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Mr. James Bezan

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• (0900)

[English]

The Chair (Mr. James Bezan (Selkirk—Interlake, CPC)): Good morning, everyone. We have a quorum, so we're going to get rolling. It is nine o'clock.

We welcome to the committee table Mr. Scott Vaughan, who is Commissioner of Environment and Sustainable Development. He's accompanied by Neil Maxwell, who's the assistant auditor general. And we also have with us, from the Office of the Auditor General, the principal, Richard Arseneault.

Welcome, everyone.

I would ask that you, Mr. Vaughan, make your opening comments. You are appearing pursuant to Standing Order 32(5), which is your report of the Commissioner of Environment and Sustainable Development for 2008, and it was referred to committee on February 5. And of course we do thank you for taking the time to have us in the lock-up last Thursday.

We're looking forward to your opening comments.

Mr. Scott Vaughan (Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Mr. Chair, thank you for inviting us this morning. I'm pleased to be here today to present my first report.

Let me begin with three general observations drawn from the report. First, the government cannot demonstrate that the money it is spending on some important environmental programs is making a difference. Second, the government is not ensuring that measures to limit harmful air emissions are working. And third, the government has not yet translated sustainable development into concrete practice.

Canadians expect the government to tackle environmental degradation. The government needs to know what works, what doesn't, and why. However, our audit work for this report found gaps in the information needed for Parliament to know how well the programs we examined are working or whether adjustments are needed.

In chapter 3 we've reviewed environmental programming at Agriculture and Agri-Food Canada. While agriculture generates billions of dollars for Canada's economy, pollution from the farm sector also represents a significant environmental burden. Public concern about its effects is growing. Agriculture and Agri-Food Canada has spent \$370 million to encourage farm practices that protect the environment. However, after five years the department

cannot show whether these environmental programs are leading to improvements in environmental quality on the farm.

[Translation]

We also examined Environment Canada's management of the issuance of severe weather warnings to Canadians. Some severe weather events such as tornados and blizzards can cause injuries, loss of life, and considerable material damages. Timely and accurate warnings of severe weather can allow Canadians to take appropriate action.

[English]

We found that the department lacks an effective national approach to verify the timeliness and the accuracy of the more than 10,000 severe weather warnings it issues each year. We also found that the assets of its weather observation network, including radar and surface stations, are not managed adequately to ensure that the network can continue providing the data needed by the department to issue and verify severe weather warnings.

[Translation]

Environment Canada is considered a leader in meteorological services. Every day it provides a valuable service to the Canadian public. Yet, while severe weather events are becoming more frequent and severe due to climate change, the department is facing challenges and risks that threaten the robustness of its systems. We recommend that the department adopt a long-term strategy to guide its decisions.

The report also contains examples of the government's measures to reduce air pollution. In order to be credible to Canadians and to the world, government air pollution reduction programs must produce results that are measurable. In that respect, most of our observations were disappointing.

[English]

For example, we looked at the regulations on gas pumps aimed at limiting the release of toxic vapours such as benzene when people refuel their cars and trucks. We found that Environment Canada has done almost no enforcement of these regulations. As a result, it does not know whether the regulations are working.

Another example is the clean air and climate change trust fund, the \$1.5 billion transferred to the provinces to reduce greenhouse gas emissions and air pollution. Although Environment Canada claims that certain reductions will be achieved, the trust fund has no conditions requiring provinces to report on how this money will be used and what was achieved. This will make it difficult for Environment Canada to support its claims that greenhouse gas emissions will be reduced by 16 megatonnes per year between 2008 and 2012 as a result of the fund.

• (0905)

[Translation]

We also examined the public transit tax credits. The purpose of this measure is to encourage Canadians to use public transit. Although this is a laudable objective, we observed that real reductions in greenhouse gas emissions were disappointing, despite the \$635 million this program costs each year.

Finally, we examined an antipollution plan to reduce emissions of a toxic substance, acrylonitrile. We observed that not only did total national emissions of acrylonitrile not decrease, they are three times higher than in 2000 when the substance was declared toxic.

[English]

My report also includes chapters on environmental petitions and sustainable development strategies.

In closing, the government has an important role to play in protecting the environment and the health of Canadians and in moving towards sustainable development. Unfortunately, all too often the government does not know the impact of its efforts.

That concludes my opening statement. We would be happy to answer any questions from the committee.

Thank you.

The Chair: Thank you, Mr. Vaughan.

I'll go to our first round of seven minutes. Mr. Scarpaleggia kicks off.

[Translation]

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Thank you, Mr. Chair.

Welcome, Mr. Vaughan, and congratulations on your first report as Commissioner of the Environment. Your report got some good press yesterday and the day before.

Regarding paragraph 12 on public transit tax credits, do you know how much a one-tonne reduction in greenhouse gases costs?

Mr. Scott Vaughan: Thank you for your question.

We examined that evaluation. A government report states that a greenhouse gas emissions reduction program is not effective if it costs more than \$800 to eliminate one tonne of carbon. We have estimated that the likely cost for such a reduction is over \$3,000 a tonne.

Mr. Francis Scarpaleggia: Three thousand dollars a tonne.

Mr. Scott Vaughan: Or perhaps even more.

Mr. Francis Scarpaleggia: So, that must mean that we know what reduction in greenhouse gases this credit has caused. How many tonnes of greenhouse gas have been eliminated?

Mr. Scott Vaughan: There was a change in the 2007 target. The target for that year is 220,000 tonnes. In the 2008 plan, there is a change of 35,000 tonnes. That is a more than 80% decrease in the targeted figure. The tax credit has various objectives, including lessening traffic congestion. We looked at the target for reduction of greenhouse gases.

• (0910)

Mr. Francis Scarpaleggia: How do we know if there has been an increase? Are they doing a survey of commuters, or looking at the increase in ridership a few weeks after the tax credit was announced?

[English]

Mr. Scott Vaughan: If you'll permit me, in English, sir—

Mr. Francis Scarpaleggia: Sure.

Mr. Scott Vaughan: —I think what we found from the report was that the departments themselves did not have a methodology by which they could calculate.

Our understanding is that they will look at the tax returns that Canadians will submit through Revenue Canada in 2011. Then, based on the number of people who have taken the tax credit, they will do some analysis. But from our side, we were unable to determine how they would do that analysis. We simply don't know. It's probably something you may want to ask Finance Canada and Environment Canada.

We think, given the complexity of showing causal links between tax incentives and how people change their behaviour, it would be extremely difficult to assign a causal link between the tax credit itself and actual reductions.

Mr. Francis Scarpaleggia: Sure, but they must have their models and so on. They've been working at this a while.

My second question has to do with the agricultural policy framework. I guess that's what you were looking at, the agricultural policy framework and the programs under that framework. Do you have examples of some of the programs you have looked at under that framework? We don't need many, just a couple to give us a base for what we're talking about here.

Mr. Scott Vaughan: I will ask my colleague, