be dealt with in trying to do something as ambitious as changing the energy mix of our country. It's a huge challenge, but I think we owe it to future generations, to our children and our grandchildren, to do what we can rather than just throw up our hands and say it's too difficult.

Ms. Valerie Bradford: I agree completely. The decisions and choices that we make today are definitely going to affect the lives of future generations, so it's extremely important that we involve them as much as possible in the decision-making process. How can the principle of intergenerational equity be incorporated into institutional decision-making?

The Vice-Chair (Ms. Jean Yip): Please give a short answer.

Mr. Jerry V. DeMarco: Lesson 8 is a call to parliamentarians to ask questions like that. We've provided some questions about intergenerational equity. Essentially, as I said before, we have to expand our ambit of concern, get past just short-term expediency and move towards longer-term planning in looking at generations to come in terms of the effects of present-day decisions.

The Vice-Chair (Ms. Jean Yip): Thank you.

Madame Sinclair-Desgagné, you have two and a half minutes. Please go ahead.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Thank you very much, Madam Chair.

My question is for Mr. Viau and follows on from our discussion earlier, in the last round.

You used a strong term about investment in the oil sector; you spoke of dependence. And so great ills require great remedies.

What concrete solutions would you like the current government to implement, and to implement quickly?

Mr. Marc-André Viau: Indeed, I used a strong word, because it is true that we are experiencing a dependence on fossil fuels at the moment. A big part of our economy is based on the use and development of this resource.

What are the solutions? This was discussed earlier in the conversation. We talked about a just transition, which is also called a fair transition. A just transition is a key to breaking the chains of this dependency and providing alternatives to communities that depend on the extraction of these natural resources.

So this is a reality that is recognized. There needs to be a plan in place, and obligations, in the same way that obligations were put in place in Bill C-12, which became law, to which the commissioner was referring earlier.

So there must be government obligations to workers and communities. Plans are being developed and announcements were made during the election campaign. Now they need to materialize. As a priority, a just transition plan is needed, that is, strong legislation to ensure a fair and just transition for workers and communities.

There is also another aspect, which was also mentioned earlier, namely fossil fuel subsidies. As the commissioner said, fossil fuel subsidies must be abolished and we must ensure that fossil fuels are no longer subsidized. We are no longer just talking about abolishing “inefficient” subsidies; we have dropped that word, which is a good thing. Now, the last thing...

• (1200)

[English]

The Vice-Chair (Ms. Jean Yip): Thank you very much. We will now move on—

[Translation]

Mr. Marc-André Viau: Madam Chair, I'm finishing up my reply.

The last thing we need to do is make sure that fossil fuel subsidies are not replaced by other subsidies, such as those for carbon capture and storage.

[English]

The Vice-Chair (Ms. Jean Yip): Thank you.

Mr. Desjarlais, you have two and a half minutes.

Mr. Blake Desjarlais: Thank you, Madam Chair, and I'll be quick.

I want to return to the topic of young people with the commissioner. I'm the critic for youth for my party. I'm also the youngest member of this committee. I have done as much extraordinary work as I can in my own circles to educate my family and my community about what this impact could mean. I was also Alberta's indigenous climate change chair for uniting indigenous governments for a few years, and we have seen unique challenges in holding the government accountable. I want to specifically mention accountability.

Young people are organizing across the country. This is truly a crisis that is going to affect not just this generation but many more. My children and I and many people here whose families have children know this kind of fear.

My question is specifically on what we need to do to hold the federal government accountable for the promises it's made. What do young people have to do to hold them accountable? We've done as much as we can. You noticed, I think, some of the work that young people have done, but now when it comes down to accountability, what can young people do to hold the government accountable?

Mr. Jerry V. DeMarco: Beyond waiting till they're allowed to vote, they have quite a few years in which they can have their voices heard. Since being a relatively young person at the 1992 Rio conference, I've noticed that there has been a sea change since then both in terms of the climate getting worse and also in terms of the voices being heard by much younger people than I was back then as a university student.

It's a positive change to see that movement and mobilization of young people having their voices heard and, of course, the democratization of information through the Internet and so on has facilitated that. Are we just going to allow them to voice their concerns, or are we going to act on them? That's really the question now, and

that's why we ended the report on lesson number 8 in terms of intergenerational equity, because we do hold this planet and this country in trust for the future generations. We need to figure out how to make decisions that further that trust rather than breach it.

I can't give you specific examples of all the ways of doing that, but it is something that really needs to be done. We need to take seriously our obligations to future generations rather than just using it as a mantra or a buzzword. It's been codified in Canadian law already, but it hasn't been operationalized.

Mr. Blake Desjarlais: Just quickly, so on the one—

The Vice-Chair (Ms. Jean Yip): Thank you. I'm sorry, but we're done.

Mr. Blake Desjarlais: Thank you, Madam Chair.

The Vice-Chair (Ms. Jean Yip): Now we move on for five minutes to Mr. Bragdon.

Mr. Richard Bragdon (Tobique—Mactaquac, CPC): Thank you, Madam Chair, and Commissioner and to others who have appeared here today.

I just want to start with a question for you, Commissioner. Do you know how many megatonnes of carbon have been reduced due to the carbon tax?

