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# Standing Committee on Environment and Sustainable Development

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Chair: Angelo Iacono





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Thursday, February 26, 2026

• (1105)

[English]

**The Chair (Angelo Iacono (Alfred-Pellan, Lib.)):** I call this meeting to order.

Welcome to meeting number 27 of the Standing Committee on Environment and Sustainable Development.

This meeting is taking place in a hybrid format and is in public.

For those attending in person, please follow the health and safety guidelines, as per the cards on the table, to prevent audio or feedback incidents.

[Translation]

The committee is resuming its study of protecting Canadian residents from extreme weather events.

[English]

As witnesses representing the Federation of Canadian Municipalities, we have Louise Wallace Richmond, city councillor, Salmon Arm, British Columbia, by video conference; and we have Leslie Muñoz, director, advocacy.

From the town council of Parson's Pond, we have Mayor Blaine Payne, by video conference, and councillor Josephine Goosney, by video conference.

Good morning to you all.

You will have five minutes for your opening remarks. I will indicate when you have one minute left in your comments and responses and will kindly ask you to end your remarks.

Thank you.

We will start with the Federation of Canadian Municipalities.

You have five minutes for your opening statement.

**Leslie Muñoz (Director, Advocacy, Federation of Canadian Municipalities):** Hi, thank you.

I'm very excited to be here on behalf of FCM, and I appreciate that the committee is discussing this very important matter.

My name is Leslie Muñoz. Our main witness is our board member, Louise Wallace Richmond, from the city of Salmon Arm, B.C., who is the vice-chair of our environment committee.

I'll pass it over to Louise to speak on our behalf.

**Louise Wallace Richmond (Councillor, City of Salmon Arm, British Columbia, Representative, Federation of Canadian Municipalities):** Good morning, distinguished members of the committee.

[Translation]

The Federation of Canadian Municipalities, or FCM, represents over 92% of the Canadian population. Our members represent more than 2,000 municipalities of all sizes, from the largest urban centres to northern, rural and remote communities, as well as 20 provincial and territorial associations.

[English]

I'm going to make four points in my opening statement.

First, preparing our infrastructure now, rather than repairing later, is the most cost-effective way to avoid billions of dollars in damage.

Second, we must better support local emergency management as well as evacuees and the host communities.

Third, we must strengthen national coordination mechanisms to address capacity gaps.

Fourth, we must support post-disaster recovery so that we can build back better quickly, and that includes ensuring access to affordable insurance.

More severe floods and storms threaten Canadian households, businesses and communities. Pressure is ramping up on local government infrastructure and emergency services, and it's only going to get worse. Fourteen per cent of Canada's public infrastructure assets are in poor or very poor condition, with a \$294-billion backlog in repairs needed, making communities more vulnerable to disruption, loss and danger.

Climate change already adds \$9 billion per year to our infrastructure costs, and that could rise to \$14 billion by 2050.

[Translation]

By acting now, we can reduce impacts and costs. By adapting our infrastructure today rather than repairing it later, we can save billions of dollars.

In its most recent study, the Climate Institute of Canada demonstrated that every dollar invested in preparing for climate risks can save nearly \$5 in future expenses.

[English]

This is why FCM is calling on the federal government to immediately invest \$2 billion in adaptation infrastructure, followed by \$1 billion annually for the next 10 years, to protect communities and to reduce costs.

While climate adaptation projects are eligible under the new build communities strong fund, BCSF, they are not at the pace and scale that is necessary. This is why we continue to call for additional dedicated investment.

FCM is already a champion in this space. The green municipal fund, GMF, proactively supports municipalities to undertake climate risk assessment, adaptation plans and asset management resiliency. We know the GMF can be leveraged to further protect communities in the years to come.

Local emergency management needs support. Local firefighters are trained and equipped for structural fires, not for forest fires. With increased development in the interface, they are often called upon to do both. They face burnout, mental health and recruitment challenges. This is acute in rural, remote and northern communities, where services are volunteer-based and where training and equipment are limited.

As for evacuations, proactively identifying or building multi-purpose facilities and closing remaining gaps in cellular and broadband would ensure that evacuations support the basic needs of evacuees.

National coordination measures must be enhanced.

- (1110)

[Translation]

When climate disasters intensify, local capacities can quickly become overwhelmed. We all need to coordinate our efforts to prevent the damage from getting worse.

[English]

Establishing stronger coordination mechanisms at the federal level is vital to improve national standards, data systems and awareness of critical risks and best practices.

Finally, post-disaster recovery is emerging as one of the most significant and costly components. Municipalities rebuild critical infrastructure while responding to ongoing emergencies. The launch of the modernization of the disaster financial assistance arrangements, DFAA, is important, but we'll need clarity as we navigate new requirements going forward.

[Translation]

Lastly, let us support vulnerable households living in high-risk areas by implementing national insurance for those areas.

[English]

Municipalities' responsibilities are expanding at a pace that far exceeds our fiscal capacity and existing emergency framework. The FCM welcomes the opportunity to work with the Government of Canada.

**The Chair:** Thank you.

Our next witness is the mayor, Mr. Payne. The floor is yours for five minutes.

**Blaine Payne (Mayor, Town Council of Parson's Pond):** Good afternoon, Mr. Chair and members of the committee.

My name is Blaine Payne. I'm the Mayor of Parson's Pond. With me today is Councillor Josephine Goosney.

We would like to thank you for the invitation to join your meeting today. I appreciate the opportunity to add a rural municipality's perspective to your committee study on protecting Canadian residents from extreme weather events. Parson's Pond is a small town in Newfoundland and Labrador, and we have been facing major erosion issues for decades. I would like to bring to the attention of your committee that our efforts to mitigate the threats have been completely unsuccessful.

Parson's Pond is a beautiful community, surrounded by mountains and oceans on the Northern Peninsula and filled with friendly people who all share the same fear: erosion. It is an ongoing issue happening along the majority of our coastline. With every storm, we watch our land washing away. You see the mud in the water from the erosion and watch land falling away. You watch the coastline narrowing away with every storm, getting closer to the houses along the entire length of our community, from the north side to the south. Even on dry summer days without waves and water washing it away, you can see the dry sand blowing.

Residents and locals have been watching this happen for years, and nothing has been done to prevent it from worsening. It is very noticeable for those of us living here. As a kid growing up, I remember seeing the town lighthouse having to be moved closer to the houses twice because the land was eroding and it was about to fall over the edge of the bank, and that was in the centre of the town.

On the north side is more vacant land, so it's going unnoticed by many, but it's still happening. We can see it happening. On the south side of town, at the south entry point of Parson's Pond, especially, it is really noticeable. It's getting closer to the Route 430 highway, which is the access point to all of the Northern Peninsula, so if the highway washes away, there will be no more access to the Northern Peninsula, making this issue extend outside our small community by threatening the entire coast.

We are all concerned about this issue, but we have not been able to address it with the current realities and limited resources of our small community. Resettlement is not an option. Nobody wants to resettle from Parson's Pond. We have a nice, safe community. We have local services, a volunteer fire brigade, the clinic and grocery stores. We have booming lobster and forestry industries. We have clean drinking water throughout the community and we have sewer services.

Parson's Pond is a well-established community, and we welcome growth, not resettlement. If the time comes when we have to resettle due to safety, the erosion would have to be fixed anyway, because "Pond" is in our name. Our pond runs from the ocean to the base of the mountains. We are surrounded by marshland, wetland and swamps. There is no other way to connect to the Northern Peninsula but where the road currently is. It's at the narrowest and shallowest water in the pond. You cannot bypass Parson's Pond as there is nowhere to move the road.

There is urgency to the growing concern, and if we can fix the issue today, we can prevent future erosion. In our view, this is the only option and it is the safest option. If we cannot address this issue, the entire Northern Peninsula will be cut off.

I have had friends from as far up as St. Anthony on the Northern Peninsula ask me about erosion happening here in Parson's Pond, because as they drive through, they see this happen. They notice it, and they understand the consequences if this issue doesn't get resolved.

The funding required is too big for the town to fix it itself, and all available funding has too big a requirement for our little town to qualify. We know this is serious. In the context of your study, it's important that the federal government understand the dynamics of our community.

Again, I would like to thank you for the opportunity to speak to the committee on behalf of the town about these ongoing erosion issues. I look forward to answering your questions.

Thank you.

• (1115)

**The Chair:** Thank you very much, Mr. Mayor, for your remarks.

We're starting with Mrs. Anstey of the Conservative Party for six minutes, please.

**Carol Anstey (Long Range Mountains, CPC):** Thank you, Chair.

Thank you to the witnesses for coming here today.

I would like to direct my questions today towards a mayor in my riding, Mayor Payne.

Thank you for appearing. We're all just here having a conversation today about this important issue, so thank you for bringing it forward.

I want to give you more of an opportunity to explain the geography that you're dealing with in Parson's Pond. Could you paint a little picture for us about how much of your community is on the coastal part of the peninsula?

