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• (1100)

[English]

The Chair (Hon. Karina Gould (Burlington, Lib.)): Good morning. I call this meeting to order.

Welcome to meeting number seven of the House of Commons Standing Committee on Finance. I hope everybody had a happy Thanksgiving and a good week in your ridings. We're glad to be back here in Ottawa.

[Translation]

Before we begin, I would ask all in-person participants to read the guidelines written on the updated cards on the table. These measures are in place to help prevent audio and feedback incidents, and to protect the health and safety of all participants, including the interpreters. You will also notice a QR code on the card which links to a short awareness video.

Today's meeting is taking place in a hybrid format.

I would like to remind participants of the following points: Before speaking, please wait until I recognize you. For those participating by video conference, click on the microphone icon to activate your mike and please mute yourself when you are not speaking.

[English]

For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation—floor, English or French. For those in the room, you can use the earpiece and select the desired channel. For members participating in person or via Zoom, please raise your hand if you wish to speak. The committee clerk and I will do the best we can to maintain a consolidated speaking order. I will remind you that all comments should be addressed through the chair.

Pursuant to the order of reference of Thursday, June 12, 2025, and the motion adopted on Monday, September 22, 2025, the committee shall resume consideration of Bill C-4, an act respecting certain affordability measures for Canadians and another measure.

I would like to welcome our witnesses. We have the honourable Gregor Robertson, Minister of Housing, Infrastructure and Communities—thank you for joining us—and Paul Halucha, deputy minister

Minister, you have five minutes for your opening remarks.

[Translation]

Hon. Gregor Robertson (Minister of Housing and Infrastructure): Thank you.

[English]

Hello, everyone. It's good to be with you. Thank you for inviting me to appear before you to speak about the making life more affordable for Canadians act.

Canada is facing a housing crisis, leaving many Canadians without affordable homes. The Government of Canada is taking action to create transformational change in our country's housing system, implementing a range of measures to help lower housing costs. As part of the proposed Bill C-4 currently being studied by the committee, the federal government has introduced a number of tax measures to help improve affordability and boost housing supply. If passed, the measures in Bill C-4 would help more Canadians get into the housing market.

[Translation]

One example is the first-time home buyers' GST rebate, which is intended to help first-time home buyers enter the housing market.

• (1105)

[English]

The measure would support first-time homebuyers by eliminating the GST on new homes up to \$1 million and reduce the GST for new homes between \$1 million and \$1.5 million. By implementing this measure, Canadians would save up to \$50,000 on a new home.

[Translation]

This GST rebate will help incentivize first-time home buyers to consider buying a newly built home rather than a home in the resale market. In turn, increased demand for newly built homes will encourage developers to build more homes and grow Canada's housing supply.

[English]

It is estimated that, at maturity, this measure would apply to approximately 47,000 newly built homes annually and deliver as much as \$3.9 billion in tax savings to Canadians over five years. This measure would be available to eligible first-time homebuyers who are at least 18 years old and are either Canadian citizens or permanent residents. Buyers will not be eligible for the rebate if they have lived in a home owned by either themselves or their spouse or common-law partner as the individual's primary place of residence in the previous four years.

The rebate will be available for many different types of housing, including detached homes, semi-detached homes, row houses, townhouses and duplexes, residential condominium units, certain shares of co-op housing corporations, and mobile homes and floating homes. It really applies to a very diverse range of different new homes.

[Translation]

This legislation is only part of this government's plan to lower housing costs for Canadians.

[English]

On September 14, the Prime Minister and I launched Build Canada Homes, a new federal agency that will finance and build affordable housing. It will leverage public lands, offer flexible financial incentives, attract private capital, facilitate large portfolio projects and support manufacturers to build the homes that Canadians need. With an initial capital investment of \$13 billion, it will catalyze a more productive homebuilding industry and support more affordable housing options for low- and middle-income households.

We are also taking action to lower costs for Canadians who cannot or do not want to own their home. The government already has introduced a 100% GST rebate for new purpose-built rental housing, which is having a positive impact on the construction of new rental housing.

[Translation]

Building more rental supply means more options for Canadians who rent their home, and will help lower rents, particularly in tight housing markets.

[English]

Together, these measures will lower costs for Canadians and help young people buy their first home, a dream that was attainable for their parents' and grandparents' generations and which we are working hard to help them realize.

[Translation]

The Government of Canada is committed to building a housing system that works for everyone.

[English]

We are taking bold action through the creation of Build Canada Homes and with targeted tax measures, like the first-time homebuyers' GST rebate, to restore affordability and lower housing costs for Canadians.

I look forward to answering your questions.

Thank you, Madam Chair.

The Chair: Thank you, Minister Robertson.

I will now open the floor to questions.

We'll begin with Mr. Hallan from the Conservatives for six minutes.

Jasraj Hallan (Calgary East, CPC): Thank you, Chair.

Minister, how many housing starts will Canada see this year?

Hon. Gregor Robertson: We're on track at this point at about 14% higher than last September, the CMHC number, so we're tracking north of 250,000 starts this year. If it's annualized—

Jasraj Hallan: What's the number?

Hon. Gregor Robertson: —it's closer to 280,000. Somewhere between 240,000 and 280,000 would be my assumption—

Jasraj Hallan: Your housing department says that housing starts will be down this year.

Hon. Gregor Robertson: The stats are from CMHC. The latest stats came in for September, which showed us tracking 14% above last September in terms of housing starts across the country.

Jasraj Hallan: Your government announced back in March that you would build 500,000 homes a year. With that announcement, if you look at the numbers, that means you would have to build 57 homes per hour per day every year. Are you currently building 57 homes an hour?

• (1110)

Hon. Gregor Robertson: Canada is not building at that scale. That is a longer-term goal—

Jasraj Hallan: Your government promised that back in March.

Hon. Gregor Robertson: We're looking at, over a decade, doubling construction up to that level, but that certainly will take many years to achieve, given the changes that need to be made in the industry. At this point, we don't have the labour force to manufacture at that scale. That's why Build Canada Homes is focused on the manufacturing side to make the building of housing more efficient.

Jasraj Hallan: When is the first year that Canada will build 500,000 homes?

Hon. Gregor Robertson: The language we've used is “over the next decade”. I think it's reasonable. It's still very aggressive and ambitious to get to 500,000 over the next decade, but that's what we need to scale up to.

Jasraj Hallan: I mean, giving yourself that much leeway without any specifics is a bit misleading. Can you tell us what year would be the first year over the next decade that Canada will see 500,000 homes being built in a year?

Hon. Gregor Robertson: The goal is to get to 500,000, to double construction, over the next decade, so it's ramping up to that level. That will start to make up the ground of the gap we have in housing supply as identified by the stats and CMHC research.

Jasraj Hallan: Your own housing department at CMHC says that housing starts will decline next year by 4.1%. How do you square that?

Hon. Gregor Robertson: That's a projection. We can only work with the facts we have in front of us, which, for September, were a 14% increase over last year. This is what we're tracking.

Pre-sales are down in some markets. Vancouver and Toronto are examples we're concerned about. That's why we're pulling out all the stops with Build Canada Homes and with measures like this that will get more affordable housing built and that will get home ownership opportunities with new homes the industry can build. We want to see this—

Jasraj Hallan: Minister, why are sales down?

Hon. Gregor Robertson: Given the global economic conditions right now, I think there's a lot of uncertainty in the markets, particularly in the big cities.

Jasraj Hallan: Are you saying that global factors have something to do with Canadian home prices? Are you saying that we import our own land and homes?

Hon. Gregor Robertson: What I'm saying is that many buyers are concerned about the current economic circumstances. The tariffs from the U.S. that have been extremely challenging for the Canadian economy—

Jasraj Hallan: Home affordability was out of control before the tariffs hit. Your government was responsible for doubling housing costs in this country before the tariffs hit.

Hon. Gregor Robertson: I can speak from experience.

In my city, in Vancouver, we had a housing crisis 20 years ago—

Jasraj Hallan: Your city has one of the worst records, by the way.

Hon. Gregor Robertson: Twenty years ago, an affordable housing crisis was already impacting us, and for 10 years, we saw the Harper government do nothing to make housing more affordable in my city. Now the problem has proliferated.

Jasraj Hallan: Housing was half the cost when the Harper government was in.

Hon. Gregor Robertson: It doubled. In Vancouver, if you look at the housing market between 2005 and 2015—

Jasraj Hallan: After you become mayor, yes.

Hon. Gregor Robertson: —you will see that there was a dramatic rise.

Jasraj Hallan: Housing costs have doubled since 2015.

Minister, respectfully, your government spent \$89 billion on housing, supposedly to make housing costs come down. Rents and mortgages have doubled since your government spent more than \$89 billion. Now your government is creating a fourth bureaucracy after the first three were responsible for doubling housing costs, which made sure that young people lost the dream of home

ownership. Nine out of 10 have given up on home ownership. Unless someone has the bank of mom and dad in this country, they don't have enough money for a down payment on a house.

If the first three bureaucracies failed and you spent more than \$89 billion to accomplish all of that, what's this fourth bureaucracy going to do?

Hon. Gregor Robertson: I am very confident that Build Canada Homes, with an initial \$13-billion investment, will be able to make housing more affordable for Canadians. We are seeing—

Jasraj Hallan: The last 10 years of your government have proven that wrong.

Hon. Gregor Robertson: I was elected six months ago. The government I'm a part of now is rolling out this tax measure to save first-time homebuyers \$50,000—

Jasraj Hallan: It's all the same ministers and it's all the same policies, so we don't believe that there's anything new.

Hon. Gregor Robertson: This is a new tax measure to save first-time homebuyers \$50,000 on a new home, and that will help with the affordability.

Jasraj Hallan: I have limited time. I will ask you one last thing.

CMHC executives received bonuses every year, even though housing starts decreased and housing prices have doubled in this country.

Can you confirm whether CMHC executives will receive bonuses this year for doubling housing costs?

The Chair: Give a very brief response.

Hon. Gregor Robertson: I can get back to the member with those details. I haven't seen the latest on CMHC bonuses for the year.

• (1115)

Jasraj Hallan: We expect you to get that, please.

The Chair: Thank you, Mr. Hallan. That's time.

Thank you, Minister.

I'm going to go now to Mr. MacDonald from the Liberals for six minutes.

Thank you.

Kent MacDonald (Cardigan, Lib.): Thank you, Madam Chair.

Thank you, Minister, for coming today.