Mr. Jerry V. DeMarco: I don't have that number off the top of my head, but I would say that having a carbon levy or pricing carbon is consistent with the principles of cost internalization and polluter pays, which are in Canadian law, and the Supreme Court of Canada has talked about the importance of carbon pricing as one of the important tools for addressing climate change—

Mr. Richard Bragdon: Thank you, Commissioner. I only have a short time, and there are a few questions I want to ask you in follow up.

Basically we don't know yet how many megatonnes of carbon have been reduced as a result of the carbon tax that has been in place in some jurisdictions for now over a decade here in Canada. So, we don't really have a metric. We're not sure if it has been successful, but we do know, however, that the cost of living for Canadians has gone up substantially due to various pressures, inflationary pressures, including the carbon tax, and yet we're not sure if it's having any impact on the reduction of carbon in the environment.

Then we go a step further. We can also probably deduce that this is most likely having a far more consequential impact on low-income Canadians living in rural Canada. So it's disproportionately affecting those in rural Canada as well as those who are more likely to be at a lower income level than other Canadians.

Is there a justification for the carbon tax approach if we can't even measure what we're seeing and we don't have a report? We don't have a study that says that so far this approach is working. A follow-up question to that is, if we are to put a price on carbon and we're not having impact to this point, by how much more do we have to increase the cost of living of Canadians in order to have an impact that would in fact reduce carbon?

• (1205)

Mr. Jerry V. DeMarco: There's a lot there. To start, we're very interested in the issue. We're undertaking an audit on carbon pricing, so stay tuned for that report from us later this year.

I would not agree with the proposition that it is not having an impact. I answered the question of whether I knew the exact number of megatonnes that the impact has been. That's a different question from whether there has been any impact.

Economic modelling has shown that pricing-in previous externalities such as greenhouse gas emissions can affect behaviour in a positive way if the price is at a level that signals enough to the consumer or to the producer to change that and so on. It is considered to be an efficient means of bringing about behaviour modification and therefore reducing emissions if the price is at a level that's high enough to make those changes.

Stay tuned for our carbon pricing report on that. We'll have more to say about that later this year.

Mr. Richard Bragdon: We look forward to that. I think that's going to be very important to us being able to move forward and ascertain the effect of this with that approach.

We also know—I think it's been established—that other jurisdictions that have not implemented a carbon tax have, as a result, seen even greater reductions in their carbon footprint on a per capita basis while expanding their energy sectors.

I believe that is out there, so is there perhaps merit in looking at what may be better approaches that actually achieve better results in reducing carbon without disproportionately affecting the cost of living for average Canadians?

Mr. Jerry V. DeMarco: We have to look at cost of living from both sides. We also have the cost of living with a hotter planet. You've seen the flooding, the heatwaves and the wildfires that also cost Canadians in terms of their pocketbooks, and for some people, their lives. We have to look at both sides of that equation in terms of the cost of climate change.

We have to adapt to not only climate change—because we didn't act soon enough—but we also to the measures we're putting in place to address it, such as carbon pricing, while not leaving behind the people you mentioned, such as people in rural areas or indigenous communities and so on, who might be disproportionately affected by high heating costs or something like that.

The federal government needs to look at a way to move that transition forward without leaving people behind and causing them to disproportionately pay for the common good of addressing the climate crisis.

Mr. Richard Bragdon: Madam Chair, do I have any time or is that it?

The Vice-Chair (Ms. Jean Yip): No, that is it.

Mr. Richard Bragdon: Thank you.

The Vice-Chair (Ms. Jean Yip): Thank you for asking.

Now we move on to Mr. Dong, for five minutes.

Mr. Han Dong (Don Valley North, Lib.): Thank you very much, Madam Chair.

First of all, I too want to welcome all the witnesses for coming today.

My first question goes to the commissioner.

What percentage of Canada's GHG reduction can be attributed to federal measures, as opposed to things that other levels of government have done?

Let's put a time on this and say in the last 10 years.

Mr. Jerry V. DeMarco: I don't have that number off the top of my head. Over the last 10 years, there has essentially been a flatlining of emissions. There hasn't been a substantial reduction. That's a problem in itself. Our curve has gone up over the last 30 years instead of down.

The federal government is the one that signs international agreements like the Rio Convention or the Paris Agreement, so it has an obligation to take the lead on them, but it can't do everything. Under our constitutional division of powers, the federal government can do certain things and the provinces and other levels of government—

• (1210)

Mr. Han Dong: That's exactly one of the biggest challenges right now.

I represent a riding in Ontario. In 2009, the Ontario government introduced a Green Energy Act, replacing 25% of its energy fleet from coal generation with renewable energy. Then in 2016, I think, the Ontario government chose the cap-and-trade system as opposed to a carbon tax.

I just want to point out that the federal government at the time gave the option to the provinces of choosing the method to reduce carbon emissions.

In your view—and I'm sure you talk to other levels of government and provincial commissioners and so on and so forth—what can the federal government do to ensure consistency with other levels of government so that when a policy is introduced...? For example, in Ontario right now they have cancelled the cap-and-trade system. To me, time is ticking. If we cannot move as a society constantly towards one direction and we're taking steps back, it's counterproductive and it's not responsible to taxpayers.

I'm sure you talk to other levels like other provincial commissioners and so on. In your view, what can the federal government do to ensure that this type of consistency in policies can happen in other levels of government?

Mr. Jerry V. DeMarco: Co-operation is ideal, but it's not always possible if there is a divergence of interests. You mentioned [*Technical difficulty—Editor*] done an audit of Ontario's plan, which we concluded was not based on sound evidence, at least not for the 2019 plan that we looked at.