**Blaine Payne:** Our entire community is built on the coast. We're right on the oceanfront, so the entire distance of our community is really eroding.

**Carol Anstey:** I think that's an important point. Do you see mitigation as the best path forward as opposed to having to respond after something drastic happens, like a disaster?

**Blaine Payne:** I don't really understand the question. I'm sorry.

**Carol Anstey:** I apologize.

You talked about the impacts of erosion on the community, the roads and the lighthouse, and about infrastructure being damaged. As you're dealing with this ongoing issue in your community, what do you see as the best path forward in terms of the way this can be dealt with?

I'm asking you about mitigation efforts as opposed to dealing with this on the other side if there's an extreme weather event.

**Blaine Payne:** I think for the full length of town, we definitely need some armour stone. I guess the government would have to do their study, but I feel armour stone would be the best way to protect our land ahead of time, prevent any future erosion and make the town safe now. We are at a high elevation above water. If you look at a 100-year plan, if we prevent any future erosion so that we do not have to move houses or anything, we will still be safe because we're at a high elevation. If we fix the problem today, we won't have to worry tomorrow.

**Carol Anstey:** How many people live in Parson's Pond?

**Blaine Payne:** At the last census, which was four years ago, it was 321. There is a new census being updated this year.

**Carol Anstey:** What's your tax base when you're servicing a community with 321 people in it?

**Blaine Payne:** I'm not certain of our total income, because we do have some fully serviced lots here, which pay a little extra. We have some that only have water. It ranges from \$800 to \$1,200 per household.

• (1120)

**Carol Anstey:** With that tax base, what are you able to do with those funds as a municipality?

**Blaine Payne:** We have to have some for emergencies. We've been doing pumphouse upgrades, and that's been costing us. We provide snow clearing to the community and garbage disposal that goes to a waste management site. We are trying to get more projects to extend our sewer throughout the community. Our town hall gives back to the community. We support our fire brigade.

**Carol Anstey:** What I'm getting at is there are limited resources in terms of what you might have extra for.

You touched a little bit on resettlement, and this is a deeply emotional issue for the people in Newfoundland and Labrador. I wanted to give you an opportunity to speak about that for the benefit of the committee, so that they understand.

**Blaine Payne:** We definitely do not want to resettle. We have a safe and beautiful little community out here. The main highway runs right through our town, so there's no extra cost for the government to keep Parson's Pond as Parson's Pond. If you protect our land now, we'll be safe.

I worked at other spots that were remote. It was costing the government tons of money. You had to pay ferry services and transfer fuel to the island. In Parson's Pond, there's none of that. If you protect our land, that's all we're asking for—safety.

**Carol Anstey:** Resettlement happened, historically, in Newfoundland and Labrador, and it left a scarring mark on a lot of people in the province. I think that's probably why you get that push-back from your residents a lot.

Thank you for being a community advocate. I know that mayors in these small communities don't get a pat on the back, sometimes. I want to say thank you for appearing and for passing along the concerns of your community.

**The Chair:** Thank you very much.

Mr. St-Pierre, the floor is yours for six minutes.

**Eric St-Pierre (Honoré-Mercier, Lib.):** Thank you.

Ms. Muñoz, thanks for being here. I'm a big fan of the Federation of Canadian Municipalities. I did a lot of work in the past with your colleagues, Kate Fleming and Chris Boivin, from the green municipal fund. Carole Saab helped work on the low-carbon cities Canada initiative. I'm a really big fan of your work. Send my regards to the team.

I have a question for you about extreme weather events and the structural budgetary risks for municipalities. Can you speak about the repeated floods and what they mean, financially, for a lot of your members?

**Leslie Muñoz:** Definitely. I'll quickly speak to this, and then I'll turn it over to Louise to share more local colour and flavour about what's happening on the ground.

We did the studies: 14% of municipal infrastructure is in a state of critical disrepair, which creates massive risk when it comes to extreme weather events. The backlog—and this is an outdated number, but we're going to be updating it in a couple of months—is \$296 billion across the country. That, matched with extreme weather events, create a huge amount of financial risk for municipalities and for local taxpayers. It's not just about that: It's also about quality of life, about businesses being able to do business and all those pieces.

We've also recently partnered with the Canadian Climate Institute and the Insurance Bureau of Canada to do a study on the cost of climate adaptation and its potential savings. There's real monetary value to investing in preparing communities for extreme weather to prevent further costs down the road. The cost escalation is just too high.

I'll turn it over to Louise to talk a bit more about that and to share the local flavour.

**Louise Wallace Richmond:** Thank you. I appreciate the question.

The region that I'm from, the southern interior of B.C., experienced a number of significant disasters in the last five years alone. I can tell you that, from the community level, we no longer talk about fire season. We talk about fire all year long because we know that a fire in the summer will lead to a washout in the fall. The cumulative effect of one disaster will last for an immeasurably long time.

Whether it's the highway being washed out in the summer during busy times or the smoke that prevents us from leaving, thus being

landlocked in the southern interior, people live with this risk all the time. At Christmas parties, people will talk about whether or not the snowpack in the mountains is going to be enough to get us through the spring, and whether or not the high temperatures will make the snowpack melt faster, therefore creating a risk of flood, which creates risk of... We have to change our focus to prevention because it really is, "An ounce of prevention is worth a pound of cure."

• (1125)

**Eric St-Pierre:** Thank you.

Can you speak to FCM and a lot of the municipalities that are using other funds for other services? You could think of funds for housing, which we know is an issue right now, or transit or recreation. We have some mayors here today who probably know how funds are used for other services. Can you speak about how some of those funds are being transferred, as the mayor was talking about, to deal with highways that are being washed out or to finance other climate finance resiliency projects?

**Louise Wallace Richmond:** We're seeing a shift in how we approach our own budgeting and community planning. Everything has a climate lens. When we're talking about the asset management of our key infrastructure, we think about what decisions we can make in repairs and replacements that will mitigate the impact of the climate change we see happening.

As you know, local governments cannot run deficits, so we rely heavily on reserves and, to some extent, development cost charges to build out the infrastructure required for new housing. However, in the case of Salmon Arm, we have seen an increase in multi-family housing. We know people want to come here, but we have an aging waste-water infrastructure plant that is vulnerable to a flood or a fire—both our water and our waste water. As we plan to rebuild and repair, we absolutely have to build in adaptation measures to ensure long-term viability so we can continue to help senior orders of government meet their needs.

Help us help you help us, because when we work together, it works a lot better.

**Eric St-Pierre:** Thank you.

I only have a few seconds remaining.

It's great to see some Newfoundland representation here today. Thanks for your testimony, Mr. Payne.

Very quickly—in 30 seconds—I'm curious about what Newfoundland is doing to help your community.

**Blaine Payne:** Really, nothing has happened down here to help our community. I have never seen it.

Actually, back in 2023, we did get a small grant to protect... We almost had a graveyard wash out into the ocean, so they issued a small amount. I think it was \$16,000 for armour stone to protect that one section of the graveyard.

Besides that, we haven't seen anything to help our issues here in Parson's Pond.

**Eric St-Pierre:** Thank you.

**The Chair:** Thank you very much.

[*Translation*]

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

**Patrick Bonin (Repentigny, BQ):** Thank you, Mr. Chair.

I would first like to make a brief aside to my colleagues. I previously gave notice of a motion regarding the schedule, which seemed to pose some issues, but we have received a new schedule. That means the motion will no longer be necessary, and I won't be moving it.

I'll now turn to the representatives of the Federation of Canadian Municipalities.

Thank you for being here. You mentioned that infrastructure costs were increasing by \$9 billion per year and that climate change was contributing to that. According to forecasts, this could reach around \$14 billion a year.

How much of the increase in costs and infrastructure needs is directly related to climate change, and which warming scenario is being used as a basis?

For example, are forecasts based on the current trajectory, which leads to a warming of 2.7°C, or a scenario in which the temperature would increase by 5°C?

[*English*]

**Leslie Muñoz:** Because I mentioned it quickly, I'll speak to the report that came out.

Essentially, we estimate that about 14% of all of Canada's public infrastructure assets that are municipally owned are in poor or very poor condition. We're going to be updating that number, and I would be happy to distribute the information to the committee. The report is coming out in a couple of months. I'll make sure to send that over to you folks. Using outdated figures, the number is a \$294-billion backlog for infrastructure repairs. That speaks to the level of need for funding for a state of good repair. When that amount of infrastructure is in a state of poor condition, it enhances climate risk under any scenario.

In terms of the report I mentioned—I'll circulate information about this after the fact, as well—FCM partnered with the Insurance Bureau of Canada. This report was led by the Canadian Climate Institute. It's called "Prepare or Repair". The main finding is this: If we were to invest \$4 billion in climate adaptation, it would generate about \$5 billion to \$10 billion in savings. There's a real opportunity here, given the financial impact and financial risk presented by extreme weather, to invest proactively in order to make sure that we're preparing for climate risks and natural hazards—that we're protecting our communities in those ways. It's more affordable to invest in preparing than it is to repair after the fact.