You were fortunate enough to get to P.E.I. this summer and meet with stakeholders in my community of Stratford in my riding. We heard many different things there that day. In particular, we heard that P.E.I. and Atlantic Canada are doing well with affordable housing, but that there's a need for more deeply affordable housing: not-for-profits, co-ops and other such buildings.

What is in the Build Canada Homes program that will allow us to speed up the building for those people who need the deeply affordable homes?

Hon. Gregor Robertson: Build Canada Homes will be partnering with governments at all levels, so hopefully we'll see the Government of P.E.I. come forward with proposals and opportunities to build affordable housing in partnership.

Build Canada Homes will help finance projects that have deeper levels of affordability, all the way to supportive transitional housing. There's \$1 billion that is earmarked to go to those who are at risk of homelessness or who are currently without a home, and to building transitional supportive housing in partnership with provinces.

We need the provinces to fund the wraparound services and the health services that are critical for stabilizing people coming off the streets and out of shelters. We'll see a significant investment in partnership with the provinces on that deep, core-need housing. I'm also very encouraged by the interest in seeing projects—social housing, co-op housing, workforce housing—again in partnership with provinces, in some cases cities or first nations, working with the non-profit sector on the operating side and with the private sector on the building side. I think it's using the strengths of all different sectors and strategically financing projects or portfolios of projects that get the most affordable housing built as fast as possible.

Kent MacDonald: I have a second question. I was home last week and visited a lot of potential businesses that are looking into modular and prefab. What in our program that we've announced is going to help leverage dollars for modular and prefab construction, particularly in Atlantic Canada?

They applaud what we're doing on skills training, but it's going to take some time to develop a workforce to address the stick-building that has been going on traditionally. What specifics have we announced that will deal with promoting modular homes and prefab components for housebuilding?

Hon. Gregor Robertson: Thanks for the question.

We're seeing opportunity with factory-built housing components. In some cases, entire modular homes, and, in many other cases, components like walls and floors, kitchen and bath pods and different pieces of homes, can be manufactured in a factory and then assembled rapidly on site. We are looking at having criteria in the Build Canada Homes investment policy that maximizes the content of manufactured products: Canadian-manufactured, with Canadian materials, Canadian workers and Canadian building technologies. We want to see all of that advance as part of investing in the Canadian economy and accelerating the construction of housing.

We know that we can manufacture in a factory year-round, literally 24-7, 365. It's very efficient. As with all other products we have, basically, we manufacture them in factories. We need to be

shifting our home manufacturing into factories. We're seeing less than 5% of Canada's housing stock manufactured off-site in a factory. In Europe right now, I think the leader is Sweden, with almost 50% of their homes manufactured in factories. We need to catch up.

We need to see our manufacturers advance their technologies and create more jobs. It will help with productivity. Fewer workers working in factories can produce a lot more homes, which speaks to the earlier question about doubling housing construction. The only way we can do that is if we invest and support the manufacturing industry to be more productive in putting homes together.

• (1120)

Kent MacDonald: Thank you.

In regard to a lot of the smaller municipalities in ridings like mine in Atlantic Canada, they face capacity challenges when it comes to the planning, the permitting and the environmental assessments.

What are we doing to help those communities accelerate housebuilding? We've heard from speakers here in the last two or three sessions of our committee who have talked about development costs. How are we addressing that for Atlantic Canadian developers and communities?

Hon. Gregor Robertson: There are a number of ways that we can address the challenges with approval times and the cost of building. Our government is looking at reducing development costs, the charges that many local governments apply currently—

The Chair: Could you wrap up that thought in about 10 seconds?

Hon. Gregor Robertson: Okay.

Reducing development costs is one piece of the puzzle. On design standards, we just relaunched the CMHC housing design catalogue last week, with detailed designs that can help local governments fast-track approvals as well.

The Chair: Thank you, Minister.

[*Translation*]

We will continue with Mr. Garon of the Bloc Québécois, who will have six minutes.

Jean-Denis Garon (Mirabel, BQ): Thank you, Madam Chair.

Minister, since we haven't had time to speak yet, I would like to welcome you to Parliament and congratulate you on your appointment.

Over the past year, the credit rating agencies have downgraded four provinces that are experiencing a public finance crisis. They include your home province, British Columbia, for example, as well as Ontario and Quebec.

When the credit rating agencies increased the interest rates charged to the provinces on loans, they mentioned that there was no more money in the federal infrastructure transfer envelope.

It's all well and good to want to build houses, but if there are no sewer services or water infrastructure, as is the case in my region, the Laurentians, nothing can get built.

Have you personally asked the Minister of Finance to include a new envelope in his budget with no strings attached to fund infrastructure in Quebec and the provinces?

Hon. Gregor Robertson: Thank you for your question.

[English]

The details of your question I can't speak to. The Minister of Finance is directly responsible for that. My part of this bill is very focused on the tax break for new homebuyers and the opportunity for new homebuyers to qualify for up to \$50,000 of tax—

[Translation]

Jean-Denis Garon: You said all of that in your opening remarks. We've also read the bill.

Today, as Minister of Housing and Infrastructure, you have nothing to say about the envelope that falls under your department to the provinces that are in a public finance crisis and have been downgraded. You were the mayor of Vancouver. It's your portfolio, but you have nothing to say to the Standing Committee on Finance about it, apart from reading the bill out to us again.

Hon. Gregor Robertson: Thank you for your question.

[English]

I'm here to discuss the bill for first-time homebuyers and the opportunity to reduce the costs of new homes for first-time homebuyers. I will say that, on the infrastructure front, housing infrastructure is critical. We can't build new homes without the housing infrastructure—it's part of that.

[Translation]

Jean-Denis Garon: It's critical, but you have nothing to say to us about it. I get it.

That was one of the conditions the Bloc Québécois asked for in order to support the budget. If I understand correctly, as Minister of Housing and Infrastructure, you have no opinion on infrastructure.

Minister, you're talking about affordable housing. How much does an affordable house go for in Canada?

[English]

Hon. Gregor Robertson: With Build Canada Homes, the criteria we're looking at is 30% of gross income. We want to see housing costs be less than 30% of gross income.

To your infrastructure question, we have several funds that we are working with provinces and cities, with Quebec—

[Translation]

Jean-Denis Garon: We're on to the next question, Minister.

The envelope is empty. You've made no representations to the minister.

For the average person, in the Laurentians or the Greater Montreal area, for example, how much would an affordable house cost? Give me a price.

[English]

Hon. Gregor Robertson: The price for people is less than 30% of their income. We're no longer doing area-based pricing and affordability indexes. We are doing it based on an individual's income so that it can be consistent through different markets. It will be responsive to people's ability to afford a home and make sure that it's less than 30% of their gross income.

There is still infrastructure funding in the Canada community-building fund and the Canada housing infrastructure fund. I announced several of those last week, and we will be continuing to invest in infrastructure for housing.

● (1125)

[Translation]

Jean-Denis Garon: Thank you. I'm sure one of my constituents would understand your answer. It was crystal clear, Minister.

The Minister of Finance and National Revenue told us that he was inverting the budget cycle to align with the construction season. Can you tell us when the construction season starts and ends?

Hon. Gregor Robertson: Thank you for your question, Mr. Garon.

[English]

The construction season, obviously, starts in the springtime, as the weather warms up, so we want to see approvals of financing through the winter so that construction can begin in the spring rather than having approvals in the spring and losing a season—

[Translation]

Jean-Denis Garon: You have a good answer, that's great. It took four and a half minutes to get there.

Therefore, the construction season starts in the spring and ends in early winter. Was aligning with the construction season the reason you didn't table a budget in the spring and you didn't get Bill C-4 passed in the spring? Is that why we're here, at the end of the construction season, with winter around the corner, and yet people haven't received their GST rebate?

Is that what you mean when you say you're aligning with the construction season?

[English]

Hon. Gregor Robertson: There's been significant investment through the course of the year. Certainly, since I became Minister of Housing in May, we've made significant investments in housing and infrastructure to support housing that goes into next season.

To the member, we need to be focused on manufacturing as well, so that we can be manufacturing year-round, and then there's construction during the warmer season.

[Translation]

Jean-Denis Garon: We're talking about Bill C-4.

Here's what I want to tell you. You came to Parliament in the spring. You passed Bill C-5 imposing closure, with the Conservatives' support. The most important issue for your government was the pipelines. You spent the summer depriving people of the GST rebate for first-time home buyers. In the fall, the Minister of Finance contradicted himself and tied his two shoelaces together, and you told us that we had to align with the construction season in the winter.

That was the point I was trying to make, and I hope you took note of it.

Thank you, Madam Chair.

The Chair: Thank you, Mr. Garon.

[English]

We now go to the second round of questioning, and we begin with Mr. Gunn from the Conservatives for five minutes.

Aaron Gunn (North Island—Powell River, CPC): Thank you, Chair.

Minister, do you believe the housing market in Canada has become more or less affordable since the Liberals were elected in 2015?

Hon. Gregor Robertson: Housing has become less affordable, probably since the day I was born. By nature, it has increased over many decades. Certainly, over the past couple of decades, since my first election in 2005, on the west coast, prices were escalating quite dramatically, as you would know.

Aaron Gunn: Do you think the policy decision by the Liberal government to, effectively, double or even triple immigration rates into this country contributed to the rapid increase in prices and the corresponding decrease in affordability?

Hon. Gregor Robertson: I can't speak to the immigration policies that precede my time here in Ottawa, but certainly—

Aaron Gunn: Do you think it had an effect on price? I mean, you're the housing minister. Do you think the rapid increase in immigration increased housing prices and negatively impacted affordability?

Hon. Gregor Robertson: There are a number of factors that affect housing affordability. Certainly, interest rates escalating over the years recently were a big factor.

Aaron Gunn: Is immigration one of them?

Hon. Gregor Robertson: Immigration is a factor. There are a number of drivers, depending on how much we're building and how many people are in the market.

Aaron Gunn: You would acknowledge that the rapid increases in immigration rates decreased housing affordability in Vancouver and other cities across Canada.

Hon. Gregor Robertson: I would certainly acknowledge that there are many factors that have made housing less affordable across the country, including the federal government's not investing enough in non-market housing for several decades.

Aaron Gunn: Do you think the policy to double or triple immigration rates was the right one, as it pertains to housing prices?

Hon. Gregor Robertson: I'm here to talk about the first-time homebuyers' tax break on GST, so that's where I want to focus my remarks. That's why I'm before the committee.

Aaron Gunn: As minister of housing, you have no opinion on the matter of immigration rates as they pertain to housing prices.

• (1130)

Hon. Gregor Robertson: Exactly. I'm the Minister of Housing and Infrastructure, and I'm here to speak about the first-time homebuyers' tax break.