You can see the problems if you rely entirely on co-operation with another actor whose plan doesn't add up. I would say what you need to have is minimum standards at the federal level that will make sure you achieve the outcome, but allow for provinces and territories to displace that mechanism if they have equivalent, effective mechanisms.

That's possible under carbon pricing. It's possible under methane regulations and other areas, like species at risk and so on, where the provinces can act, but if they don't, the feds should come in and make sure it is not a case of "Oh, well, we hoped they had done something on this, but they didn't." The federal government, as the one that has committed to the Paris Agreement and other agreements, needs to have that backstop to say that if there isn't sufficient action at the local, regional, provincial or territorial levels, then their system will apply.

That's true for a couple of areas, like carbon pricing and methane regulation, but not others.

Mr. Han Dong: Would you say that the general public understands points of this collaboration between the provincial and federal governments?

Mr. Jerry V. DeMarco: The general public looks to its governments as the expression of their collective will as to what they want the governments to do. They don't have a lot of patience for "not my department" or "not my level of jurisdiction" answers. They would really want their collective representatives at all levels to get together and work together. That's the whole-of-society comment we make in our report; we need everyone working together.

The federal government, though, with these global crises of climate change and biodiversity, definitely needs to take the lead. There is no doubt about that.

Mr. Han Dong: Thank you.

I want to ask Ms. Thorpe a quick question. What role do you see the private sector playing in this grand picture of carbon reduction?

[*Translation*]

Ms. Colleen Thorpe: The private sector, which is made up of employees and individuals, has a big role to play. Several measures should be implemented to encourage companies to have strategies to achieve high greenhouse gas reduction targets. This can be done through different government mechanisms. For example, the awarding of government contracts could include climate performance criteria.

Companies certainly need to contribute to this effort, not only through their own operations, but also through awareness raising among their staff, as mentioned earlier. The discourse on climate change needs to change.

[*English*]

The Vice-Chair (Ms. Jean Yip): Thank you.

Mr. Han Dong: Thank you, Ms. Thorpe.

The Vice-Chair (Ms. Jean Yip): Moving on to the third round for five minutes each, we'll start with Mr. Lawrence.

• (1215)

Mr. Philip Lawrence: Thank you very much. Once again, the chair is doing a fabulous job.

I'll be splitting my time with Mr. Morrice.

Madam Clerk, would you mind tapping me in about two minutes or so?

The reality is that if economics didn't matter at all, we could get to net zero tomorrow and we could shut down all our industries. It is a weighing of balances. I don't see anything in this report about the impact.

I'll ask you a straightforward question, hoping for a numeric, empirical answer. If we wanted to get to net zero by 2025, what would the economic impact be? What loss in our GDP would we have?

Mr. Jerry V. DeMarco: To get to net zero by 2025 would be quite ambitious. I would say that it's probably impossible to do without serious disruption. That's only three years from now, and we were at something like 700 megatonnes of emissions in 2019. To get down to zero in three years—2050 seems a long way off, but 2025 is probably too soon.

Mr. Philip Lawrence: When you say "disruption", to be clear, that would mean a significant downturn in our economy. Would we not impoverish millions?

Mr. Jerry V. DeMarco: To go to net zero within three years.... I haven't seen any modelling about that, but I would say I don't think anyone seriously thinks that we could bring about a just transition that rapidly in a country like Canada, which has such resources—

Mr. Philip Lawrence: Is there a report, or will there be a report, showing the economic impact overall if we were to reduce net zero to 2025 or to 2030? Are we going to see any side of the other equation?

For example, there are thousands of oil and gas workers who are dependent on oil and gas for their very livelihood. Are we going to have any comment about that, or are we just looking at one side of the equation?

Mr. Jerry V. DeMarco: No, we need to look at the whole part of the equation. I'm just saying that 2025 is too soon a target to look at. I don't think it's really feasible to do that quick of a transition to zero when we're at 700 right now.

Perhaps if we had started on this earlier—

Mr. Philip Lawrence: Thank you very much.

I'm sure we'll hear the exact same line of questioning from the member of the Green Party.

Mr. Mike Morrice: Thank you, Mr. Lawrence, for your collaborative approach, particularly given the difference in our line of questioning.

I want to point out again that, in the report, the commissioner points out that the majority of Canadians want more ambitious climate action. I really appreciate that the folks from Équiterre were at COP26 this past year, so I want to direct my questions towards them.

Specifically about this, what's the point in learning a lesson if you're not going to apply it? We're not going to have another 20-year plan. If we have this kind of failure after failure, 20 years from now the question about survival of our species is at hand.

Constructively, we have the current governing party talking about this tax credit for carbon capture, which is another fossil fuel subsidy, as called out by 400 academics across the country.

I wonder if Ms. Thorpe or Mr. Viau would like to comment on the importance of apply this lesson that has been called out here with respect to the incoherence of investing in fossil fuel subsidies and buying a pipeline with respect to then trying to take action on climate at the pace that science requires us to.

[Translation]

Mr. Marc-André Viau: I'll answer first, then I'll let my boss, Ms. Thorpe, add her comments.

You raised several points in your question.

Earlier, we talked about the effectiveness of carbon pricing. I recall that 96% of Canadians voted for parties that offered some form of carbon pricing. So I think the goal of carbon pricing has been accepted.

We've talked about the effectiveness of carbon pricing, but now let's talk about the effectiveness of carbon capture.