Louise, do you have anything to add?

• (1130)

**Louise Wallace Richmond:** I appreciate that.

[*Translation*]

I think we were asked to explain how those cost increases are measured. As Ms. Muñoz said, it's actually the infrastructure deficit that we're concerned about, because we have to not only repair existing infrastructure but also adapt it to mitigate the effects of climate change.

**Patrick Bonin:** Do you have any figures on how climate change has contributed to the increase in infrastructure needs?

**Louise Wallace Richmond:** I'll turn it over to Ms. Muñoz, but we can certainly do the math and get back to you on that.

**Patrick Bonin:** I would appreciate that.

[*English*]

**Leslie Muñoz:** I'll share the report with you folks and the information centre will share that with you folks.

[*Translation*]

**Patrick Bonin:** You said that it will be necessary to modernize the disaster financial assistance arrangements. Can you expand on that?

What do you mean by "modernization"?

What more would be needed in these agreements?

[*English*]

**Leslie Muñoz:** Specifically, what we were talking about is the disaster financial assistance program, essentially the program that's in place to support provinces, territories and municipalities when natural disasters occur.

There has been a modernization process under way. We've monitored that, and we've been supportive of it. Right now we're essentially assessing how it's landing and what the experience is on the ground to make sure that our members are genuinely benefiting and able to access supports they need during that post-recovery process.

Louise, would you like to speak to that?

**Louise Wallace Richmond:** What I would add is that the fund is oversubscribed already.

I know this committee has heard from Spencer Coyne, the mayor of Princeton, and from the mayor who is joining us today. They are from small communities with small planning departments and few employees. We are navigating complex application processes. Really, the general messaging I would like to send—and we are a mid-size community—is that it should be by allocation, not by application because communities of 250 to 300 people simply don't have the infrastructure in place to be applying to these complex funds.

**Leslie Muñoz:** Louise is referring to a program called the disaster mitigation and adaptation fund. We've recently learned that the program is being wound down. It has provided funding and has been significantly oversubscribed by municipalities across the country in terms of assistance for disaster mitigation.

We understand that climate adaptation is an eligible expense under the new build communities strong fund, but we are concerned that the fund is not at the pace and scale necessary to truly support communities in preparing for climate risks.

[Translation]

**Patrick Bonin:** How many additional billions of dollars do you think it would take?

[English]

**The Chair:** I'm sorry. Thank you. Your time is up.

Mr. Bexte, the floor is yours for five minutes.

**David Bexte (Bow River, CPC):** Thank you, Chair.

Thank you, witnesses, for being here today. I appreciate your time and the commitment to share your views and wisdom.

Ms. Richmond, how many of your members have complained about lack of access to updated flood mapping or risk profile mapping?

• (1135)

**Louise Wallace Richmond:** I can tell you that in the southern interior, particularly in small communities, it would be a very high percentage.

**David Bexte:** Are your member municipalities experiencing pressure from developers to build in high-risk zones? That may be an oxymoronic question if they don't know where the high-risk zones are in the first place. Society has always had a penchant for building close to rivers and lakes, which has been a natural thing, but that poses a risk.

**Louise Wallace Richmond:** Absolutely.

**David Bexte:** How much effort do we need to apply to make sure we don't expose ourselves to risk in the first place?

**Louise Wallace Richmond:** My sense is that the conversation has shifted. I can't speak for the entire country because the development regulations are different from province to province. In B.C. there are different standards for hillside development and developing close to water or on wetlands. There seems to be a general understanding that if we're going to build homes and invest in critical infrastructure, we're all duty bound—the development community, the local government community and the residents in the community—to understand our collective impact on that habitat. I would say that has changed a little bit, but I certainly can't speak for large urban centres or other jurisdictions.

Maybe Leslie has something to say on that.

**Leslie Muñoz:** What I will add is that we're facing a housing crunch across Canada and obviously there are strong municipal interests in building housing quickly. It's a crisis across the country.

What we've consistently heard from our members is that having access to information about flood plains and all those pieces would

be helpful, just to make sure that when we're building communities, we're building strong communities that are resilient to the environment and to the growing pressures we're facing with extreme weather.

I know that the federal government has committed to developing a portal, but there have been delays related to data. We continue to recommend that the portal move forward. Having information on floods, flood risks and all those pieces will make for sustainable, stronger and smart development.

We're supportive of those measures, recognizing that we do need to build more housing quickly across this country and that all orders of government need to work together towards that end.

**David Bexte:** I appreciate that.

I want to make sure that we avoid conflating the two different issues, right—

**Leslie Muñoz:** Yes.

**David Bexte:** —of future growth that's organic and building more homes for Canadians, with repositioning existing infrastructure. Existing infrastructure is going to need mitigation in order to save.... You've made the point quite well that a dollar spent now is worth many dollars to mitigate disaster.

That's better than insurance coming into play after the fact, but even more than that, I want to back up to building in the right place the first time and making sure that in urban interface communities there are appropriate firebreaks already.

I want to get an appreciation of this. Is there a change in municipal spending priorities and thoughts on spending the limited resources that you have in this thoughtful manner? As an example, Calgary is in a bit of a circumstance here right now, with some significant urban water infrastructure and a lack of funds. They have to figure something out, because this is a critical piece, but historically, priorities on spending maybe have contributed to this. Could you comment on that?

**Leslie Muñoz:** Definitely. I would say that just because of the nature of municipal services, municipal infrastructure, asset management and all those pieces, it's innately linked to housing. I would say that municipalities, by provincial laws and just generally as a good practice, have very expansive asset management practices, capital plans and all those pieces. I used to work for a municipality—the City of Guelph—and what I can tell you is that in the City of Guelph climate considerations are top of mind when the municipality is prioritizing capital investment.

**David Bexte:** Can I ask for a quick comment on how the municipality protects against the pressure from developers—or itself—of developing in unsafe ways?

**Leslie Muñoz:** What I will say is that, as part of planning processes, those are considerations that are made. There are stormwater management plans. There are water and waste-water management plans.

**The Chair:** Thank you.

**The Chair:** Mrs. Miedema, the floor is yours for five minutes.

**Shannon Miedema (Halifax, Lib.):** Thank you very much to all the witnesses today.

I'm really excited about this final day of our study. This is a study that I brought forward, and I think that all the witnesses, on all of the days, including today, really show the rationale for having a study like this. We really do have gaps that we need to consider.

We're trying to understand the role of the federal government and what the federal framework should look like across all the different considerations of extreme weather impacts for Canadians. Yes, there is a lot on getting smarter as we build—where we build and how we build—and we're slowly but surely getting smarter on that. That's a multi-jurisdictional consideration. Not any one government has control over that, but then there's all of this existing infrastructure...these communities on the coasts.

It's really great to see you, Ms. Muñoz. I worked a lot with the Federation of Canadian Municipalities in my past life with the City of Halifax and was very focused on adaptation. I'm just wondering how the Federation of Canadian Municipalities facilitates co-operation among its members on the issue of uninsured and insured losses as they pertain to extreme weather.

• (1140)

**Leslie Muñoz:** I will speak to the benefit of the green municipal fund.

The green municipal fund is delivered in partnership with the federal government. Its intention is to support local communities with climate adaptation, with making progress on climate change. I'll point to some of the work we're doing through our green municipal fund. It's focused on capacity building.

I'll pass it over to Louise if she wants to share a bit about that. I can also answer if you would like.

**Louise Wallace Richmond:** Is the question related specifically to insurance?

**Leslie Muñoz:** The question is specific to insurance. We don't have an offering like that through the green municipal fund, but we do offer a lot of climate resilience studies and those types of pieces.

On the insurance piece, we've been very supportive and have called on the federal government to ensure that there is accessible insurance, especially for high-risk households. We've been supportive of efforts to advance that, and have worked with the Insurance Bureau of Canada and other climate partners to advocate for accessible insurance for all Canadians.

**Shannon Miedema:** Okay, great.

**Louise Wallace Richmond:** This could mean establishing a fund over four years to protect not just the areas most at risk of flooding but also the community members most at risk in those areas who couldn't possibly begin to afford flood insurance, if they could get it.

It would be shared with the private sector, but there would be a small public portion.

**Shannon Miedema:** The reason I framed this study the way I did is because there had been a lot of work in the last few years with a consortium called Climate Proof Canada, with the insurers and with governments. They would come together once a year. I was plugged into that through my role at the City of Halifax.

I think we're still trying to understand who does what when it comes to the dollars and cents of a recovery, while also considering how we build resilience into our infrastructure today. What is the role of the insurance sector? What are the roles of the federal, provincial and territorial governments?

Yes, a lot of those funds that the federal government gives have to funnel through provinces and territories. It's at their discretion to determine where those monies go, which can be problematic for the municipalities themselves.