Aaron Gunn: Okay.

What major city in Canada would you say has the worst housing affordability in Canada right now?

Hon. Gregor Robertson: Our housing affordability markets in Vancouver and Toronto have both had the most challenges in recent years.

Aaron Gunn: Vancouver was recently called the third-least affordable housing market in the world. As the former mayor of Vancouver, do you find it somewhat ironic that you were chosen to now lead this policy file on the national level?

Hon. Gregor Robertson: It's quite the opposite. I think that, having lived through many challenges getting affordable housing built—seeing prices escalate in my city, as mayor; seeing inactive governments, like the Harper government, which did not deliver on making housing more affordable; and, then, the change we've seen in recent years—

Aaron Gunn: Minister, was having housing increase while you were mayor the prerequisite to being appointed as housing minister? Do you think that's a positive experience?

Hon. Gregor Robertson: I think that understanding how housing works at the local level and the importance of strong partnerships with federal and provincial governments is critical to understanding how we make housing more affordable.

Aaron Gunn: I remember the old adage that you learn more from your failures than your successes—although this might be taking it to another level. I mean, you oversaw the creation of the Vancouver Affordable Housing Agency, which was established to create more housing units, primarily. You also ran for mayor on the promise of ending homelessness in Vancouver. I want to give you credit, as you were the longest consecutive-serving mayor in Vancouver's history, but let's look at the record on that key promise. Between 2008 and 2018, housing prices soared, homelessness got even worse and, today, both issues are worse than ever before.

Why should Canadians trust you to tackle this issue today as Canada's housing minister?

Hon. Gregor Robertson: I appreciate the member citing some examples that did yield very good results. The Vancouver Affordable Housing Agency has built thousands and thousands of affordable units of housing in partnership with the federal government, and in recent years it has delivered significant affordability in Vancouver. We have seen challenges but also significant investments in affordable housing. That's what we need to see across the country for us, really, to turn the tide—

Aaron Gunn: Minister, quickly, in my last bit of time here, you previously said that you did not believe housing prices needed to come down in Canada. Do you still hold that view?

Hon. Gregor Robertson: To be clear, we need to see average prices of housing for Canadians come down. We need to build a lot more non-market housing to bring down that average cost. That's the focus here: more supply that is affordable and targeted to the people who need it the most, like first-time homebuyers being able to access the \$50,000 savings—

The Chair: Thank you, Minister.

Thank you, Mr. Gunn.

That concludes this round of questioning. We'll now go to Mr. Turnbull from the Liberals for five minutes.

Ryan Turnbull (Whitby, Lib.): Thanks, Chair.

Thanks, Minister, for being here.

I appreciated your opening remarks. I know we're here to talk about the GST rebate for first-time homebuyers, but I want to just.... We've heard from a few witnesses who encouraged us a number of times to think of the housing market as a system. You mentioned it being a system in your opening remarks, which was encouraging. It's also, as I understand it, a very segmented market: Depending on your income, you're in a different segment of that market.

What I want to do is ask you a question about the GST rebate, which is really just one of a whole number of measures that are geared toward helping first-time homebuyers get into the market. We did 30-year mortgages in the past and tax-free saving accounts, and we reduced the price of mortgage insurance by 25%. There's quite a long list. It's a stackable combination of factors.

Why is the GST rebate the newest step that's going to help, and how does it complement those previous efforts to help first-time homebuyers get into the market?

Hon. Gregor Robertson: The GST break for first-time homebuyers is very targeted at first-time homebuyers, giving them the opportunity for home ownership.

I've spoken about Build Canada Homes and the other very significant initiatives that we're rolling out to make housing more affordable. That's primarily for below-market rental housing, while this is an initiative for home ownership that gives first-time homebuyers an opportunity to save up to \$50,000.

That's a big chunk, on up to a million-dollar home, that will make a difference for affordability of ownership on the market side, but we need a full array across the housing system, from homelessness to the housing market. We need to be very targeted and methodical, going through and ensuring that we are putting affordability measures in place across the continuum of housing for Canadians in different parts of the country with different incomes. We need to make sure that everybody has access to safe, secure housing.

Previous measures have been taken by the previous government. Some of them were on tax, as you mentioned, and some of them were on housing supply. We have the housing affordability fund, and we've seen investments in housing infrastructure that are very significant, as the member from Quebec mentioned. We need to see a comprehensive investment across housing infrastructure on the specific supply of affordable housing and also on the tax measures that make it more affordable.

● (1135)

Ryan Turnbull: In short, we're using every lever at our disposal to try to address the affordability challenges. That's what I hear you saying.

I want to pivot to a similar but related question.

In my riding, I live in a suburb of Toronto, Whitby, which is just outside, on the east side. We're constructing a lot of housing, and some of it is sitting on the market. It's all in the range of under \$1.5 million, so this GST rebate measure would actually apply to a lot of the units that are not turning over.

I understand that developers need that turnover in order to finance their next project. Do you see some urgency in getting this measure to royal assent? I think it may actually impact the specific problem in my riding, which is the lack of turnover of some of those units. Do you think it will address that challenge?

Hon. Gregor Robertson: Yes, I think it will help. It's a targeted measure to get up to 47,000 homes a year into the hands of first-time homebuyers and save them money in the process.

We do have a glut of supply in Toronto and the GTA market, and in Vancouver as well. It would be good to see many of those homes sell to first-time homebuyers in the near term, and the sooner this bill can be moved to royal assent, the better. I would urge the committee to advance this ASAP so that we can offer both first-time homebuyers and the developers on the market side the opportunity to move that stock of housing that is not selling right now. It's on the market but it's not moving, and as the member stated, we need to see those sales so that more new homes can be built.

The Chair: Thank you, Minister, and thank you, Mr. Turnbull.

[*Translation*]

Mr. Garon, you have the floor for two and a half minutes.

Jean-Denis Garon: Thank you, Madam Chair.

Minister, my Liberal colleague asked you some very tough questions, so I'm going to give you a bit of breathing room and ask you some easier questions.

Last week, the Bloc Québécois set out the non-negotiable conditions for its support of the budget. Among other things, we're asking the government to renew funding for the rapid housing initiative, which, according to the agreement with the Government of Quebec, supports the construction of social housing in Quebec, and we're asking that this funding come in a single envelope with no conditions.

As minister, do you think that's a good proposal?

Hon. Gregor Robertson: Thank you for your question.

[*English*]

We certainly recognize that housing in Quebec involves a distinct context, including M-30, and we are committed to working respectfully within that framework. Where we're going to be working closely with the Quebec government and with all provincial and territorial governments is on Build Canada Homes. That is where we're seeing the most significant investment and partnerships with provinces and territories—

[*Translation*]

Jean-Denis Garon: My question was specifically about the rapid housing initiative and that envelope.

Is it a good idea, yes or no? It's not a very complicated question.

[*English*]

Hon. Gregor Robertson: Is the member referring to the affordable housing fund or the housing accelerator fund?

• (1140)

[*Translation*]

Jean-Denis Garon: I'm talking about the rapid housing initiative, the only program that works for Quebec.

[*English*]

Hon. Gregor Robertson: The affordable housing fund, the AHF, is administered by CMHC. It's getting an increase or top-up of \$1.5 billion, which we announced recently, so that there is more funding available to the provinces and territories to build affordable housing as Build Canada Homes ramps up and takes over that.

[*Translation*]

Jean-Denis Garon: Thank you.

I have 20 seconds left for a quick snapper.

This year, what percentage of young Canadians under 35 will be able to save enough for a down payment, without help from their parents or family, to qualify for the GST rebate?

[*English*]

Hon. Gregor Robertson: I don't have an exact number, but it could—

The Chair: Thank you, Minister. We're done with the time for that round.

[*Translation*]

Mr. Lefebvre, you have the floor for five minutes. I understand you're going to share your time with Ms. Cobena.

Eric Lefebvre (Richmond—Arthabaska, CPC): Yes, I am.

Thank you, Madam Chair.

Good afternoon, Minister.

With regard to the establishment of Build Canada Homes, a \$13-billion budget has been set aside to build only 4,000 housing units.

My question is simple: According to your calculations, what will the average cost of each of those units be?

[*English*]

Hon. Gregor Robertson: I'm not clear what the question is. Is it about the coverage cost?

[*Translation*]

Eric Lefebvre: You told us that, as part of your project, you were going to build 4,000 housing units with a budget of \$13 billion. What was the average cost you calculated to arrive at \$13 billion?

By my math, that works out to \$3,250,000 per unit. There's a whole list of contractors from back home who are ready to come work for you.

Hon. Gregor Robertson: Thank you for your question.

[*English*]

To be absolutely clear, the initial projects that were announced—4,000 homes on Canada Lands Company across six sites, and 700 units in Nunavut—are just the very beginning of the Build Canada Homes investments. We anticipate seeing at least 50,000 homes built with the initial financing across Canada.

[*Translation*]

Eric Lefebvre: Minister, what was the average cost per unit you calculated to come up with your budget? Earlier, you talked about a 30% of income factor, but that ultimately doesn't give us a figure.

[English]

Hon. Gregor Robertson: The average price to construct a unit does vary across the country in different markets. A ballpark is between \$300,000 and \$400,000 to construct a unit, but certainly we see a range of that. We need to bring that cost down with manufactured—

[Translation]

Eric Lefebvre: Thank you for that, Minister. I only have two and a half minutes.

[English]

Hon. Gregor Robertson: —or factory-built housing.

[Translation]

Eric Lefebvre: You've brought in a number of public servants for Build Canada Homes.

Once again, growing the bureaucracy and having more public servants for bigger government is the Liberal way to go.

How many have you hired?

[English]

Hon. Gregor Robertson: I think at this point there are a few dozen who are, in most cases, seconded to Build Canada Homes as a special operating agency. They are people who have been working in many other agencies.

[Translation]

Eric Lefebvre: Thank you, Minister.

I'll turn it over to my colleague.

[English]

Sandra Cobena (Newmarket—Aurora, CPC): Minister, per CMHC, Toronto is on track for its lowest level of housing starts in the last 30 years. Home builders, contractors and suppliers are struggling. Some are even considering shutting down. I have received a number of phone calls over the last few weeks. If we lose this capacity now, we risk losing the skilled workers and the businesses we need to actually boost construction.

The government had a chance to go all the way and cut GST on all new homes, but chose to go only halfway. Isn't this a time to support all housing starts and not just a few?