You mentioned the letter from the 400 experts. You have to understand that we're talking about carbon capture of 0.1% of emissions, never mind that emissions are growing. This will not reduce greenhouse gas emissions at all. However, Canada does need to reduce its greenhouse gas emissions.

That said, the committee members are asking very good questions and addressing the right issues.

A little earlier we talked about the just transition. The issue of jobs is central. About 450,000 jobs are related to this industry, 170,000 of which are directly dependent on it.

We need to think in these terms if we are going to get to the point of reducing greenhouse gas emissions.

This reduction is imperative. Earlier we talked about the impact of climate change on the cost of living. Let's be honest: these impacts are greater than the impact of carbon pricing. At the moment, the cost to agriculture is immense, because of droughts and floods. We need to address that, or we're going to have a big problem.

• (1220)

Ms. Colleen Thorpe: I would like to supplement my colleague's response by reminding you that natural infrastructure is the most effective way to capture carbon. Maintaining natural infrastructure, such as forests and different environments, is the most cost-effective way to reduce greenhouse gas emissions in Canada. This is better than investing in unproven carbon capture solutions.

[English]

Mr. Mike Morrice: Do either of you want to share the impact that could have if we were to use those same funds to invest in the job security and retraining of workers?

[Translation]

Mr. Marc-André Viau: In fact, that's what we have to do.

There are definitely going to be climate impacts. We have to use resources to make a transition that is planned, that is regulated and that will make sure that no community is left behind. That is the priority. We need to make the transition to renewable energies, but that does not mean that we should abandon communities. On the contrary, it means looking after those communities and those groups.

We see that investors are becoming more and more skittish and that insurers are becoming more and more worried. So there is a movement that means that we will not be able to continue like this.

[English]

Mr. Mike Morrice: Thank you to each of the witnesses for your testimony, and thanks again to my colleagues for the chance to be a part of this conversation.

Thank you.

The Vice-Chair (Ms. Jean Yip): Now we move on to Ms. Shanahan for five minutes.

[Translation]

Mrs. Brenda Shanahan: Thank you very much, Madam Chair.

I, too, would like to thank the witnesses who are with us today.

I would also like to thank all my colleagues who are fully engaged in this important study. It is truly rewarding to see all political parties committed to working together to address climate change and make the transition that is needed.

My first questions are for the commissioner.

Commissioner, this landmark report on Canada's response to climate change is a first, is it not? What motivated you to do this analysis? What was the idea behind it?

Mr. Jerry V. DeMarco: This report is indeed somewhat different from all the others. We have summarized the audits that have been carried out from 1998 to date. Our aim was to give a historical picture of everything that had been done. Perhaps we applied lesson 8 ourselves: a typical performance audit covers the previous two or three years, but we realized that in this case we had to look at a much longer period, in this case 30 years. The period covered therefore starts when Canada began to be a leader in the fight against climate change and ends now, when Canada is no longer a leader in terms of its actions and their results.

Sometimes things can be learned by looking at small periods of time, but in this case we needed to look at a longer period of time, as evidenced in our lesson number 8. We looked at what had been done to achieve targets or plans that had been set not two or three years earlier, but 30 years earlier.

So we incorporated into our report all the lessons learned from what had been done over the past 30 years.

Mrs. Brenda Shanahan: As part of the work of this committee, audits are important too. So I look forward to seeing the audits that you mentioned. Some of them are ongoing, and concern the measures and policies that have been implemented.

In your opinion, Mr. DeMarco, what are the biggest obstacles right now to coordinating the work that needs to be done on the ground to achieve our targets? I'm asking this question with a focus on governance and accountability, because that's really what the committee's work is about.

• (1225)

Mr. Jerry V. DeMarco: There are many obstacles.

First, departments work in silos. Not only the federal, but many other governments are organized in such a way that departments each have their own mandate. However, the challenges are there horizontally, that is, they affect all departments. So we need to rethink the vertical system and figure out how we can work horizontally within the same level of government.

Then, the different levels of government, for example provinces, territories, municipalities and indigenous communities, need to work together to really make sure that they get results, rather than just making plans and setting targets. In Canada, we've had a lot of plans and targets over the last 30 years and a lot of studies, but not a lot of results.

In this respect, we differ from other G7 countries. Since 1990, our greenhouse gas emissions have increased by 20%, while those of the other G7 countries have not increased, or in many cases have even decreased by 30% to 40%. Canada has not contributed to the GHG reduction effort, unlike its G7 partners.

Mrs. Brenda Shanahan: In other words, we have work to do.

Mr. Jerry V. DeMarco: Yes.

[*English*]

Mrs. Brenda Shanahan: Chair, do I have any more time?

The Vice-Chair (Ms. Jean Yip): No. Thank you.

Now we will move on to Madame Sinclair-Desgagné.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Thank you very much, Madam Chair.

We've heard a lot about the economic consequences of disinvestment in the oil sector, especially in the west, where many jobs depend on this sector which is gorged with subsidies from our taxes.

Mr. DeMarco, I would like to hear you speak briefly about the economic consequences of inaction.

How much has this inaction cost so far and how much will it cost us in the next few years if we don't act quickly and strongly?

Mr. Jerry V. DeMarco: Thank you for the question.

The cost of inaction is probably higher than the cost of action, as we have heard before.