I'll turn to Mayor Payne. It's great to have you here. Thank you for your testimony.

Since you have this issue, have you or your staff at the town had conversations with staff or politicians from the Province of Newfoundland and Labrador on how to access dollars, whether they be federal or provincial dollars, to really talk about starting to secure that highway? Is that highway a provincial highway, a federal highway or a local highway?

**Blaine Payne:** Not really, though for money to apply for.... I've been talking to someone, and they said that transportation infrastructure is monitoring the area around that section of the highway. They're just monitoring it. Nothing has been done to protect it.

**Shannon Miedema:** I think there are some opportunities, right?

Again, if you have a town of 300 people, you don't necessarily have that staff. It's really up to the province to be pulling its weight on securing what it needs to protect a big access way for a whole part of the province.

**The Chair:** Thank you.

[Translation]

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

**Patrick Bonin:** Thank you, Mr. Chair.

I'm still speaking to the people from the Federation of Canadian Municipalities.

You talked about various scenarios for reducing emissions and the importance of doing so. Just a few days ago, your president, Ms. Bligh, was here to talk, with Mr. Carney and others, about public transit funding, which was cut by \$5 billion. You said that this led you to compete with the provinces and territories for funding that would normally be allocated to public transit.

Can you talk a bit about how you view the importance of that funding?

• (1145)

[English]

**Leslie Muñoz:** I'll speak to this quickly, and then turn it over to Louise.

What you're referring to is the \$5-billion cut to the Canada public transit fund, CPTF, in budget 2025. We are currently advocating for the reversal of that cut. I appreciate that, of the three streams, public transit will be an eligible expense as part of the build communities strong fund. We are very concerned that the BCSF is not at the pace and scale necessary to truly meet the need across the country. The benefit of the Canada public transit fund is that it's dedicated. It's stand-alone. It's an investment in public transit that doesn't need to compete with other municipal priorities. The fact that it has been cut is a challenge for municipalities across the country.

You spoke a little bit about competing with provincial priorities. Under the provincial and territorial stream of the build communities strong fund, one of the conditions, in order to access the funding, is that provinces have to match the funding that the federal government is putting forward. There's also a requirement for development charge reductions in order to access the funding. The challenge with that is that, in many jurisdictions in Ontario and Quebec, development charges are actually used to fund public transit. It becomes a bit of a double whammy if there's a 16% cut to CPTF, and then at the same time, on the other side, development charge reductions likely lead to a reduction in funding available at the municipal level for public transit. It creates challenges for all municipalities.

Louise, I don't know if you want to add anything to that.

**Louise Wallace Richmond:** As a mid-sized community it's less top of mind for us, although of course I see public transit as a form of important infrastructure as well.

**The Chair:** Thank you.

Mrs. Anstey, the floor is yours for five minutes.

**Carol Anstey:** Thank you.

Mayor Payne, I wanted to ask you a couple of other questions. I take Ms. Miedema's point with respect to provincial resources. I think what's most appropriate in this case would be the disaster mitigation and adaptation fund because these are breakwaters that are in the ocean in order to protect the coastline, which is eroding away on the highway. I think we're specifically speaking about that.

She made a reference to staff. How many staff persons do you have at the town of Parson's Pond, Mayor Payne?

**Blaine Payne:** We have our town clerk manager. We have a part-time maintenance person. With four towns, we are combined as a

region with one maintenance person who we share. Besides our employees, we just have us five volunteer councillors.

**Carol Anstey:** I think it's important to get on the record that access to these sorts of resources such as surveyors and engineers is extremely limited.

Have you seen erosion accelerate over the last number of years?

**Blaine Payne:** Definitely.

Up at the highway is the most noticeable spot. In the last 20 to 25 years, the town put some rock along the top of the bank so traffic won't drive out to the edge. It's been moved four times closer to the road. At least 50 feet of it washed away. It's going five to 10 feet a year.

I mentioned the lighthouse in my statement. I've seen the lighthouse moved twice, but the owner of the land where the lighthouse was said it was three times. He also has a barn there. It's 25 feet from the erosion to the barn now. It used to be 50 to 75 feet. They removed the lighthouse in 2009, he told me, and they didn't put it back because the land kept eroding. Yes, it's been an issue. Our storms have been worsening and everything's been changing.

• (1150)

**Carol Anstey:** That's a good point.

I wanted to give you one more opportunity. Is there anything else that you'd like to pass on to the committee with respect to your town?

Then I'm going to cede my time to the member next to me, Mr. Dalton.

**Blaine Payne:** As everybody knows, our neighbouring town, Daniel's Harbour, had a massive landslide in 2006-7. They had to relocate 23 homes, plus seven homes and one business. One home fell into the ocean. That was a big expense. When they moved the road, that cut into the businesses; they lost the traffic that was supporting the businesses.

You cannot bypass Parson's Pond. The pond runs right to the ocean, so protecting us is the only option. It's a safety concern. We don't want to move. We don't need to move if our land is protected. There's no extra expense. There's no side road that government has to maintain or anything. The road runs right through us, so the road needs to be maintained anyway. It just makes sense to give us our safety. That's all we're asking for.

**Carol Anstey:** Thank you, Mayor Payne.

Go ahead, Mr. Dalton.

**Marc Dalton (Pitt Meadows—Maple Ridge, CPC):** Thank you to all the witnesses.

Ms. Richmond, Salmon Arm is a beautiful community. My step-mother lives in Andover Terrace, so I get up that way frequently enough. I represent Pitt Meadows—Maple Ridge and part of Mission. Flooding is a potential issue. Actually, it isn't just a potential issue; we've seen that happen there and also up the river in Chilliwack and Abbotsford.

Can you speak about diking? There's been a real lack of investment in the area of prevention specifically in diking. Do you have any comments on that for communities like those on the Fraser River, Lower Mainland and elsewhere in Canada?

**Louise Wallace Richmond:** It comes back to the cumulative impact of climate change. During the big flood in Chilliwack in 2021, when the entire Coquihalla Highway was closed down for 10 days, bridges were washed out. Chilliwack was in a severe state of emergency, as was Abbotsford. That was also tied to the heat dome from the year before, so there's a cumulative impact. Municipalities need to be able to dike rivers that behave on their own.

**The Chair:** Thank you.

Mr. Fanjoy, the floor is yours for five minutes.

**Bruce Fanjoy (Carleton, Lib.):** Thank you, witnesses.

Thank you, Mayor Payne. I appreciate your joining us today.

Parson's Pond is representative of so many rural communities across the country in that it may be very small, but it remains very important to Canada. It is also an access point to a huge part of the rest of the country. The good news is that I can't imagine relocating Parson's Pond because, to my knowledge, there's no other way to get to the rest of the Northern Peninsula.

In 2022, hurricane Fiona hit the western coast of Newfoundland. Port aux Basques, in particular, was heavily hit.

I'm curious about how far up that went. Did that impact your community? This was now, roughly, four years ago. I'm curious as to the state of your communities as they build back and pick up from hurricane Fiona.

**Blaine Payne:** Hurricane Fiona didn't really hit our town that hard. I worked on jobs where hurricane Fiona hit, where everything was built right on the water's edge. I understand completely why it was impacted so badly.

We are at a high elevation in Parson's Pond. If we protect against erosion, we won't have to worry about a hurricane. Our houses are far enough back from the shoreline, so they wouldn't be affected. The erosion is happening and we can only stop it with help.

• (1155)

**Bruce Fanjoy:** The thing about erosion is that it happens very slowly—until it happens very suddenly. You referred to a landslide in another community, and the impact this had on the community.

I want to understand how all levels of government can better help small communities, which, as my colleague pointed out, don't have the resources to address some of these adaptation measures. What are your thoughts on how we can work better to help you prepare? It's more than just Parson's Pond. It's the entire Northern Peninsula.

**Blaine Payne:** Oh, yes, it's definitely all of the peninsula.

Speaking of Parson's Pond, if you jump ahead of the erosion and do something today to prevent any future erosion, you won't have to worry. It does no good to wait until the disaster happens, then look at it and wonder why. If we prevent it today, we will be safer tomorrow.

**Bruce Fanjoy:** Ms. Wallace Richmond, I'd like to talk to you.

A lot of our focus is on adaptation measures that can be taken to help prepare our communities for the inevitable challenges we're going to face from extreme weather events. I'm not sure there's any amount of adaptation that can prepare us if we don't also mitigate for the conditions that are increasingly fostering these storms.

I'd be interested in your thoughts on how we strike that balance. What is the right balance between mitigation and adaptation if we want to lessen the impact of extreme weather events?

**Louise Wallace Richmond:** Ultimately, it's about having the discipline to approach all infrastructure projects with a climate adaptation lens, and to recognize that, as difficult as these times can be, there's also an opportunity on the ground for infrastructure investments, local employment and workforce development. There is a silver lining to this, but we all have to commit to the cause.