Hon. Gregor Robertson: Initially, our goal is to implement this first-time homebuyers' tax break. It does affect up to 47,000 homes per year. It's almost \$4 billion in GST breaks, which is very significant right out of the gate.

We want to see this implemented ASAP. Then, if there are next steps needed, we will consider those.

• (1145)

Sandra Cobena: Minister, we have a housing crisis. Why go halfway and not apply it to all new houses?

We're trying to get new houses built for people to be able to buy them. Why go halfway?

Hon. Gregor Robertson: We don't have the data that demonstrates that this is only halfway. This is a targeted measure for the market to make it more affordable.

Sandra Cobena: This is only for first-time homebuyers. It wouldn't help, for example, somebody who lost their house because of the affordability crisis. It wouldn't help a young couple who has a condo and wants to buy a house. It wouldn't apply to a senior who wants to downsize. It wouldn't apply to all these groups of people who may want to buy a new house. It only applies to first-time homebuyers and at the limited \$1-million mark.

Again, why go halfway on the GST rather than apply it to all new houses if we're actually trying to support and boost the industry to build more homes?

The Chair: Give a very brief response, please, Minister.

Hon. Gregor Robertson: This is a targeted measure for first-time homebuyers. We have several other tools. I've mentioned Build Canada Homes and the work Build Canada Homes is going to do to make housing more affordable and build at a scale that is unprecedented. We're going to see a number of different measures across the housing—

The Chair: Thank you, Minister.

We go now to Mr. Sawatzky from the Liberals.

Thank you.

Jake Sawatzky (New Westminster—Burnaby—Maillardville, Lib.): Thank you, Chair.

Thank you, Minister Robertson, for coming today and for all of your work so far on housing.

Housing is a foundation of health and a productive economy. I'm glad to see it's a priority right now with the current government. For example, in my riding, there's a lot more investment needed for people who can't afford housing or who don't have housing at all. Shelters are over capacity, affordable units are disappearing faster than they are being built and there are a lot of people living without stable homes.

This is a social issue, but it's also an economic one. It's straining our labour market, our health systems and local communities. Housing is also deeply connected to things like mental health, public safety and the toxic drug crisis. This doesn't exist in isolation.

You mentioned earlier the \$1 billion earmarked for transitional housing. I'm wondering if you could elaborate on the rollout and how that's expected to have an impact.

Hon. Gregor Robertson: Thank you to the member for the question.

We signalled that \$1 billion of the initial \$13 billion for Build Canada Homes will be focused on transitional supportive housing. We're looking at modular solutions that can be built within the next 12 months to get people from the street or from shelters into stable, supportive housing with wraparound health and social services. We need provincial partnership to deliver on those wraparound services. Those are critical to ensuring people are stable as they move into homes.

Ideally, we're transitioning those folks through the transitional supportive housing into permanent housing. I think that's been a proven path in many cities. In my city, we built 600 temporary modular homes in 2018 for people who were homeless or at risk of homelessness. There's a very successful track record of people transitioning into permanent housing from that.

We want to see that initial billion allocated, with those modular homes, with supports, up and operating before next winter. That's the big goal here. We are reaching out to partners across the country to deliver on that and to the provinces to fund the services that support the supportive housing. I think it will be a really important initiative for tackling homelessness and making sure we can help people get off the street and out of shelters.

Jake Sawatzky: Thank you.

I'm also wondering if you could elaborate specifically on how provinces can provide support with mental health and substance use services.

Hon. Gregor Robertson: It's obviously a critical element of stabilizing homeless people in housing. Certainly, mental health issues and addiction rates are much higher among people who are suffering from homelessness, so there's a combined effort there with our provinces and territories in providing the health services, the mental health support and the addiction treatment, that are needed. Across the board, we need more support on drug treatment for addictions. We certainly see that as a complicating factor in helping people who are struggling with homelessness.

I think we need a holistic approach here that integrates the health supports very directly into the housing that's needed.

• (1150)

Jake Sawatzky: Thank you.

I'm wondering also if you could touch a bit on the recent developments with co-op housing and non-market housing.

Hon. Gregor Robertson: Certainly.

We are very bullish about working with partners across the country on co-op housing. We know it's a great solution for part of the housing market. It delivers affordability and it delivers community building.

My riding, Vancouver Fraserview—South Burnaby, has the highest number of co-ops of any riding in B.C., so I know first-hand how successful those co-ops are in providing affordable housing and great communities to live in. We want to see a new wave of co-ops created across Canada that offer Canadians more affordable options for housing. I think it's a big part of our solution here, and we will be working with all the partners. The Co-operative Housing Federation of Canada is certainly an important partner in this.

There are many local partners as well, and we are seeing provincial, territorial and city partners also participate in creating co-ops.

The Chair: Thank you, Minister.

Thank you, Mr. Sawatzky.

We'll go to Mr. Kelly for five minutes.

Pat Kelly (Calgary Crowfoot, CPC): Thank you.

We've heard testimony at this committee in the last couple of meetings that condominium pre-sales in Canada's two most stressed housing markets are in absolute free fall. They're down 90% in Toronto and down 70%, I believe, in Vancouver.

How on earth is your government going to see the level of starts in the years to come when there are no pre-sales today?

Hon. Gregor Robertson: It's certainly a big concern for all of us who are tasked with making housing more affordable in Canada.

This supply glut in Toronto and Vancouver has been building for a number of years. This isn't something the government can solve overnight, but the first-time homebuyers' tax break on GST could represent up to 47,000 homes purchased by first-time homebuyers who are getting that \$50,000 discount.

Pat Kelly: Minister, it would seem that the cost of construction is so high that builders cannot build at a price that consumers can afford. This is the legacy of your government. This is a problem that has been creeping in for the last 10 years. You now have sellers who can't sell and buyers who can't buy.

You're going to need more than what is contained in this bill to address affordability. Productivity in this country is stagnant. Per capita GDP is the same as it was 10 years ago, when this government took office. How will you possibly achieve your housing goals in this environment where wages are stuck and costs are too high?

Hon. Gregor Robertson: We have quite an array of challenges. Certainly, the global economic conditions and the tariff impacts complicate matters right now for the housing market.

We know what we can deliver in terms of government support on non-market housing, and that's Build Canada Homes' big mission right now, with \$13 billion dedicated to focusing on non-market housing. This first-time home buyers' GST break is a targeted approach on the market side that, again, will affect up to 47,000 homes. Hopefully, that makes a big impact. We're also going to be reducing development charges in markets across the country, which will help bring down the cost of development.

Pat Kelly: Let's talk about development charges. During your tenure as mayor of Vancouver, development charges went up, it looks like, about 330%. When did you come to the realization that development charges contribute to the crisis of affordability?

Hon. Gregor Robertson: Development charges are very different across the country. Vancouver is unique from many other markets in Canada in that the price of market housing is much higher than the cost side. In order for the city to pay for the housing infrastructure that's necessary to build the housing, recouping some of that cost through development charges was a strategy. Otherwise, that whole extra margin would go to developers.

• (1155)

Pat Kelly: When you were mayor, it was something that you just had to do. Now that you're the Minister of Housing, it's a problem.

Hon. Gregor Robertson: The challenge now across the country is that development charges have increased in several markets. Some parts of Canada do not have development charges.

Pat Kelly: Are there any cities higher than Vancouver?

Hon. Gregor Robertson: Vancouver has been at the high end particularly because the prices are higher, so if the development charges didn't make up that difference—

Pat Kelly: Per square foot...?

Hon. Gregor Robertson: If the development charges didn't make up that difference, all of that cash would go to developers. The city's approach was to capture some of that gap between the market price and the cost to build to go into community investment.

Pat Kelly: You said that your government will somehow reduce development charges. Is there anything in Bill C-4 that will accomplish that?

Hon. Gregor Robertson: No, that's an additional measure. Again, Bill C-4 is focused on first-time homebuyers and cutting GST. We have a number of other measures. Decreasing the cost of development is one of those that we're working on.

Pat Kelly: The consumer carbon tax is removed in this bill, but the industrial one remains. Does the industrial carbon tax contribute to the cost of housing material?

Hon. Gregor Robertson: I can't speak to that, as the housing minister. I don't think it's related to the affordability challenges we have in housing.

Pat Kelly: We had testimony to that effect earlier in this study.

The Chair: Thank you, Mr. Kelly.

Thank you, Minister.

That concludes the time for this round.

[Translation]

Mr. Lavoie is next.

Mr. Lavoie, you have four minutes.

Steeve Lavoie (Beauport—Limoilou, Lib.): Thank you, Madam Chair.

Thank you, Minister, for joining us today.

During the election campaign in my riding of Beauport—Limoilou, people repeatedly said that housing was their main priority. That hasn't changed. This issue is extremely important to me.

The last week before the House returned, I met with many organizations in the homebuilding sector working on all types of housing in Quebec City, whether it's modular, community or affordable housing. I was really impressed by the number of projects that they've completed, that they are working on and that they have planned. Their order book is full, as they say.

In light of this, my colleagues Jean-Yves Duclos and Joël Lightbound and I concluded that the answer lies with these organizations.

Since Build Canada Homes has been mentioned in our meetings, I'd like to know the extent of its co-operation with these organizations.

How will Build Canada Homes co-operate with these organizations, as well as municipalities and provinces, to build housing in my riding of Beauport—Limoilou?

Hon. Gregor Robertson: Thank you for the question.

[English]

Partnership is essential to delivering. No one level of government can solve housing affordability. It's a very complex housing system in Canada. As an example, we see housing starts and the market in Quebec more stable and in many cases more affordable than other markets across Canada. I know that the Government of Quebec has been very focused on housing affordability and on delivering for their people in Quebec. We need to make sure that the partnerships recognize the strengths of each level of government, of the private sector in terms of building and construction, and of manufacturing as a big opportunity. Quebec has lots of great manufacturers who can produce housing projects.

We need to connect the dots to Canadian materials. We want to see as much Canadian softwood as we can, particularly from our provinces. B.C. and Quebec are very vulnerable right now because of the softwood tariffs. We need to see as many new homes built as we can with Canadian wood and Canadian steel and aluminum to support all these other industries. It's a complex set of partnerships to deliver more affordability and invest in the Canadian economy. We're looking forward to very strong relationships with the Government of Quebec and to make sure that we collectively can deliver for people with more affordability.

[Translation]

Steeve Lavoie: Since I have only 45 seconds left, I'll be quick.

People felt it would be an advantage to deal with only one party, in this case, Build Canada Homes, instead of a number of different stakeholders.

Is that where we're headed?