In our office, Ms. Da Costa read the new report from an organization that has looked at the cost of inaction, quantitatively. These are not our figures or calculations, but Ms. Da Costa could give you some examples of these costs, particularly in relation to health and infrastructure.

Can you talk about that, Ms. Da Costa?

Ms. Elsa Da Costa (Director, Office of the Auditor General): Yes. Good afternoon.

We looked a little bit at the cost of doing nothing. We've been looking primarily at reports published by the Canadian Institute for Climate Choices a few years ago, regarding infrastructure and health.

For example, they talked about a cost of about \$450 million just for flooding in the west, and that was just the initial cost for insurance. I know that several insurance groups have started to calculate their costs for each natural disaster. So the costs associated with inaction on climate change are enormous.

• (1230)

Ms. Nathalie Sinclair-Desgagné: Perfect. Thank you very much, Ms. Da Costa.

Your words rounded off my intervention. In short, the experts here agree that the cost of inaction is higher than the cost of action.

At the same time, we can conclude that, unfortunately, regardless of the government in place, in recent years strong measures have not been put in place, and we are still suffering the consequences today.

[*English*]

The Vice-Chair (Ms. Jean Yip): Thank you.

We will now move on to Mr. Desjarlais for two and a half minutes.

Mr. Blake Desjarlais: Thank you, Madam Chair.

I want to thank the witnesses again.

I'd like to focus in particular on one aspect of the report related to the overall theme of it, which is the lessons learned.

You've made a really excellent review of the last few decades and have been able to summarize for us parliamentarians the direct result of inaction. These are really scary and dire results that you folks are presenting today, and I want to be able to give Canadians across the country the clear answer as to what this report means for Canadians moving forward.

Just to quote a portion of it, “Canada's 2021 National Inventory Report...emissions were 730 megatonnes of carbon dioxide equivalent in 2019, while its target for 2020 was 607 megatonnes.”

It's a true fact that Canada's emissions have increased and continue to increase. This is a real fact that Canadians have to understand for your purposes of public education.

Will you comment on the reality and fact that government, whether the current one or previous ones, has truly failed to hit our greenhouse gas emission targets, and could you describe what that could mean for Canadians?

Mr. Jerry V. DeMarco: Yes, that's the point of having the graph on the cover of our report, to remind people that, not only is the emissions curve disturbingly increasing, it has increased substantially since we started work on this three decades ago.

That differs from the other G7 nations, two of which have stabilized their emissions, and the others that have decreased them substantially. Canada has not walked the talk in terms of climate action, and this is despite having been, essentially, a leader in the field in the late 1980s with convening the first major conference on this issue in 1988, the green plan and then our leadership role at Rio, so Canada has to turn its good intentions into actions.

We don't want another hot destination to be paved with good intentions, as the saying may go. This is something that is a huge challenge, and it's really, as I've said before, something that obliges us to act in a way that preserves our environment and our quality of life for future generations.

Mr. Blake Desjarlais: Mr. Commissioner, just to be frank, the current federal program will not hit our targets, correct?

Mr. Jerry V. DeMarco: No, we don't have a plan that meets our targets right now. The old plan is for the old target, and it was going to exceed the old target by a few percentage points. The old target has been displaced by the new target of 40% to 45%. The new plan that's coming out next month should add up. It's not for us to put it together; it's up to the federal government to put it together. But they have their 40% to 45% target for 2030 and they have an obligation in law to put out that plan by the end of March.

Mr. Blake Desjarlais: Thank you, Mr. Commissioner, and members for your hard work on this. It means a lot to me and Canadians.

The Vice-Chair (Ms. Jean Yip): Thank you.

Now we move on, for five minutes, to Mr. Cooper.

Mr. Michael Cooper: Thank you, Madam Chair.

I'll direct my questions to Mr. DeMarco, following up on where I left off with respect to this government's record and its target of 45% in just eight years from now.

We saw a 1.1% reduction between 2005 to 2019. On the back of a paper napkin at the Biden climate summit farce, the Prime Minister came up with a new number of 45%, even though, of course, the government is so far off from meeting its Paris commitments and is the worst of any country in the G7.

I would just ask you, Commissioner, do you believe there is any possibility that the government could realistically meet a 45% reduction when it is so far off the mark to date?

• (1235)

Mr. Jerry V. DeMarco: If the best predictor of future performance is past performance, then I would be a pessimist and I'd say it's not going to happen. But you see on the last page of our report that we strike an optimistic tone. Because of certain changes, including the carbon levy, the codification of net zero into law, the requirement for a new plan, there's reason to be optimistic. There's reason to be optimistic for other reasons, too, in terms of society's understanding of the problem and the global momentum. It is possible to meet it; it's a question of will. Will the government do what it takes to actually come up with a plan next month, and then, most importantly, implement that plan to achieve the target in 2030 and then eventually in 2050?

Mr. Michael Cooper: With the greatest of respect, Mr. DeMarco, we would have to move 50 times faster than we have to date. This is after the implementation of a carbon tax and after a phasing out largely of coal fire-generated power throughout the country, which is low-hanging fruit so to speak. Again, on 45%, I thought your report optimistically spoke of 36%, and that really sounds optimistic.

Mr. Jerry V. DeMarco: The 36% is the federal government's current projection of what their old plan would achieve. They're going to have a new plan next month. It is possible. As some of the witnesses—

Mr. Michael Cooper: Sorry to interrupt. You said it's possible. At what cost?

Mr. Jerry V. DeMarco: That is what I was going to get to. It will be a big cost for both alternatives. One is adapting to a net-zero future and changing our economy to make sure that happens. That will come at a cost. But the cost of inaction.... There is no null alternative left, right?

We can't just say, we're going to continue with the status quo, because our carbon budget will be broken. We'll break the bank in terms of our GHG emissions and how much will be in the upper atmosphere heating the planet, which will just have a different type of cost for us in the form of flooding and premature deaths from heat waves and so on. Unfortunately, because of 38 years of inaction, globally and in Canada, we're facing two unattractive options: a major restructuring to reach net zero, or, if we don't do that, a more catastrophic level of climate change, with mass migrations and extinctions and so on.

Mr. Michael Cooper: Do you have any metric, any number, you can point to of the economic impact of going from a 1.1% reduction to a 45% reduction in the span of eight years?

Mr. Jerry V. DeMarco: Under our new obligation under net-zero act, as soon as that new plan comes out next month, then we are going to start diving into it. Are these realistic at a cost—

Mr. Michael Cooper: How can you say, Commissioner, that it's possible if you can't even provide any metric with respect to the economic impact?

Mr. Jerry V. DeMarco: Well, I can say that it's possible to do it. I haven't said what the cost would be. It's certainly technically possible to do it, even things that—

Mr. Michael Cooper: I guess if we shut down everything in Canada, we might be able to do it, but, I mean, is that realistic?

Mr. Jerry V. DeMarco: That's not realistic. It's going to be—

Mr. Michael Cooper: It's not realistic.

Mr. Jerry V. DeMarco: —a transition between now and 2030. But it's not realistic to keep having the planet heat up and then just deal with other types of costs, like flooding and health care and—

Mr. Michael Cooper: Commissioner, that's nice; that's nice. That may be the case, that it's not good to see that, but my question was specifically about achieving a 45% reduction. You provided nothing to back up the assertion that it's...that it might be possible.

Mr. Han Dong: I have a point of order, Chair.

Mr. Jerry V. DeMarco: The obligation in the act is for the federal government to come up with a plan and then we'll audit it. That's what—

The Vice-Chair (Ms. Jean Yip): We have a point of order.

Mr. Han Dong: Thank you, Chair.

I think we're all very appreciative of having witnesses come to give their thoughts. My point of order is that if a member is asking a question, I think it's fair for a witness to use, maybe not exactly to the second, but at least the same amount of time to answer. I think that's beneficial for all members of this committee.

Thank you.

The Vice-Chair (Ms. Jean Yip): Thank you.

Mr. Michael Cooper: I think that was largely the case, Mr. Dong, but I take your point.

The Vice-Chair (Ms. Jean Yip): Please go ahead, Commissioner.

Mr. Jerry V. DeMarco: I think I've made my point. The costs of action are significant. The costs of inaction are also significant. Unfortunately, because of decades of inaction, we don't have the status quo null alternative that we can continue on with. It isn't going to work.

• (1240)

The Vice-Chair (Ms. Jean Yip): Thank you.

Mr. Dong, you have five minutes.

Mr. Han Dong: Thank you, Madam Chair.

First of all, I want to share some of my thoughts on this issue.

Colleagues, we all understand that this is about human survival. It's about the survival of our kids and their kids. The conversation about whether or not climate change is real or about whether or not we need to transition away from fossil fuels—that conversation is done. The train has left the station. All major countries on this planet, their governments and their leaders, recognize this. That's why

we have all these international agreements. I think the conversation for us to have as opposition parties and governing parties is this: How do we transition to cleaner energy, or actually a cleaner future, most efficiently and as quickly as possible? I think that's the conversation we're having.

With that, I want to turn to you, Commissioner. I have a lot of friends from Alberta, and they're telling me that the support for renewable energy and energy storage has been pretty vibrant. There's a lot of conversation about that. I'm sure you talk to your international colleagues. First, can you share with the committee what you observe in Canada from different provinces in terms of their general attitude towards renewable energy? Second, what do you hear from other countries? What are they doing? Obviously, they're doing better than we are, according to the report. What are they doing that we are not doing and should be?

I know you're not into policy suggestions and whatnot, but can you share with us some of the things that they're doing and we're not that can probably help us in the future?

Thank you.

Mr. Jerry V. DeMarco: I guess the biggest difference between other countries and ours is commitments being followed up by action. That would be the biggest difference in terms of what we're seeing elsewhere. Canada has had no shortage of commitments, but unfortunately has had a disappointing set of actions in terms of the climate change record.

I'd like to bring this back to the non-partisan nature of this committee and the depolarization point that we make in our report. You're absolutely right: We do need to work together. The interests being expressed by the various members today are not unimportant. We do need to figure out how this transition will work so that people aren't left behind in some sort of Darwinian transition, where communities or regions are left holding the bag while others transition to a net-zero future.

We have to be in this together and recognize that in terms of all of our interests—a healthy environment and quality of life for our future generations—everybody in this meeting, I believe, shares those interests. It's just a question about how to do it. That's why we focus on depolarizing the debate about whether we should do something and focus on what are the best tools to accomplish the government's commitments to a net-zero future and significant reductions by 2030.

Mr. Han Dong: Thank you.

Chair, I'll give the rest of my time to my colleague, Peter.

Mr. Peter Fragiskatos: Thank you to Mr. Dong.

I have a question for Équiterre. In the opening remarks, the suggestion was made that there ought to be massive training of public servants on the issue of climate change, and, specifically, global warming. I take your point. That's a huge undertaking, though.

How should that proceed, number one, and number two, are there other countries, other democracies, that have carried this out?

[Translation]

Ms. Colleen Thorpe: Thank you for the question.

All of the questions today demonstrate that it is imperative to change the discourse on climate change and make it clear that it is an existential emergency and threat. Unfortunately, this is not at all the way it is understood, as the commissioner's report demonstrates.

In recent years, the government has provided guidelines for training. I gave the example of the rights of indigenous peoples. In its genuine desire to curb systemic racism within institutions, the government has offered training to civil servants on this subject. They are taking modules during their working hours.

This is not something new. In the days of the Harper Conservative government, there was safety training. There have always been different types of training. So the mechanisms are there, and outside organizations can design very factual training, to depolarize the debate and make room for something more constructive.

You also asked me if training of this kind was available in other countries. I have started to research this. I know it's done in Germany and France, but it's something that should be explored further.

• (1245)
[English]

Mr. Peter Fragiskatos: Thank you very much. I don't think I have much time, but look forward to thoughts at future meetings, maybe, on how those countries have done and what Canada can learn.

The Vice-Chair (Ms. Jean Yip): Thank you.

We are now on to our fourth round.

Please go ahead, Mr. Bragdon, for five minutes.

Mr. Richard Bragdon: I will yield my time to Mr. Lawrence.

Mr. Philip Lawrence: Thank you, Mr. Bragdon, I really appreciate that.

My riding of Northumberland—Peterborough South is close to several nuclear energy facilities where there are many great jobs. I'm also of the view that nuclear has to be a critical part of our future. I'm wondering if the commissioner could see if there is any way of achieving the target without at least continued if not greater reliance on nuclear power going forward.

Mr. Jerry V. DeMarco: Nuclear is part of the mix in several of the jurisdictions around the world, including provinces such as Ontario, which has a large amount of generation from nuclear as well as hydro and renewables. It took a lead in phasing-out coal. That was in response to an earlier question. It was one of the major provincial initiatives that had the effect of addressing greenhouse gas emissions.

I'm not a policy-making commissioner or a policy adviser commissioner. The role is to look at whether commitments are being met—

Mr. Philip Lawrence: No, no, excuse me, I'm sorry, but my time is short.

However, you are supposed to hold the government to account, and just like if I were looking at a financial statement, if I said there

weren't bonds or there weren't stocks in a certain portfolio, we wouldn't be able to make our investment target.

This is more than a reasonable question, and one, quite frankly, you should be prepared to answer. I'm a little bit disappointed that you appear not to be.

Mrs. Brenda Shanahan: A point of order.

Mr. Jerry V. DeMarco: I am happy to answer.

Mrs. Brenda Shanahan: Chair, I'm sorry. We have a respectful atmosphere in this committee. Badgering the witness is not congenial to that. I think Mr. Lawrence should apologize to the witness.

Mr. Jerry V. DeMarco: Thank you.

I'm prepared to elaborate a bit on that, because I don't know if I fully answered his question.

Madam Chair, may I proceed?

The Vice-Chair (Ms. Jean Yip): Yes, please go ahead.

Mr. Jerry V. DeMarco: We touched on this a little earlier in the first hour. In the current mix, especially in Ontario and some other jurisdictions around the world, nuclear is a major part of a low-emissions grid. I foresee that continuing at least in the short-term.

Why I say I can't foresee the future all the way to 2050, and whether there will be other countries—

Mr. Philip Lawrence: Thank you, sir. I don't mean to interrupt, but my time is short.

In the absence of a great new technological development, we have three primary sources. One is renewables, which everyone here, I'm sure, would like to see more of, which include solar and wind. Unfortunately, they're intermittent technology. Then we have fossil fuels and then we have nuclear.

Right now—correct me if I'm wrong—if we want to reduce fossil fuel-generated energy, we need at least the same amount if not more nuclear, because, as I said, renewables are intermittent technologies, and we currently don't have the batteries to store their intermittent power. So we need nuclear and we need more nuclear.

Mr. Jerry V. DeMarco: So is that a question?

Mr. Philip Lawrence: Yes. I want you to agree with me.

Mr. Jerry V. DeMarco: I'm sorry, but I can't agree with you on that. Policy choices are for the government, but they do have to add up. I'll agree with you on that, that the numbers do have to add up, and it is frustrating for Canadians to see that 30 years' worth of numbers in the plans have not added up in terms of results. The recipe going forward will surely change as technology improves, and, as you mentioned, energy storage, whether it's through batteries or reservoirs or something else, is crucial, as is conservation. We haven't talked much about that, but we also have to become much more efficient in how we use energy, of course.

• (1250)

Mr. Philip Lawrence: Do I have any time left, Madam Chair? I have more questions.

The Vice-Chair (Ms. Jean Yip): Yes.

Mr. Philip Lawrence: With respect to resilience, I think this is an area in which we need greater investment. We've seen with China's recent announcement that they will not be investing in coal reduction. In fact they said it should be the developed nations—I believe those were the exact words—that are making these investments.

With that being said and China being one of the primary polluters, if you will, I don't see how we will hit our targets, our global targets, without China's help, so we need to brace for impact.

Is that not fair?

Mr. Jerry V. DeMarco: Because Canada and countries around the globe didn't act proactively enough on this when they had the chance several decades ago, we have to now work equally on the—

Mr. Philip Lawrence: Excuse me, sir, but that's factually incorrect, right? Canada produces 3% of GHG emissions. It's less—2.6%—I'm told, so if we'd gone down to zero, we would still be on the same trajectory we are on, according to your views. Tell me, how much will the world be increasing in temperature and what will be the impacts if we don't reduce our GHG emissions? Canada's 3% won't make the difference.

Mr. Jerry V. DeMarco: We're a globe with around 200 countries, and each one—this is the tragedy of the commons issue—can't solve this issue on its own, and all of the smaller nations by population can't just say they're small so they don't have to do anything. That's not an equitable approach to dealing with an international problem.

Mr. Philip Lawrence: Just to be clear, sir, I wasn't saying that.

The Vice-Chair (Ms. Jean Yip): Thank you. That's the end of the answer there. We're moving to Ms. Bradford for five minutes.

Ms. Valerie Bradford: Thank you so much. I once again want to thank our witnesses for coming today.

I know it has been a long couple of hours, especially for you, Mr. DeMarco, and I just have a final question to wrap up.

I want to thank you for coming and speaking to this very important report about lessons learned. I think it's very clear that all of us, all countries in the world, and all of us individually as people and citizens of the world, and all industries and sectors are going to have to do their part if we're going to be successful in mitigating the damage of climate change. We have a lot of catching up to do and we need to get on with it.

So I am wondering, Mr. DeMarco, if you could indicate which of these eight lessons are going to be easier to implement and which of them will be the most challenging. Thank you.

Mr. Jerry V. DeMarco: Okay. Because of the time, I'll use examples rather than going through all eight.

It should be relatively easy to increase collaboration, especially within the federal government, and not to have, for example, Environment and Climate Change Canada pushing on one side of the

rock and Natural Resources Canada pushing on the other side of the rock, which has happened in the past, as they are trying to push the rock up the hill, to use an analogy. So that's low hanging fruit, in one sense, for the government to get its act in order and to look at that in a horizontal or centralized manner.

Lesson number 8 is difficult. We have a lot of structures in society—governmental and non-governmental—that discount the future, as I mentioned, and it will be hard to have people think about long-term implications and not just think about them but act on them. So that's a challenge but I don't see a way out of this without really addressing that challenge.

You mentioned that this is a long two hours. I'm very pleased to have a non-partisan committee engaging on these issues. I'm happy to stay here the rest of the day if you want me to. It's good to see.

Mr. Philip Lawrence: That's a done deal. I'm enjoying it as well.

I'm sorry. I know that was out of order.

Mr. Jerry V. DeMarco: Thank you.

I'm really happy that you're having these conversations and that no one is denying climate change in this conversation. We have depolarized it to a certain extent. There are legitimate questions about the effects of a short-term adaptation to a net-zero future and legitimate questions of the effects and what happens if we don't. I'm happy that you're having these conversations at this committee.

• (1255)

Ms. Valerie Bradford: Thank you very much.

That was my final question, but I believe Han has another question.

Mr. Han Dong: I do. I have lots of questions.

Commissioner, thank you so much. We're learning a lot.

You mentioned that on the road to transition, we can address some of the social and economic problems as well. In Ontario, shortly after the introduction of the Green Energy Act, they created an industry of renewable energy. At the time, it was one of the leaders or destinations for foreign investment, so we saw a lot of jobs being created.

What's your observation from a commissioner's view? Would you say that was a successful or good example for other jurisdictions or provinces to take a look at and learn from? Alternatively, would you say now it's too late and we've lost the competitive edge compared to other jurisdictions in the world in attracting investment and creating jobs in that transition?

Mr. Jerry V. DeMarco: You're touching on one area that we haven't talked about today, which is the opportunities of action.

We've talked about the costs of inaction and the costs of action, but there are also the opportunities of action. A renewable future requires significant investments in the private sector and they have the opportunity to profit from that, too, as well as from the related jobs that will be in those sectors.

The whole coalescing conversation around the opportunities that adapting to a net-zero future presents is something we haven't talked about much today. However, under the new legislation, the Minister of Finance is supposed to talk not just about the risks, but the opportunities associated with climate change under section 23 of the new legislation.

It's an important area and we do need to talk more about those opportunities.

Mr. Han Dong: Do you think that benefit will trickle down to the different provinces?

Mr. Jerry V. DeMarco: It has to under the just transition approach. It has to. We shouldn't be, as I said before, writing off certain provinces that might have profited from fossil fuels in the past. They have to be able to profit from the green transition as well, and that's the just transition concept.

Mr. Han Dong: Thank you.

The Vice-Chair (Ms. Jean Yip): Thank you, Commissioner.

I'd like to thank all of the witnesses who have come today. It has been a very interesting and engaging meeting. Thank you very much.

Before we adjourn, will the committee be willing to meet for 30 minutes in camera on Thursday? As this is not an audit, the analysts' report will be drafted differently and they want to ask for recommendations from the committee. We can put it on notice for Thursday.

Are we in agreement?

Angela, I'm sorry. I cannot see the in-person response.

Mr. Philip Lawrence: We are in agreement here. I'm not sure about Peter. He might be on the other side, but we are on this side.

Mr. Peter Fragiskatos: We're good.

The Vice-Chair (Ms. Jean Yip): That's great.

Thank you very much, everybody. Have a great day.

We are now adjourned.

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