**Bruce Fanjoy:** Thank you.

This committee has heard from Public Safety Canada, which is seeking public engagement from Canadians on how to strengthen federal leadership in emergency management. I'm curious about your views, based on your experience with municipalities across the country. How can we strengthen federal leadership?

**Louise Wallace Richmond:** It is complicated by the challenges of federal versus provincial versus municipal jurisdictions, but it's really about working together at all levels of government and recognizing that local government knows best. Start there, rather than waiting for them to ask for help.

**The Chair:** Thank you very much.

I'd like to put an end to this session. I thank the witnesses for their presence today.

I shall briefly suspend the meeting, and the witnesses are free to go.

• (1155) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1205)

[*Translation*]

**The Chair:** The committee is resuming its study of protecting Canadian residents from extreme weather events.

We have with us Mathieu Boudreault, professor of the department of mathematics at the Université du Québec à Montréal, who is appearing by video conference as an individual.

Welcome, Mr. Boudreault.

[*English*]

We have Gary Martin, former academic. It's a pleasure.

We also have Rebecca Trowell from the Red River Basin Commission, manager, north basin, by video conference.

Welcome to all.

You each have five minutes for your opening remarks.

[*Translation*]

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

• (1210)

**Mathieu Boudreault (Professor, Department of Mathematics, Université du Québec à Montréal, As an Individual):** Thank you very much.

Good morning. I am speaking to you as a professor of actuarial science at the Université du Québec à Montréal, or UQAM, as the research chair in actuarial and climate sciences at UQAM, and as a full member of the Canadian Institute of Actuaries. I worked with the task force on flood insurance and relocation, and I participated in a research partnership with Public Safety Canada and the Insurance Bureau of Canada. Through the research chair, I work with three of the largest property and casualty insurers in the country.

After a brief overview of the situation, I will discuss three important elements for ensuring the long-term viability of insurance programs for extreme weather events, and I will then propose a potential solution for the federal government based on international experience.

According to the Insurance Bureau of Canada, insured losses have increased by about 6% every year for 30 years, which is well above the rate of inflation. That kind of increase rate isn't sustainable without affecting insurability. Canada isn't alone in facing significant cost increases. For example, in France, the home insurance tax that funds the natural disaster insurance plan went from 12% to 20% in January 2025. As the federal government considers implementing a Canadian flood insurance program, questions about the viability of a public-private partnership are legitimate.

How can we ensure the long-term viability of insurance programs for extreme weather events? There has to be much more investment in adaptation, since the current investments are meagre. However, to get there, it's also important to know where to invest, what the most cost-effective measures are and, above all, how to encourage homeowners, municipalities and provinces to adopt

them. For that reason, I will emphasize risk awareness, the availability of financial incentives and the appropriate sharing of responsibilities.

First, it's important to increase mapping efforts for areas at risk. While considerable progress has been made in flood mapping, pluvial and coastal floods still have to be mapped, along with similar mapping for wildfires and hail. The division of powers between the provinces and the federal government also complicates the task of gathering and reconciling the data needed to estimate the financial risks associated with extreme weather events. At the same time, gaps make it difficult to analyze the costs and benefits of a number of adaptation measures.

Knowing where, how and how much to invest in adaptation is good; setting up financial incentives to invest in adaptation is better. Despite well-established public-private partnerships in France and the United States, their immunization programs remain largely underused. One of the major disincentives for adaptation is the capping or subsidization of insurance premiums, particularly for homeowners in high flood risk areas in the United States, France and the United Kingdom. California also offers a striking example of the consequences of capping premiums, which has encouraged people to settle near areas at risk of forest fires.

It's important to understand that a high insurance premium in a competitive insurance market is quite often a symptom of excessive risk and that reducing risk is more beneficial in the long run than artificially capping premiums. While I support capping or subsidizing premiums for low-income households, these measures shouldn't be long-term solutions for making insurance affordable.

I would add that the current division of responsibilities for the financial management of floods can slow down adaptation efforts. Provinces and municipalities are responsible for land use planning, while the cost of financial assistance for disaster victims is largely absorbed by the disaster financial assistance arrangements, or DFAA. That program is funded equally by all Canadian taxpayers. That pooling of costs is commendable, but it's also a potential barrier to adaptation. Converting the DFAA into a self-funded provincial reinsurance program, where premiums are proportional to risk, could help control its use and encourage risk management practices that are sound and sustainable in the long term.

I also propose creating a Crown corporation whose mandate would be to administer this reinsurance program, as well as reassure the industry, provinces and municipalities. A public reinsurance corporation would strengthen the Canadian insurance industry's capacity to manage the risk of disasters such as earthquakes and forest fires and make it less dependent on the international market, which is currently tightening its access conditions for Canada.

• (1215)

The federal government should also support any initiatives to certify the resilience level of buildings. The certificates would send a major signal to the market for maintaining insurability and securing mortgage credit.

**The Chair:** Thank you.

**Mathieu Boudreault:** I had one sentence left.

**The Chair:** Okay.

**Mathieu Boudreault:** The objective of the federal government and the provinces is to rely much less on the DFAA and, above all, to ensure that investments are used to fund adaptation rather than recovery. This proposal is inspired by the French and British model for flood management.

Thank you.

**The Chair:** Thank you.

Mr. Martin, you have five minutes.

[English]

**Gary Martin (As an Individual):** Thank you, Mr. Chair.

Thank you to the committee for inviting me here to contribute to this critical discussion.

I will start by noting that on January 1, I concluded a five-year research position with a team working out of the Sprott School of Business at Carleton University that studied flood risk and the politics of housing development in Canada and abroad. I'm now semi-retired. The following opinions are my own.

I watched some of the recordings from previous committee meetings. I will not repeat scary data, nor will I repeat the demands for the federal government to fund and convene a Canada-wide strategy for adaptation to climate change. I've chosen to talk instead about watershed management for flood resilience in Canada and the Netherlands. I hope, and I'm sure you do too, that I'm not repeating what others have presented to the committee.

In recent years, I have spoken about flooding and urban development with dozens of Canadian and Dutch government and housing industry officials. Following from that research, I invite the committee to look closely at Dutch Water Authorities, an 800-year-old institution with elected boards that coordinate flood resilience, watershed by watershed. Please note that water management in the Netherlands is based on geography, climate projections and benefit-cost analyses, as well as mandates that supersede other political priorities.

Also note that over centuries, a unique model of decision-making has evolved in the Netherlands, which enables everyone from local landowners to senior federal government officials to negotiate solutions, including managed retreat and large infrastructure projects that everyone can agree with.

It's not idyllic. Democracy, as you know, can be messy and time-consuming, but despite changing weather and some close calls, the Dutch have not had a serious urban flood on a major river or from the sea in 70 years.

You may say it's not fair to compare Canada and the Netherlands because the Netherlands has a much longer history of much higher flood risk. Because of the ballooning costs of our disasters, I think it's fair to compare. By the way, we found Dutch people to be very welcoming to Canadians and very generous with their advice.

Now let's compare Dutch Water Authorities with Ontario's 36 conservation authorities, which are also organized by watershed. They have a similar mandate, which includes restricting development in flood zones. Take note that in 2016, Canada's Parliamentary Budget Officer stated that between 2005 and 2014, the province of Ontario had by far the lowest per capita DFAA payouts for flood recovery of all Canadian provinces and territories.

The PBO said this was because Ontario's conservation authorities had kept development out of flood zones. Despite this fact, the Ontario government recently cut their funding and regulatory authority, ostensibly to speed housing development approvals. Critics claim that this was a misguided political action.

Given regulatory authority and a mandate to protect homes and neighbourhoods, a mandate that's hard to politicize, watershed management organizations can prevent development in flood zones. Canada does not have coordinated watershed management. Allow me to suggest that the federal government consider this as one of its strategies for reducing flood risk.

I mentioned the Dutch decision-making around water management, by which stakeholders take as much time as necessary, often around kitchen tables, to make tough decisions. This cultural practice, along with real respect for land and water, has parallels in some of our first nations models of decision-making. Taking this approach to watershed-based flood management would dovetail nicely with Canada's efforts to advance reconciliation with indigenous peoples for the benefit of all Canadians.

Thanks for listening.

• (1220)

**The Chair:** Thank you, Mr. Martin.

Mrs. Trowell, the floor is yours for five minutes.

**Rebecca Trowell (North Basin Manager, Red River Basin Commission):** Thank you.

I'm Rebecca Trowell. I am the north basin manager for the Red River Basin Commission, RRBC. I manage our Winnipeg, Manitoba, office under our executive director, Ted Preister, who works out of our Fargo, North Dakota, office. I've been with the RRBC for five years and have worked with many amazing, dedicated organizations on shared issues.

The Red River Basin Commission is a charitable, not-for-profit organization that facilitates co-operation and water management across jurisdictions. Our role is to bring governments, technical experts and stakeholders together to identify, develop and implement solutions to cross-boundary water issues. The RRBC is led by 44 directors representing the diversity of this multi-jurisdictional basin. It is comprised of local, state, provincial and first nations government representation; the environmental community; and members at large. We have offices in both Fargo, North Dakota, and Winnipeg, Manitoba.

The Red River basin is a unique and highly interconnected region. Protecting its residents from extreme weather events is one of the central priorities of the Red River Basin Commission. Our natural resource framework plan is a tool that contributes to developing a unified voice for the basin. It is comprised of 13 basin-wide goals, including flood response and recovery programs that meet the needs of all Red River basin residents.

With an increasing rate of extreme weather events, the impacts of droughts and floods are felt by municipalities, agricultural producers, indigenous communities, businesses and households across the Canadian prairies. Reducing those risks and improving our collective resilience in every infrastructure or water management project is at the core of the commission's work.

Climate projections for the prairies point to a future of higher temperatures and more variable precipitation. The heat dominates, causing thirstier crops, soils and atmosphere. The precipitation will generate less runoff on average, as moisture disappears into cracks in the ground and evaporates back into the atmosphere—an implication of higher temperatures. We're already seeing this volatility. The Red River basin experienced significant low-water conditions in 2021, which was followed by significant high-water events in 2022 as well as the catastrophic wildfires of 2025.

Protecting residents from both drought and flood requires long-term, basin-wide thinking. One of the most effective tools available is investment in natural infrastructure that decreases the risk of both flood and drought. In addition, the commission's water supply working group plays an important role in preparedness. The group facilitates information sharing, improves stakeholder understanding of drought and emergency water supply risks, and promotes coordination between local and regional planning efforts.

The Red River Basin Commission remains committed to supporting governments and communities in these efforts. Protecting residents from drought and flooding is not simply one of many priorities; it is a guiding principle that shapes our programs, partnerships and long-term strategies. Understanding the second- and third-order effects of projects and development is crucial. The RRBC reminds partners of that in every meeting. We must work toward multi-benefit projects that build resilience, thereby enhancing protection and saving precious funds that might otherwise be spent on disaster response. It's important to be proactive and not reactive.

Thank you for the opportunity to speak.

**The Chair:** Thank you very much.

We'll turn now to the Conservative Party for six minutes.

Mr. Leslie.

**Branden Leslie (Portage—Lisgar, CPC):** Thank you, Mr. Chair.

I'd like to start with Ms. Trowell.

Thanks for the work you do as a commission. I'd like to start by asking what the biggest gap is in terms of how governments manage flooding across the Red River basin.

**Rebecca Trowell:** Specifically for the Red River basin, because the water flows from the U.S., it's hard to get funding for a project on the scale of the Red River basin; it uses both countries. The U.S. definitely has a lot more money and funding opportunities. Lots of times we have studies and reports done, and they're done on only the U.S. portion of the basin. They don't always flow past the border into Manitoba.

You do get information on what is happening in the U.S., and that is information we can use, but the study doesn't always continue past the border.

**Branden Leslie:** Thank you for that.

Despite the work you do as a joint commission, with representation on both sides of the border, are Canada and the United States working well enough together on that flood management, in your assessment? Given the work you have done on basin-wide plans for many years, are governments actually using that information in a way to effectively build flood infrastructure, whether it be physical or natural?

• (1225)

**Rebecca Trowell:** We definitely have a lot of collaboration across the border with our members, especially the provincial government with the state governments of North Dakota and Minnesota. That has been very helpful. As well, the Pembina Valley Water Cooperative, which, as you know, is the first major draw of water in Manitoba, supplies water to 14 municipalities. They said we have been crucial in their communication with the U.S. state governments, because whatever happens there affects them directly.

**Branden Leslie:** They supply most of the water to most of the municipalities I represent, and Dale is doing an excellent job there.

In terms of what the U.S. side is doing, are more upstream water retention projects in the basin needed? What would spur them into action, particularly given that most of the basins are on the U.S. side?

**Rebecca Trowell:** This might be a better question for our executive director, but I will try to answer it.

The Fargo-Moorhead diversion is such a huge project. It is scheduled to be fully operational this year. They have the ability to hold lots of water in times of flood. There are lots of different pockets of water retention on that project, as well.

**Branden Leslie:** Looking specifically at Manitoba, what are the biggest flood risks in the aftermath of a large water retention project on that side of the border?

**Rebecca Trowell:** I'm sorry. Can you elaborate a little?

**Branden Leslie:** Is overland flooding more of a risk due to increasing storms, or is it increased capacity flowing through the Red River combined with the Assiniboine in Winnipeg? Obviously, there have been a number of projects done across the Prairies that have an impact on water that ultimately ends up in our basin.

**Rebecca Trowell:** Yes, it's mostly overland flooding, I would say. That increases when the Red River itself has increased flow from the U.S., then picks up more precipitation on the way. I would say that overland flooding would be the biggest flood risk to the basin.

**Branden Leslie:** If you had to pick one project—it would probably have to be a big one—for which the federal government is a significant partner in funding... What is the most significant way we could reduce flood risk in the most flood-prone areas of southern Manitoba?

**Rebecca Trowell:** I would say that it's anything that has a climate adaptation study to it. I don't know if I can point to a specific infrastructure project.

When municipalities have climate adaptation plans, and when the watershed districts have their IWMPs and are looking at things on a watershed or basin scale and incorporating information that will affect communities downstream or upstream from them, they're going to get the best protection against flooding and drought risk.

**Branden Leslie:** Thank you for that.

Do we have communities in that likely path of impact—or that have been impacted during previous high-water events—that are still building in areas that we know flood? Is this part of the information exchange you just mentioned but perhaps not being acted on appropriately?

**Rebecca Trowell:** I'm not entirely sure. I can't point to a specific municipality's policy on building or not building in high-risk areas.

**Branden Leslie:** That's okay for now.

Based on the flood maps municipalities rely on today, what is your assessment of whether or not they are accurate enough?

**Rebecca Trowell:** I think the most important thing for flood maps is lidar data to measure the elevation.

[Translation]

**The Chair:** Mr. St-Pierre, over to you for six minutes.

[English]

**Eric St-Pierre:** Mr. Chair, if you'll allow it, I'll share my time with the member for the fine riding of Fleetwood—Port Kells.

Mrs. Trowell, thanks for joining us today.

From a risk management perspective, can you comment on the role of nature-based solutions and whether NBS is considered core infrastructure, rather than secondary or supplementary?

● (1230)

**Rebecca Trowell:** I think it depends on who you ask, in terms of how they consider this.

We consider nature-based solutions to be the best solutions. When any type of infrastructure project is being instituted—water retention, wetland or anything—I think it's always best to rely on nature-based solutions. You'll get a better benefit-cost ratio for your project.

**Eric St-Pierre:** Primary, I guess, would be the—

**Rebecca Trowell:** Yes, sorry.

**Eric St-Pierre:** No, that's fine.

Mr. Martin, thank you for joining us today. I'm really happy that you mentioned the Netherlands, which obviously has a lot of experience in certain sectors.

I'm curious if you could maybe speak to other G7 countries. From an international perspective, how would Canada's approach to federal support for flood insurance or insurance related to extreme weather events compare to other countries in the G7?

**Gary Martin:** I haven't spent a whole lot of time studying that. We've focused mostly on the Netherlands in our work over the past five years.

I know that in the Netherlands they don't have what we would understand as flood insurance. Their insurance is what their municipalities and their water boards, water authorities, and the three levels of government provide for them by way of protections from flooding. In some smaller municipalities that don't have dikes and don't have flood protection on the smaller rivers, they will have a form of overland flood insurance, but most of the country is not covered by flood insurance.

**Eric St-Pierre:** I think in your previous research you've looked at the importance of building codes. I'm wondering if you can comment on national building codes and maybe some guidance for provinces and territories. Maybe you could quickly comment on the role of building codes.

**Gary Martin:** Building codes can only do so much. They're kind of ponderous. They're slow to change. There's considerable resistance from industry. They're minimum codes. They'll only give you the least you can do without going to jail. They are necessary. They must change. They're absolutely essential in bringing the building industry up to speed on adaptation and mitigation, but they can only do so much.

**Eric St-Pierre:** Thank you.

I'll pass my time to my colleague.

**Gurbux Saini (Fleetwood—Port Kells, Lib.):** Thank you, Mr. Martin.

I'm a British Columbia MP, and one of the biggest disasters we've had has been the floods in Fraser Valley. That cost billions of dollars. It has happened twice in the last six years. The source of that water is the United States. What are we going to do to prevent the United States from flooding our cities and our country? What can be done?

**Gary Martin:** That's a great question. I know it's a question that perturbs people across the country. I don't know if I have an answer for that. It requires partners across the border to understand mutual benefit, I suppose. It requires the right arguments. It requires the right politics. It's a political decision, essentially, of who to protect and if they don't....

The Abbotsford floods were caused by the Nooksack River overflowing its banks. My understanding is that Washington state did some work to widen the banks south of the border, which actually funnelled water north of the border—I'm not clear on this. Unless we can communicate with them clearly and get them to understand risk....

Water doesn't respect borders. Political borders are completely moot to water. I think this is a lesson across Canada, too.

I don't have a good answer to your question, sir. I'm sorry.

**Gurbux Saini:** My understanding is the Government of British Columbia and the federal government have done a lot of diking in the Abbotsford-Chilliwack area, but we have great difficulty dealing with the government on the other side of the border. They just ignore us. This is a sad reality that is causing billions of dollars of damage.

Do the municipalities have enough sources and information to prevent building in low water zones, low flood water zones? That's one of the other areas that affected both Chilliwack and Abbotsford.

• (1235)

**Gary Martin:** We have to tie climate change projections into flood mapping. It's essential across the country. We know that. You've heard this. This committee has heard that repeatedly over the past four sessions. Until we understand where the flood zones are, we can't keep people out of them.

My topic today was water management organizations across Canada. Those organizations are absolutely essential and have to be tied into the broader strategy. That's why I'm asking the federal government for a strategy to think watershed by watershed across the country.

**Gurbux Saini:** Thank you.

**The Chair:** Thank you very much.

[*Translation*]

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

**Patrick Bonin:** Mr. Boudreault, I would first like to congratulate you on the launch of your research chair. That's something to be proud of. This is a very relevant research topic, as we can see as we carry out our study.

You said that insured losses have increased by 6% per year for 30 years, which is higher than inflation. Do you think a portion of the increase is directly attributable to climate change?

**Mathieu Boudreault:** Absolutely.

There are a lot of things that contribute to the increase. First, inflation in construction is often faster or higher than inflation in the basic market basket. Second, rapid urbanization, aging infrastructure and climate change are the main contributors to the rising costs identified in the documentation.

**Patrick Bonin:** Do we know what portion of the increase is attributable to climate change?

**Mathieu Boudreault:** Out of the 6% yearly increase, I would say that between 1% and 1.5% is due to climate change.

**Patrick Bonin:** Okay.

You say that we need to invest much more in adaptation, because current investments are weak. Are you saying that the federal government's investments in adaptation are insufficient?

By how much do you think should be increased to seriously address the issue?

**Mathieu Boudreault:** When I say that investments are weak, I am mainly relying on what was pointed out by the Federation of Canadian Municipalities, which estimates that about \$5 billion a year should be invested in municipal infrastructure adaptation. This can be compared to investments made in the disaster mitigation and adaptation fund, or DMAF, for example.

**Patrick Bonin:** You think the federal government should invest more in adaptation.

**Mathieu Boudreault:** Absolutely. We must also not lose sight of greenhouse gas reduction initiatives. The current problem has several sources, but we also need to keep talking about reducing our emissions. Our current adaptation problem could persist into the future if we don't reduce the incidence, frequency and severity of natural disasters.

**Patrick Bonin:** Do you agree that we need a quick, planned off-ramp from fossil fuels to reduce climate risks?

**Mathieu Boudreault:** Yes, to ensure that we control the frequency and severity of climate events in the long term, moving away from fossil fuels is something we need to do.

**Patrick Bonin:** Would you be in favour of a tax on oil and gas companies' windfall profits, for example, so that that money could be invested in underfunded adaptation measures?

**Mathieu Boudreault:** Taxing emitters to set up an adaptation fund is one idea, but economic incentives are also needed to reduce emissions at the source, targeting both consumers or polluters.

• (1240)

**Patrick Bonin:** You said that the federal government was considering a Canadian flood insurance program, but that there were legitimate questions about the viability of a public-private partnership.

Could you come back to that?

**Mathieu Boudreault:** Yes. It's actually based on international experience. I spoke briefly about the French system, the British system and the American system, which are under pressure. After all, there have been systems for sharing financial risks, so public-private partnerships, in France, the United Kingdom and the United States for several decades. The systems in all three countries are under pressure. As I mentioned, France increased the tax to fund its program, as did the United Kingdom. In all cases, costs need to be controlled. As a result, it makes sense to learn from international experience to establish a Canadian insurance program here that is viable in the long term.

**Patrick Bonin:** You talked about the risks of capping insurance premiums for low-income households. Do you think it should apply only to low-income households or to the middle class as well? Is aid applied on a sliding scale?

**Mathieu Boudreault:** There is definitely a sliding scale. The takeaway from my remarks is that, at first glance, when there is a cost-sharing system between the public and the private sector in which the real cost of climate risks is masked, such as flood risks, for example, that can indirectly encourage long-term risk-taking.

**The Chair:** Thank you.

[English]

Mr. Bexte, the floor is yours for five minutes.

**David Bexte:** Thank you, Chair.

Thank you, witnesses. I appreciate your time and commitment to show up at committee and offer your views and wisdom. It's important.

Mr. Boudreault, you spoke about insurance and premiums. How do we ensure that insurance does not incentivize bad behaviour?

I don't want to make this difficult, but you suggested that if we don't let the market adjust premiums based on the real risk, it hides the consequences, and that distributes the burden of the result unfairly. I want to make sure we let society make upfront decisions about where to develop and where and how to build to have the right incentives.

**Mathieu Boudreault:** That was my point about the economic incentives. Whenever you have a program that blurs the price signal, it increases the likelihood of taking risks. Making sure the insurance market is efficient at pricing risk will hopefully allow the incentives to reduce risk.

I briefly talked about the California case with the premium caps. It was pointed out as a contributor to what we have right now, where many households are exposed to wildfires in California.

I understand the issue of affordability. It could be short term. There could be conditions. It could be for low or medium—

**David Bexte:** I understand.

[Translation]

**Mathieu Boudreault:** —low-income families, actually.

[English]

There are different ways of doing it, but what matters is making sure it's temporary. Ultimately, the price signal is there to reduce the risk.

**David Bexte:** Thank you very much. I appreciate your analytical approach to decision-making. We have to measure the impacts on things, and this is one tool to do it, so I appreciate that a lot.

Mr. Martin, I wonder if, as alluded to by Mr. Boudreault, some of these concepts apply equally to flood, fire and urban interface circumstances. Quickly, do you have any analogies to the urban interface situation from the flood experience you have?

• (1245)

**Gary Martin:** Are you talking about fire now?

**David Bexte:** Yes. Do you have any wisdom to transfer from flood planning to fire planning?

**Gary Martin:** Understand the risk, and keep people away from that risk.

**David Bexte:** Is that in the original planning phase?

**Gary Martin:** Exactly.

**David Bexte:** I appreciate that.

Do you have any reports, data or studies you haven't mentioned that the committee might find useful? I would appreciate it if you would forward those to the committee.

**Gary Martin:** We're currently working on a final paper that should be ready within the month, I'm hoping. That will relate the work we've done in three Canadian municipalities and two Dutch municipalities on flood resilience and the interface between the public sector and the private sector in municipalities with regard to flood resilience in Canada and the Netherlands.

I also have a piece in Policy Options that was titled something to do with flood amnesia. That is a synopsis, and I think it was a pretty good synopsis of the Dutch comparisons.

**David Bexte:** If you could provide that to the committee, I'd sure appreciate it.

**Gary Martin:** I can certainly do that.

**David Bexte:** Thank you very much.

Mr. Chair, I'd like to move a motion that I filed notice for yesterday.

That the Standing Committee on Environment and Sustainable Development invite the chief executive officer of the Major Projects Office, Dawn Farrell, to appear before the committee on a quarterly basis to provide updates on the Major Projects Office's work, priorities and activities;

That each appearance be no less than one hour in duration; and

That these quarterly appearances continue for the duration of the current Parliament.

**The Chair:** According to the clerk, the notice was given late and you can only move it as of tomorrow unless there is unanimous consent.

Mr. Leslie.

**Branden Leslie:** Thank you, Mr. Chair.

I'd like to seek some clarity on what I understand to be a long-standing tradition, we'll call it, where it is "two sleeps". If an email is sent Tuesday night or Tuesday late afternoon, then that is the 48 hours. It's not a firm 48 hours. You have to send it by 11 a.m. on Tuesday to get to our 48 hours for this. I'd like some clarity on what the Standing Orders say versus what clear tradition has been.

**The Chair:** I'll let the clerk explain.

**The Clerk of the Committee (Leif-Erik Aune):** Thank you, Mr. Chair.

Thank you, Mr. Leslie.

I'm familiar with the tradition of "two sleeps". Nevertheless, on June 16, the committee adopted its own routine motion for governing notices in the committee, which provides that notices filed with the clerk after 4 p.m. from Monday to Thursday will be treated as if received the following day.

I'm compelled by the committee's own routine motion in this regard, but again, as I've advised the chair, if the committee consents unanimously, then the motion could be moved.

**The Chair:** Mr. St-Pierre.

**Eric St-Pierre:** Thank you for that.

There's been a flood of motions this week and I'm trying to keep up with the various motions that have been submitted. Would it be possible to recirculate this specific motion? If you have hard copies, yes, that's perfect. I just need to reread it.

**The Chair:** Mr. Saini.

**Gurbux Saini:** You need unanimous consent and I will not agree to the consent, because this was late.

**The Chair:** Mr. Leslie.

• (1250)

**Branden Leslie:** I seek unanimous consent to move the motion.

**The Chair:** Mr. St-Pierre.

**Eric St-Pierre:** Can I ask that we perhaps release the witnesses and then go to the consent request?

**Branden Leslie:** The reason I ask is that if there isn't consent, we might as well get another round of questions in.

**Eric St-Pierre:** I see.

**Branden Leslie:** I would prefer UC, of course. This is a collegial committee.

**The Chair:** Mr. St-Pierre.

**Eric St-Pierre:** Yes, I have a follow-up question. I'm curious about the rationale for quarterly appearances. I'm seeing here that the quarterly appearances continue for the duration of the current Parliament.

I'm curious to hear you on the rationale for quarterly appearances and if you have any cost estimate for what that would be.

**David Bexte:** The rationale is simple. The Major Projects Office is a keystone feature of the moving at generational speed to transform the economy, so we expect that there would be quarterly progress of some significance. We want to be able to see that, measure it, evaluate it, critique it and urge it along at unbelievable speed. As far as cost goes, it would be a factor of the same cost we've experienced in the past, but I did no particular incremental analysis.

**Eric St-Pierre:** Thank you. I'm satisfied.

**Branden Leslie:** I have a point of order, Mr. Chair. I just want some clarity.

If, as per the Standing Orders, the motion technically has not been moved, then we're not really debating anything right now, unless we move to immediately vote, which would be dilatory. We could vote on unanimous consent for the motion to be allowed to be moved, and then we could debate. Then we could excuse the witnesses. I think we just have to get our order of process here correct because right now we're just talking, and it's not actually debate.

**The Chair:** Mr. Fanjoy.

**Bruce Fanjoy:** To move major projects at speed doesn't involve regular updates, quarterly updates, to this committee. We need to remember that we're one committee. Major projects touch several committees, so I don't see the value in this. I think, on an as-needed basis, Ms. Farrell has been generous with her time. I expect her to continue to be generous when we need her, but I think we should respect the fact that she doesn't need to be here quarterly.

**The Chair:** Is there unanimous consent to move Mr. Bexte's motion?

**Some hon. members:** No.

**The Chair:** We shall carry on with the witnesses.

I'm sorry about that.

Mr. Bexte, I think your time has been completed.

Now we'll move to Ms. Miedema.

**Shannon Miedema:** Thank you very much.

Thank you, witnesses, for coming and taking the time today. We really appreciate it.

It's so fascinating. The scope of this study, really, is the role between the federal government, the provinces and territories, the local governments and the insurance sector, but then we layer on the United States. I think there are some really good examples of partnerships with the United States when it comes to watershed management. The Great Lakes is an example. I'm from Halifax. There have been a lot of great efforts along the eastern seaboard and in the Maritimes. I hope that ends up happening for the Red River basin also. I know it takes a long, concerted effort.

I'm wondering, Ms. Trowell, if you have anything to comment with regard to insurance. Has the Red River basin flooded at any time recently or in the last number of years? If so, how have people been able to repair and rebuild from that?

• (1255)

**Rebecca Trowell:** I don't know how specifically I can go, but the most recent flood was in 2021. Morris, Manitoba, was essentially a floating island with one route in and out. Highway 75, our main highway to the U.S., was shut down, which affected a lot of trucks.

In terms of insurance, though, I don't have any specifics to contribute there.

**Shannon Miedema:** Do you have any details on how many properties were impacted—that is, the scale of the impact of that flood in 2021?

**Rebecca Trowell:** I don't have specifics. I don't want to say that it wasn't too bad. There were evacuations, and there was some damage. However, overall, I think we're much more prepared for high water conditions than we used to be. There's always room for improvement, but it wasn't, overall, as catastrophic as it could have been if Morris didn't have its ring dike or things like that in place.

**Shannon Miedema:** Okay. Thanks very much.

Mr. Boudreault, I have a question for you.

You talk about innovative insurance structures. I have been in conversation with some folks from Co-operators who have been trying to figure out if we could do infrastructure resilience and climate adaptation projects using a P3 model—where you could leverage public dollars, bring in private-sector investment and bring in the insurers—and if there was some way to actually make that make sense from a dollars-and-cents perspective.

Is that the kind of thing you're talking about, or do you have other ideas around what innovative insurance structures we need to be able to protect everybody in extreme weather events in Canada?

**Mathieu Boudreault:** That's a good question. That's an example that could probably work locally. I don't know how easy it would be to expand it across the country.

What I am talking about mostly is making sure that the economic incentives are there to reduce the risk. For example, the recent reform of the DFAA with the “build back better” component is a good approach, but there's definitely more that we can do. That's why I suggested the idea of a Crown corporation to support provinces in the industry in pooling the risk and risk transfer. I also think being able to price the risk is an important incentive to reduce the risk in the end. That's what I discussed.

I'm also a big proponent of resilience grades or certificates. Being able to signal to the market that the community or individuals have taken the appropriate adaptation measures to reduce the risk is also very important. We heard about the codes a couple of minutes ago. This is important. It's a signal that homeowners and communities could send to reduce the risk.

**Shannon Miedema:** I think that's a great idea. Thank you so much for that.

Mr. Martin, my husband's family is from the Netherlands. Miedema is a name from Friesland. I've been there.

I have a quick question for you. The way they've had to protect themselves from flooding there is very different. There is a lot of hard infrastructure and a very manufactured feeling. That is not to say it's not beautiful there, but in Canada, we have all these natural spaces. It's very different.

Did you research nature-based solutions or different approaches that would make sense for Canada versus the Netherlands?

**The Chair:** Give a very short answer.

**Gary Martin:** On the east side of the Netherlands, the one city we looked at is Nijmegen. In the east of the country, they're just finishing up a 365-million euro project to widen the river through the downtown of a city. It took a lot of buyouts and a lot of managed retreat. It was a huge infrastructure project that worked very well.

• (1300)

**Shannon Miedema:** Thank you.

**The Chair:** As the clock reads one o'clock, the meeting should adjourn now. Is the will of the committee to continue or to adjourn?

[Translation]

**Patrick Bonin:** Mr. Chair, may I speak?

[English]

**Gurbux Saini:** I have another committee meeting to attend.

**The Chair:** Is it the silent will of the committee to...?

[Translation]

**Patrick Bonin:** Since I didn't get my little two-and-a-half-minute round, I'd like to ask for unanimous consent to end this round of questions, especially since this is one of the witnesses we invited.

[English]

**Bruce Fanjoy:** Isn't that a question for the witnesses?

**The Chair:** What is the will of the committee? Can I have a clear conclusion, please?

Can he complete his round of questions?

**Some hon. members:** Agreed.

[Translation]

Mr. Bonin, you have the floor.

**Patrick Bonin:** Thank you for your co-operation, colleagues.

Mr. Boudreault, you say that the federal government should support any initiative to certify the resilience level of buildings and that these certificates would send a major signal to the market.

What would the certificates look like? Can you tell us more about that?

**Mathieu Boudreault:** Absolutely. In fact, the goal is to ensure that experts visit a property to assess its level of resilience, particularly to damage caused by floods, forest fires, hail and wind, and then present a detailed report to owners on their home's vulnerability, for example.

Homeowners could also take the report to their bank and insurer to maintain their home's insurability and, most importantly, their mortgage credit. This is somewhat along the same lines as renewing flood mapping. It would send a signal to financial institutions about the property's level of vulnerability.

**Patrick Bonin:** Would certification be the responsibility of the government?

**Mathieu Boudreault:** The initiative could come from the government, but it could also come from industry. There are already smaller-scale initiatives. I think that, in this case, the goal would be to ensure cross-Canada recognition of the certificates, so that the fi-

nancial services industry, the provinces and the federal government could recognize all of it.

I would hope that the federal government would support that kind of initiative by subsidizing the cost of getting a resilience certificate, for example.

**Patrick Bonin:** In your opinion, does the Government of Quebec have the authority to do mapping for floods, forest fires and other events?

**Mathieu Boudreault:** In theory, mapping is a provincial responsibility. The Government of Quebec, with the support of the federal government, therefore has the expertise to do so.

Earlier, I also mentioned the mapping of other types of hazards, specifically rainfall floods and forest fires. I therefore expect that it has the required expertise, with the support of the federal government, if necessary.

**The Chair:** Thank you.

That concludes our meeting today.

[*English*]

I'd like to thank the witnesses for appearing today.

The meeting is adjourned.

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