• (1200)

[*English*]

Hon. Gregor Robertson: Exactly. Build Canada Homes is about a one-stop shop for affordable non-market housing. That's where the focus is, in making sure that everyone who's building or seeking affordable housing in Canada knows that Build Canada Homes is where they can come for federal government support and partnership.

[*Translation*]

The Chair: Thank you, Mr. Lavoie.

Mr. Garon, you have the floor.

Jean-Denis Garon: We can take the time to thank the witnesses. I can wait.

I just wanted to raise my hand before you had time to strike the gavel.

The Chair: Okay, thank you. I'd like to thank the witnesses for their participation.

[*English*]

Thank you, Minister, and thanks to the deputy minister, for your testimony today.

[*Translation*]

Mr. Garon, you have the floor.

Jean-Denis Garon: Madam Chair, I have a procedural question on speaking times.

I believe there were still 8 to 10 minutes left when we started the last round. Correct me if I'm wrong, but as I recall, in previous meetings, we had two and a half minutes. Speaking time for the Bloc Québécois was shorter.

It appears this time, during the last round of questions, everyone got their five minutes, except the Bloc Québécois.

What is the rule, and how do you divide up the time left at the end of a meeting?

If there's not enough time to complete a round, then it doesn't seem fair.

Can we get a clear rule on how things work in such a situation?

The Chair: I will ask the clerk.

I will suspend the meeting for now.

Jean-Denis Garon: I still had a great question to ask. I will send it in writing to the witness.

The Chair: I imagine you did.

I look forward to your question and thank the witnesses for their participation.

The meeting is suspended.

• (1200)

(Pause)

• (1205)

The Chair: Colleagues, we are resuming.

Before turning to our next panel, I'd like to answer Mr. Garon's question.

During its first meeting, the committee adopted a routine motion to set the speaking time for each party. I will read the motion:

That witnesses be given five minutes for their opening statements; that whenever possible, witnesses provide the committee with their opening statements 72 hours in advance; that, at the discretion of the Chair, during the questioning of witnesses, there be allocated six minutes for the first questioner of each party as follows:

First Round:

Conservative Party;

Liberal Party;

Bloc Québécois.

For the second and subsequent rounds, the order and time for questioning be as follows:

Conservative Party, five minutes;

Liberal Party, five minutes;

Bloc Québécois, two and a half minutes;

Conservative Party, five minutes;

Liberal Party, five minutes.

I followed the routine motion. If there's some time left, we can modify the speaking order, but for that, we would need a consensus.

Jean-Denis Garon: I totally agree with you, Madam Chair. I read the motion. However, it applies to full rounds of questions. It sets the speaking time for each party during each round of questions. If there's 10 minutes left in the meeting, there isn't enough time to complete a round. Therefore, if the time is split on a first come, first serve basis, the speaking time allotted doesn't respect the set ratios for each party. That's why before, when managing the clock, you—

The Chair: Thank you, Mr. Garon.

You will have read in the motion that the speaking time is at the discretion of the chair. Moreover, the unanimous consent of the committee is required to deviate from the routine motion. Next time, I will ask the committee if it wishes to do things differently.

Jean-Denis Garon: Thank you.

[*English*]

The Chair: With that, thank you so much to our next round of witnesses. We are delighted to have the Honourable Julie Dabrusin, the Minister of Environment and Climate Change, who is accompanied by Judy Meltzer, the associate assistant deputy minister for the environmental protection branch, and Alison McDermott, the assistant deputy minister for the strategic policy and international affairs branch.

Without further ado, Minister Dabrusin, you have five minutes.

Thank you.

Hon. Julie Dabrusin (Minister of Environment and Climate Change): Thank you so much.

Thank you, Madam Chair and honourable members of the committee.

I'd like to begin by acknowledging that we are gathered on the unceded territory of the Algonquin Anishinabe nation.

Thank you for the opportunity to appear before you today as part of your study on Bill C-4. I will focus my remarks on part 3 of the bill, which follows through on our government's commitment to eliminate the consumer carbon price under the Greenhouse Gas Pollution Pricing Act.

As members know, regulations made earlier this year ceased the application of the federal fuel charge as of April 1, 2025. Bill C-4 seeks to legislate this decision by repealing the legislative framework for the consumer carbon price, also known as the federal fuel charge, to complete the process of concluding this policy. These proposed amendments follow the regulations made in March of this year that set fuel charge rates to zero, effective April 1, 2025.

It's important to note that the proposed amendment in Bill C-4 only affects the portion of the act under the purview of the Minister of Finance and administered by the Canada Revenue Agency, which was previously used to establish the federal fuel charge. The rest of the Greenhouse Gas Pollution Pricing Act remains in force.

• (1210)

[Translation]

The bill proposes a phased repeal of part 1 of the Greenhouse Gas Pollution Pricing Act to ensure an orderly process for charge payers and the Canada Revenue Agency.

First, charging provisions would be retroactively repealed as of April 1, 2025.

Second, rebate provisions would be repealed as of October 1, 2025, to allow time for charge payers to claim any outstanding rebates.

Third, registration provisions would be repealed as of November 1, 2025, giving registrants, like distributors and importers, until October 31 to file returns.

Finally, all remaining provisions of part 1 would be repealed effective April 1, 2035. This ensures continuity for final wind-down activities, including Canada Revenue Agency processes that still rely on existing rules.

[English]

This phased approach ensures that the transition is efficient, predictable and fair. The repeal applies only to part 1 of the act. The remainder of the Greenhouse Gas Pollution Pricing Act continues to establish minimum national standards for carbon pricing stringency. This ensures that carbon pollution pricing applies to a broad range of greenhouse gas emissions from industry across Canada.

[Translation]

Part 2 of the Greenhouse Gas Pollution Pricing Act, administered by Environment and Climate Change Canada, establishes the feder-

al output-based pricing system, our regulatory trading system for large industrial emitters. It also creates Canada's greenhouse gas offset credit system, which provides incentives for projects aimed at reducing greenhouse gas emissions or increasing the removal of these gases from the atmosphere.

The federal output-based pricing system remains in place and continues to apply in provinces and territories without their own system that meets national standards, or where they request it. Today, this includes Manitoba, Nunavut, Prince Edward Island and the Yukon.

[English]

Because the consumer carbon price was already removed through regulations in March, these legislative changes do not create new impacts on emissions.

Part 3 of Bill C-4 follows through on what regulations have already achieved: the removal of the consumer carbon price. It enshrines that decision in law while ensuring a fair and orderly transition for Canadians and businesses. At the same time, the Greenhouse Gas Pollution Pricing Act continues to serve as the foundation of Canada's approach to carbon pricing. Federal and provincial-territorial industrial pricing systems continue to drive cost-effective emissions reductions and incentivize investments in decarbonization. Such investments are critical to ensuring Canadian competitiveness in a low-carbon global economy.

I look forward to your questions and to supporting the committee's work on this important legislation.

The Chair: Thank you, Minister Dabrusin.

We begin this round of questioning with Mr. Kelly from the Conservatives for six minutes.

Pat Kelly: Thank you.

Minister, your website says that you have "supported putting a price on carbon pollution" and have "taken a strong stance against oil sands expansion". Is that the policy of your government?

• (1215)

Hon. Julie Dabrusin: Our government has been very clear that, moving forward, we need to make sure that Canada is an energy superpower—that means in conventional energy and renewables. What that means, though, is that we need to be low carbon, low risk and low cost for the future.

Pat Kelly: Minister, your words—or if we take your website's words, anyway—are that you have taken a strong stance against oil sands expansion. If Canada is to be an energy superpower and to have additional production in the oil sands, it will require expansion. Do you support or oppose oil sands expansion?

Hon. Julie Dabrusin: To be clear, our government's policy—and the Prime Minister has been very clear on this—is that, moving forward, we need to make sure that we have the strongest economy in the G7, and that includes being an energy superpower that will be low risk, low carbon and low cost. We will be sure that, as we move forward as an energy superpower, we are helping, across Canada, to meet those needs. When I'm talking with people around the world, what I am hearing is that they are looking to Canada to produce the energy they need for the future.

Pat Kelly: They've been looking to Canada for 10 years, and your government has hemmed in and done everything it can to harm the production of energy in Canada. Have you changed your mind, then? You're no longer taking a strong stand against oil sands expansion, is that...?

Hon. Julie Dabrusin: I take issue when you say that we haven't been producing in this country the energy that the world is looking for. I was in Nova Scotia, and I got to see all of the opportunity that's being built in offshore wind. That is an amazing opportunity—

Pat Kelly: These are your words.

Hon. Julie Dabrusin: —for our country. When I look at what our country is producing in nuclear capacity right across this country, how we're working—we had an energy agreement with nuclear with Romania—and our know-how, we are consistently providing to the world the energy they need.

Pat Kelly: If we are going to supply the world with safe, reliable energy, we are going to need oil sands expansion. Do you still oppose oil sands expansion?

Hon. Julie Dabrusin: What I have actually said—and I think I've said it now a few times—is that we are going to be there as an energy superpower, and we need to make sure, as we're doing that, that any progress in that way is low carbon, low risk and low cost.

Pat Kelly: Okay. Do you support a Pacific pipeline, yes or no?

Hon. Julie Dabrusin: I'll go back to this piece. It's a hypothetical that you're putting to me right now: a Pacific pipeline. There's no designed policy or project.

Pat Kelly: Okay, so here's one that's not hypothetical. Here's a real one. The government—of which you were a member—was formed at this time 10 years ago. Almost literally the first action that it undertook was to cancel the northern gateway pipeline by order in council. Do you support that decision to cancel the then conditionally approved Pacific pipeline?

Hon. Julie Dabrusin: I'm looking forward to where we can move as a country, and that's where I think Canadians are right now. Canadians want to see how we can build Canada and a strong economy for Canadians, and that we do it in a way that builds a strong future—

Pat Kelly: You see how your credibility is compromised on this. Your government killed the pipeline that was approved 10 years ago. You spent 10 years opposing pipelines. Your own website says

that you have taken a strong stance against oil sands expansion. Now you want us to take you at your word that you now support energy expansion in Canada.

Hon. Julie Dabrusin: I've been pretty consistent in all of my answers to you. I would say that, again, Canada has a role to play as an energy superpower, and in doing that—

Pat Kelly: I have one final question, and the time is very limited.

Do you recognize the federal government's responsibility, that it has a right and in fact a responsibility, if a project is in the national interest, to declare it so? Do you support the notion that the federal government has a right to declare something in the national interest?

Hon. Julie Dabrusin: We passed the Building Canada Act, which is an important piece of legislation to do what Canadians are looking for in this moment, which is to build our country and to look towards projects of national interest. There is a process that fits within that, with criteria built into the legislation.

Pat Kelly: Does that mean that provinces have a veto, or does the federal government have primacy?

Hon. Julie Dabrusin: The legislation sets out five criteria, including indigenous consultations, including Canada's climate objectives and also including factors towards our economic—

• (1220)

Pat Kelly: Yes or no, does the federal government have a right to declare projects in the national interest?

Hon. Julie Dabrusin: We have the Building Canada Act, which has specific criteria and a process built into it that needs to be followed.

Pat Kelly: Your failure to respond “yes” leads us to conclude that you think that premiers may have a veto.

Hon. Julie Dabrusin: My answer is that we have legislation, which we passed I believe with your support, that actually sets out what the rules are as to how that happens.

Pat Kelly: Can you affirm now for the committee that, yes, the government has primacy and has the right to declare a project in the national interest?

Hon. Julie Dabrusin: I'm saying right now that we have passed legislation that's clear.

The Chair: Thank you, Mr. Kelly.

Thank you, Minister Dabrusin.

That concludes the time for this round.

We'll go to Mr. Turnbull on the Liberal side for six minutes.

Ryan Turnbull: Thanks.

Minister Dabrusin, it's great to have you here, and your team, who I know support you every day in your work. I believe very much in your work as Minister of Environment and Climate Change.

I want to ask you about climate competitiveness or carbon competitiveness, whichever you prefer. As we try to diversify trade with many countries around the world, I note that many of Canada's trade partners have an industrial carbon pricing mechanism. Many of them, especially in Europe, are saying that they will apply carbon border adjustment mechanisms to Canada's trade. There are over 50 countries in the world that have sustainable finance taxonomies, which also essentially categorize investment around the world in terms of what is green or what is considered green investment.

I want to connect these two concepts here. Canada is diversifying trade, which is obviously one of the things we're up to in order to build a more resilient economy as we're subject to a trade and tariff war that we didn't choose, and we're looking to do more trade with these partners around the world. If we don't remain competitive from a climate and carbon perspective, how is Canada going to thrive in this new world order?

Hon. Julie Dabrusin: Thank you for the question.

I know that you've done so much work when it comes to sustainable finance and in that space, so it's great to get a question from you about that.

Exactly as you're saying, what we're seeing is that the global economy is moving to a low-carbon economy. We see it with policies in different countries, and you've mentioned a few. Countries are adopting industrial carbon pricing, but not only that. We're also seeing that some of our trade partners, like the EU and the U.K., are looking at putting in place carbon border adjustments. What that does is it prefers for importation products that have an industrial carbon price going in.

If we want to be able to access these global markets, it puts us at an advantage to have a strong industrial carbon price. What we're seeing is that, overall, as the world moves to where they're going to put their investments, having low-carbon products gives us an edge, and that's a decision our country faces right now.

I believe that our new government is making the decision to move ahead and be able to access these markets to get ahead, rather than falling behind where the pace is going.

Ryan Turnbull: If I'm interpreting you correctly, what you are saying is that if we don't remain climate competitive, we jeopardize both those trade relationships and the potential for new green investment to come into Canada. Is that not correct?

Hon. Julie Dabrusin: That is correct. In fact, one of the conversation points that come up a lot when I talk with different industries is that Canada can be a preferred location for investment because we have such a clean electricity grid. We have one of the cleanest grids in the entire world. We're at 84% clean electricity. That is something that investors, when they're looking at where to move their businesses, where they want to invest.... They want to invest in an economy that is moving towards low carbon.

Ryan Turnbull: Thank you. In conversations I've had, quite a number of groups have echoed your sentiments.

In terms of our emissions reduction plan, how much of our planned emissions reduction will be driven by the industrial carbon

price that Canada has in place? If my memory serves me correctly, it's a significant amount of our emissions reduction.

Hon. Julie Dabrusin: An effective industrial carbon price is actually one of our largest drivers to reducing emissions. It's one of the most effective. Also, with regard to value for carbon, it's one of the cheapest ways of doing that, for increasing investments in moving to low-carbon technologies.

● (1225)

Ryan Turnbull: I met with the concrete and cement association, which is doing great work. It said that it actually wants the industrial carbon price to be even stronger in Canada, to be strengthened as a system.

Can you speak to whether there is any work being done to look at options for doing that?

Hon. Julie Dabrusin: We've committed to making sure that the industrial carbon price works effectively and strongly. It's one of the requests that comes from industry all the time. They want to make sure that they have certainty and predictability as they move forward. Making sure that the system for the industrial carbon price is strengthened and working effectively is very important.

We're talking about two things at the same time. I think it's really important to focus on that. It's about reducing emissions, but it's also about setting up business for success and industry for success here in Canada.

Ryan Turnbull: Maybe I'll ask for a comment on the economic cost of climate inaction, which is something with regard to which I've often thought, "If only we could, in a detailed way, look at how much it costs if we don't act." Can you comment on that at all?

Hon. Julie Dabrusin: There are two pieces. There's a human cost to climate change, which we're seeing in all of our communities. I don't want to look away from that. Communities are being evacuated, and people lose their homes due to wildfires and natural disasters.

When we're looking at it, there's also the economic cost, and—

The Chair: Thank you, Minister.

Thank you, Mr. Turnbull, for your question.

[Translation]

I will now turn to Mr. Garon, from the Bloc Québécois.

Mr. Garon, you have the floor for six minutes.

Jean-Denis Garon: Thank you, Madam Chair.

Good afternoon, Minister. Welcome to the committee and congratulations on your appointment.

You already know what my first question's going to be, since it's been asked a million times.

During the election campaign, your party bought votes by reimbursing citizens of seven provinces for a carbon tax they had not paid. However, Quebecers, who essentially paid that tax, didn't get a cheque. We're talking about \$814 million that was stolen from Quebecers.

I won't ask you your opinion on the matter, since it has been scientifically proven. The Parliamentary Budget Officer has confirmed this, and so did your officials. When he came before the committee, the Minister of Finance did not deny it. He suggested that using the consolidated revenue fund—in other words, the government's bank account—to reimburse people for a carbon tax they did not pay as a way to buy votes wasn't a big deal, since the federal government had used that same fund to pay for the new Champlain Bridge in Quebec.

Do you agree that it's okay to buy votes because the Champlain Bridge was built using federal funds?

Hon. Julie Dabrusin: I would say I disagree with many elements of your question. Therefore—

Jean-Denis Garon: A Liberal who disagrees with facts. Nothing new there.

Hon. Julie Dabrusin: Oh! That's—

Jean-Denis Garon: What do you think of the Minister of Finance's comment that it's okay to buy votes because the federal government paid for the Champlain Bridge?

Hon. Julie Dabrusin: I don't agree with what you're saying. What's more, I feel I'm being attacked when you say I'm denying facts, because that's not true. The work I do must always be based on science and facts. That's important.

It's also important to remind everyone that Quebec and British Columbia have their own systems.

Jean-Denis Garon: Minister, your speaking time is my speaking time.

When you gave out a carbon tax rebate a few days before the election, you were reimbursing unpaid taxes. Just like the citizens of Quebec, which has its own system, those of Alberta and Saskatchewan had not paid the tax that would have justified the rebate.

My understanding is that you believe the Parliamentary Budget Officer lied to us when he said that seven provinces were reimbursed for taxes that had not been paid.

When officials from the Department of Finance appear before this committee and tell us the rebate was given out for taxes that had yet to be paid, they're not doing meticulous work. It's okay when the Minister of Finance appears before this committee and, while not denying the facts, says that buying votes isn't a big deal because the Champlain Bridge was paid for using the consolidated revenue fund. That means the opposition and the Parliamentary Budget Officer are the ones denying the facts.

It's not easy being a minister, is it?

Hon. Julie Dabrusin: I'll say it again: I did not say that someone lied. Also, I don't like talking this way about others doing their job

as public servants, or about ministers and MPs. It's about respect. I think it's important to stay away from that kind of language.

• (1230)

Jean-Denis Garon: The minister didn't deny that the rebate had been given out in seven provinces to refund a carbon tax people hadn't paid.

Where's the lack of respect? The Minister of Finance appeared before this committee and said it wasn't a big deal to buy votes because Quebec got its Champlain Bridge.

Was it respectful for him to say that, Minister?

Hon. Julie Dabrusin: Are you asking me in my capacity as environment minister?

Jean-Denis Garon: No.

In Bill C-4, Environment Minister, you are proposing to eliminate, Environment Minister, the carbon tax, Environment Minister, and in the context of this bill, Environment Minister, you reimbursed unpaid taxes but left out Quebec. We're talking about \$814 million that was not paid to Quebec.

I understand you want to change the subject, but please explain.... Environment Minister, please explain how my comments regarding Bill C-4 are out of context.

Hon. Julie Dabrusin: What I was saying and will say again is that Quebec and British Columbia have different systems in terms of how the carbon price works.

What we're talking about today is what we'll do to eliminate carbon pricing through Bill C-4. That is exactly what we are going to implement.

Jean-Denis Garon: I'll follow your logic. Seven provinces have not paid the carbon tax, but they received in advance a rebate for a carbon tax they will never pay, all from the federal government's consolidated fund to which Quebecers contribute 22%. Under Bill C-4, you wrote cheques to people who had not paid. You issued rebates for something that was never paid.

When we ask that Quebec be given its fair share, we are told that we are being insolent and disrespectful. The Minister of Finance just told us that, because the federal government paid for a bridge 10 years ago, it's okay to rob us. We're told it's not related to Bill C-4, Minister. We're also told that, because Quebec had its own responsible system, it's okay to steal from Quebec.

That's what I understand from your answer.

Hon. Julie Dabrusin: That's not what I said.

Jean-Denis Garon: That is what you said.

Hon. Julie Dabrusin: No, that's not what I said at all; that's what you—

Jean-Denis Garon: Because we have a different system, we are not entitled to a rebate like the other provinces that have never paid the tax.

You know, I—

Hon. Julie Dabrusin: I said that Quebec had a different system and that, in the rest of the country—

Jean-Denis Garon: I understand why you're uncomfortable, Minister. I would be, too, if I were in your shoes.

Hon. Julie Dabrusin:—there are different charges.

The Chair: Thank you, Mr. Garon and Minister.

[English]

We will now go to Mr. Hallan for six minutes of questions.

Thank you.

Jasraj Hallan: Thanks, Chair.

Minister, are pipelines in the national interest of the country—yes or no?

Hon. Julie Dabrusin: As I answered in the last one, we have the Building Canada Act, which sets out a process and criteria for deciding—

Jasraj Hallan: I heard your answer from before, which was a non-answer. This is a very clear question: Are pipelines in the national interest of the country? It's a simple yes or no.

Hon. Julie Dabrusin: It's not a simple question that you're asking, because you're asking a question that... I mean, my answer's quite simple as well: We have the Building Canada Act, which sets out criteria—

Jasraj Hallan: Respectfully, it's not an answer.

Hon. Julie Dabrusin:—and that sets out a process, so if there is a—

Jasraj Hallan: Let's put this into context, Minister. The Keystone pipeline, would you support it—yes or no?

Hon. Julie Dabrusin: That's not a decision I have before me. What we've been talking about when we've talked about projects and national interest—

Jasraj Hallan: The decision could possibly come up very shortly. Would you support the Keystone XL pipeline, yes or no?

Hon. Julie Dabrusin: I'm not going to answer a hypothetical. I will say that we have a process to decide which projects are in the national interest. That's what Canadians want from us.

Jasraj Hallan: Would pipelines fall under a project of national interest?

Hon. Julie Dabrusin: If there is a project that meets the five criteria, has indigenous consultation—

Jasraj Hallan: Would that include pipelines? I have not heard you say “pipeline” even once today.

Hon. Julie Dabrusin: What I am saying is that there are many different kinds of projects that are being proposed as projects of national interest. It's really an exciting time, actually, for Canada to be able to envision what our future can look like.

Jasraj Hallan: If one of those projects happened to be oil and gas pipelines, would that be something your government would support, yes or no?

Hon. Julie Dabrusin: Again, it's a hypothetical until there's a fully designed project that's being put forward that has gone through indigenous consultation.

Jasraj Hallan: Given that, your track record says otherwise. When the northern gateway pipeline was before your government's cabinet table, it had overwhelming support from indigenous communities, yet your government, at the cabinet table, decided to cancel that project. It's a little hard for us to believe your government has now had a change of heart and wants to somehow build projects that would be to the benefit of Canada when your government has also turned away our allies when they came here for our energy.

Once again, would your government be in support of an oil and gas pipeline if it were in the national interest and before you today?

• (1235)

Hon. Julie Dabrusin: What I'm saying is that I can't provide you with an evaluation of a hypothetical. What I can tell you is that I believe Canadians would be happy to see there is a very clear process with very clear criteria on which to judge it.

Jasraj Hallan: It's very interesting that you avoid the word “pipeline” and will not answer the question. It makes it very clear that you're against pipelines and oil and gas.

Hon. Julie Dabrusin: It's interesting that you don't want to talk about all of the amazing projects we can build.

Jasraj Hallan: Minister, would you support the constitutional power of the federal government to ensure interprovincial resource projects that are in the national interest will be built?

Ryan Turnbull: I'm sorry, Chair. I have a point of order.

The line of questioning doesn't have anything to do with the bill we're contemplating here, which is Bill C-4. I know you've allowed a lot of latitude for members, but it's continuous. It doesn't seem to have any relation to the consumer carbon tax, which is being repealed here. This is what the Conservatives always wanted. It's like a dream come true for them.

The Chair: Thank you, Mr. Turnbull.

Mr. Kelly, go ahead on the same point of order.

Pat Kelly: The witness has engaged in this line of questioning, so it has become part of the substance of it and it's consistent with that.

The Chair: Thank you, Mr. Kelly.

Mr. Hallan, please continue.

Jasraj Hallan: My question stands. We see B.C. is holding hostage what's in the national interest for the country's betterment in the form of a pipeline. Do you support the constitutional power the federal government has to ensure that national interest project is built?

Hon. Julie Dabrusin: Like I said, there's a process to be followed when we're looking at what is a project of national interest. There are many different kinds of projects. I was excited when you saw that there were five projects that were referred to the—

Jasraj Hallan: Minister, respectfully, I will assume that pipelines are not in the national interest, according to your government.

I'll move on. Regarding the job-killing oil and gas cap your government has put in place, do you know how many jobs it's going to kill?

Hon. Julie Dabrusin: When we're talking about the draft regulations for an oil and gas cap, there was a draft regulation that was tabled at the end of last year. It went through a consultation period—

Jasraj Hallan: What's the number, Minister? How many jobs will be lost with this oil and gas cap?

Ryan Turnbull: I have a point of order.

Chair, I want to ask if maybe the member wouldn't speak over the witness. I know the minister is trying to answer his questions. He's done that repeatedly.

Jasraj Hallan: She won't answer.

Ryan Turnbull: The interpreters often find that very hard to interpret. It's even hard for us to hear what's going on, especially if you're a French language speaker and you want to hear the translation. It's hard to make out what's being said.

Thanks.

The Chair: Thank you, Mr. Turnbull.

I'll remind all members that, for the sake of interpretation, we don't speak over each other.

Thank you very much.

Mr. Hallan, please go ahead.

Jasraj Hallan: The minister refuses to answer any questions. It's over 100,000 jobs that your oil and gas cap will kill, and it will kill around \$1 trillion.

We've seen over the last 10 years that your government has driven away half a trillion dollars of investment already because of bills like Bill C-69, this oil and gas cap and your industrial carbon tax.

Minister—

Ryan Turnbull: I have a point of order.

I'm sorry to interrupt again.

We're moving to clause-by-clause, I believe, in our next meeting. The member's not asking any questions that are relevant to the bill in question. Bill C-4 is a bill that includes repealing the consumer carbon tax, which doesn't have anything to do with what the member is asking about.

The Chair: Thank you, Mr. Turnbull.

We'll have Mr. Kelly and then Monsieur Garon on the same point of order.

Pat Kelly: The member is burning the minister's time. The member can ask whatever questions he wants that she engages on, and she has engaged on this line of questioning.

The Chair: Thank you, Mr. Kelly.

[Translation]

Mr. Garon, go ahead.

Jean-Denis Garon: Madam Chair, I understand that my colleague is trying to defend the minister. She is perfectly capable of answering for herself.

I urge you to give us some leeway for a very simple reason.

Bill C-4 talks about eliminating the consumer carbon tax. That was an integral part of the government's climate change strategy. If we, the members of the committee, have to make decisions, in a clause-by-clause study of Bill C-4, we need to know the government's intentions on major projects that it describes as “national”, on pipelines, on other energy policies and on the operation of other policies.

How can committee members vote on Bill C-4, which is part of a larger puzzle, without being able to ask about the other pieces?

Therefore, I would invite my colleague to sit in his chair and listen to the minister, who is excellent today, answer. I also invite him to let the opposition members ask their questions.

● (1240)

The Chair: Thank you, Mr. Garon.

[English]

Mr. Hallan, please continue.

Jasraj Hallan: I have a carbon tax question, Minister.

On the carbon tax 2.0, which has no rebate and which you guys hid under the name “clean fuel standard”, can you please let this committee and Canadians know how much extra on a litre of gas it will cost them?

Hon. Julie Dabrusin: First, I want to be really clear that the clean fuel regulations are not a carbon tax. It drives billions of dollars in innovation.

Jasraj Hallan: It also drives billions of dollars away from Canada.

Hon. Julie Dabrusin: I will continue to answer the question.

It sets us up for a strong low-carbon economy—

Jasraj Hallan: How much extra will it cost Canadians on a litre of gas by 2030? Just give us a number.

Hon. Julie Dabrusin: One thing I find interesting is that you keep referring to it as a tax, and I want to be clear about that—

Jasraj Hallan: Minister, since you're not going to—

Ryan Turnbull: I have a point of order.

Hon. Julie Dabrusin: I absolutely would like to tell you something about what the canola—

The Chair: I'm sorry, Minister, but Mr. Turnbull has a point of order.

Ryan Turnbull: The minister is doing a great job of answering or trying to answer, but Mr. Hallan will not let her get her words out. It would be really nice if we could hear the answer, Chair.

The Chair: Thank you, Mr. Turnbull.

Mr. Hallan, please continue.

Jasraj Hallan: I haven't heard a single answer today, so I'll answer.

According to the PBO, it will add—

The Chair: I'm sorry, Mr. Hallan, but your time is up. Thank you.

We're going to Mr. Sawatzky.

Jake Sawatzky: Thank you, Chair.

Thank you, Minister, for joining us today and for all of your action on the climate. It was great to tour UBC with you, including the futures lab and the UBC botanical garden.

Climate change is one of the most significant economic challenges of our generation. Extreme weather events are already costing Canadians billions each year by damaging homes and critical infrastructure and disrupting local economies. Communities across the country are facing wildfires, floods, heat domes and storms, which hit hardest those who are least able to afford the recovery. These really strain public finances, increase insurance costs and affect everything from food prices to supply chains.

I certainly agree with you that addressing climate change protects our economic future and ensures that Canada remains competitive in this rapidly changing global economy.

We often talk about the costs associated with the regulations on climate, but could you please speak about the economic costs of inaction when it comes to climate change?

Hon. Julie Dabrusin: Thank you.

When I talk about what we need to do as a country to move towards a low-carbon economy and reduce our emissions, to your points, there are three major reasons.

The first is just moral. What do we need to do for future generations to protect our country? When we talk about building Canada and building it strong, it's about making sure we have a future that we can give to our children and our children's children that is low carbon and protects the planet in that way.

The second is existential. I think this goes to the part you were talking about, the costs to individuals and to communities when we're not fighting climate change. We need to continue to help protect communities from the natural disasters that we're facing. As we've seen in British Columbia and right across our country, there are more and more of these natural disasters that are creating personal costs and economic costs to individuals and to industry.

The third piece goes to what part of your question was touching on, which is the economics. The world is moving towards a low-carbon economy. As you mentioned, when we were touring around British Columbia and Burnaby in particular, we were meeting with industry and companies that saw opportunities for the future if we actually kept working to fight climate change. They saw the business opportunities. If we fall behind, they would lose those opportunities.

These are the major reasons why we need to fight climate change but also build economic opportunities. These are good-paying jobs. We saw that in Burnaby when we were touring around.

Jake Sawatzky: Thank you, Minister.

Recently, I'm hearing a lot of discussion from the opposition about pipelines, sometimes through B.C. I just want to get your take on this. What are some of the risks of pushing through these projects without proper consultation?

Hon. Julie Dabrusin: When we look at how we want to build our country for the future, it has to be through this wonderful unifying moment that we're in as a country, where Canadians are envisioning what the possibilities are for the future. It is a moment in which I've seen, perhaps more than I've seen in my lifetime, premiers from across this country getting together and trying to envision how we can work together to build a strong country. It's a moment in which I've seen and heard a lot of Canadians propose their ideas for that.

We need to continue to work together. In order for projects to go forward, we need to make sure that those conversations are happening across jurisdictions. We also need to ensure that indigenous peoples are properly and fully consulted on the projects that are being proposed.

● (1245)

Jake Sawatzky: I definitely agree with you there.

When it comes to investment in renewable energy, I wonder if you could perhaps comment on what some of the most promising technologies available are and any plans to invest in such technologies.

Hon. Julie Dabrusin: There are a lot of different promising opportunities. I was in Manitoba last week, and one of the things I thought was really exciting was to hear the individual ideas and projects that were coming forward. We announced, with the province, funding to help support fuel switching for different industries.

We had 11 agricultural projects where farmers put up their hands and said that they wanted to look at different ways to make their processes more energy efficient or to switch fuels in their grain-drying operations. Those are the opportunities we can see where we're going to help them save on their energy bills and, at the same time, produce agriculture in a way that's lower in carbon. There are really good news stories right across—

The Chair: Thank you, Madam Minister.

Thank you, Mr. Sawatzky.

[Translation]

Mr. Garon, you have the floor for two and a half minutes.

Jean-Denis Garon: Thank you, Madam Chair.

Minister, your government appointed Dawn Farrell as head of the Major Projects Office quickly. This person, with the help of your government, contributed to taxpayers losing at least \$25 billion when she was at Trans Mountain. She will have a salary of up to \$680,000 a year.

Do you think it's fair to do that with public funds?

Hon. Julie Dabrusin: It's not for me to discuss the salaries of public servants.

Jean-Denis Garon: Whose job is it to do that?

Hon. Julie Dabrusin: I would say that's a question for the minister responsible for the Major Projects Office.

Jean-Denis Garon: That's great; you don't want to answer. We'll move on to the next question.

Minister, in response to questions in the House on April 20, 2023, the government claimed that it had the lowest carbon footprint in the G7 and had significantly reduced its emissions since 2019. On November 7, 2024, you added that the Canada carbon rebate, including the carbon tax, contributed to meeting those targets. I remember that I was in the House, and you were there, as well. You were one of the people who kept repeating in the House of Commons that the carbon tax rebate increased the income of 80% of households that received more than they paid in carbon tax in the provinces where the tax applied. Now you're introducing Bill C-4, which eliminates that system.

As Minister of Environment and Climate Change, how do you feel about announcing a policy that, based on what your government used to say, will impoverish 80% of Canadians? It must be nice.

Hon. Julie Dabrusin: I'm very proud that our country continues to reduce emissions at a pretty important time. We now see that our emissions have dropped by 8.5% since 2005. Before our government, under the Conservative government, it was as high as—

Jean-Denis Garon: We're no longer under the previous government.

In 2023, the Auditor General relied on your own government's data to say that you were light years away from meeting your targets, that you wouldn't be able to meet them, and that the carbon tax was one of the few solutions you had found. However, you're eliminating one of those solutions and announcing that you're going to impoverish 80% of households in the affected provinces.

Is this the Canada of the future that you're building?

The Chair: Thank you, Mr. Garon.

Mr. Lefebvre, you have the floor for five minutes.

Eric Lefebvre: Good afternoon, Minister. Thank you for joining us.

I did some research. You were born in Montreal and you represent the riding of Toronto—Danforth.

Have you had a chance to visit Saguenay—Lac-Saint-Jean? That's an easy question.

Hon. Julie Dabrusin: Yes, often.

Eric Lefebvre: Have you had a chance to visit Abitibi?

Hon. Julie Dabrusin: This is interesting. We're going to talk about all the places I've visited in Quebec. I was born in Montreal, where I lived for a long time. I also lived a long time in Quebec, which is a beautiful province.

Eric Lefebvre: You had an opportunity to visit the regions of Quebec. Have you ever visited people who work in the forestry industry in Quebec's regions?

Hon. Julie Dabrusin: We were talking about my travels all over Quebec when I was young and about me living in Quebec. What exactly is your question?

• (1250)

Eric Lefebvre: I'm talking about the forestry industry. I'd like us to talk about what Minister Guilbeault announced on June 19, 2024, concerning an emergency order to protect boreal caribou by prohibiting logging over a large area in Quebec.

Right now, I want to announce that we, the Conservatives, are also in favour of protecting the caribou. However, we also recognize the importance of protecting forestry jobs in the regions of Quebec.

I would like to know if you are in favour of protecting those jobs and if you intend to bring the emergency order into force.

Hon. Julie Dabrusin: I had the opportunity to speak with Minister Charette and Minister Drainville, who is now in charge of this file. We talked about how we're going to work on a number of aspects, including species at risk. The federal government is having these discussions with the provinces.

Although we have the Species at Risk Act, we still have to continue to work with the provinces to find solutions.

Eric Lefebvre: You say that you spoke with Minister Charette and the new Minister Drainville. Over a 10-year period, from 2018 to 2028, how much will the Government of Quebec have invested in protecting caribou and forested areas?

Hon. Julie Dabrusin: I don't know how much Quebec will invest and I don't know how it will do so.

Eric Lefebvre: We know that a significant investment of up to \$100 million will be made between 2018 and 2028 to protect the caribou. I'd like to know what you think about the emergency order on caribou protection.

Hon. Julie Dabrusin: The implementation of the Species at Risk Act is quite regulated and clear. It also includes the steps I must take as Minister of Environment and Climate Change.

That said, as I told you, I'm talking to Quebec ministers to find ways to resolve the situation.

Eric Lefebvre: You are talking to them, but you don't know how much money they've invested. From 2018 to 2028, \$100 million will have been contributed by Quebec and by the province's workers.

Do you think Quebec's investment in caribou protection is enough?

Hon. Julie Dabrusin: It's important to say that the forestry industry is very important not only in Quebec, but across the country. It is important that the government support workers in the forestry industry. However, as I told you, the act is well regulated and clear about the role I must play.

I respect my mandate as minister, and I will continually speak—

Eric Lefebvre: Minister, the people of Abitibi, Saguenay—Lac-Saint-Jean and Côte-Nord are listening to you right now. They are worried, and thousands of families are worried right now. New tariffs on softwood lumber are now as high as 45%. We want to know what you're going to do about the caribou protection order.

As for the importance of protecting caribou, Quebec is recognizing that by investing \$100 million between 2018 and 2028. Now we want to protect forestry jobs in our regions of Quebec. It's our families and our people who are affected.

What are you going to do about the order?

The Chair: Please give a brief answer, Minister.

Hon. Julie Dabrusin: The imposition of these tariffs by the United States is a very important issue.

As you can see, our government is supporting forestry workers because the tariffs imposed by the United States are impacting them. I often think of all the workers who are impacted by these tariffs.

The Chair: Thank you, Minister.

Thank you, Mr. Lefebvre. Your time is up.

Mr. Lavoie, you have the floor for five minutes.

Steeve Lavoie: Thank you, Madam Chair.

Minister, thank you for being with us today.

As we were preparing for our meeting, one thing kept coming to my mind about agriculture. I come from a family that had a dairy farm, and I grew up around several generations of people. My brother took over the dairy farm more than 35 years ago and turned it into an organic farm. We can say that he was a visionary at the time.

I would like to talk about reducing greenhouse gas emissions from the agricultural sector and rural production. I would like to know how the government will continue to help producers and farmers successfully reduce their greenhouse gas emissions. They want to do it. They've been wanting to do it for a long time. As I told you, my brother thought about it 35 years ago.

How will the government be able to help them in the future?

• (1255)

Hon. Julie Dabrusin: When floods occur, when rain is insufficient and droughts happen, farmers are really the ones who see the immediate effects. They are often our greatest environmental activists in what they do.

I think it's important to find a way to better support agricultural producers and farmers. Last week, I was in Manitoba, and we saw that there are a number of ways to help them. In just one day, we

looked at 11 projects to help farmers dry their grain using less energy and using electricity instead of natural gas.

We have examples of that across the country. Those are the ones I have in mind, as I was there a week ago.

Steeve Lavoie: What impact will the elimination of the fuel charge have on Canada's climate goals?

Hon. Julie Dabrusin: As I said earlier, based on what we are seeing right now in the country, our greenhouse gas emissions are at their lowest level in three decades. We've done a lot of work already, but we need to continue. We have a number of programs, bills and regulations that, combined, help reduce our greenhouse gas emissions.

You talked about agricultural producers. I could see that there was a great deal of interest across the country in ways to reduce emissions. We are involved on both sides. On the one hand, as we have already discussed, we are helping the industry. On the other hand, we are currently helping less fortunate people across the country to comply and invest in their homes, not only to reduce their emissions, but also to pay less for the energy they use.

We're talking about regulations, but we're also doing other things to help Canadians reduce their emissions. It's my job to continue to reduce emissions across the country.

Steeve Lavoie: How will the revenue stemming from the charge be replaced? Surely there are mechanisms to find that revenue elsewhere.

Hon. Julie Dabrusin: Around the world, when it comes to the global economy, we see a trend toward a decrease in carbon emissions. That's what countries want, so that's what we need to do in terms of the economy for our country. To really grow and help our economy, we need to make sure that Canada's industries are ready to enter this global economy with lower carbon emissions.

The Chair: Thank you, Minister.

Thank you, Mr. Lavoie.

That concludes the questioning for today's meeting.

I'd like to thank the Honourable Julie Dabrusin for being with us.

[English]

Thank you, ADMs Meltzer and McDermott. On behalf of the committee, we appreciate your time today.

Before we wrap up, all of you received an email late last week about a joint informal meeting with the German minister of defence, Boris Pistorius, and the Norwegian minister of defence, Tore Sandvik, which will be held tomorrow, Tuesday, October 21.

In advance of this informal meeting, the following motion must be adopted:

That the committee meet in camera, in an informal meeting, with the German Minister of Defence, the Norwegian Minister of Defence and a delegation from Germany and Norway on Tuesday, October 21, 2025; that the committee defray the hospitality expenses related to this meeting; and that these expenses be equally shared with the Standing Committee on Foreign Affairs and International Development and the Standing Committee on Industry and Technology.

Do we have agreement to adopt this motion?

(Motion agreed to)

The Chair: Okay. Thank you very much, everyone. I hope to see as many of you there tomorrow as possible.

With that, do we have leave to adjourn the meeting?

Some hon. members: Agreed.

• (1300)

[*Translation*]

The Chair: Thank you all. We'll see each other again on Wednesday.

The meeting is adjourned.

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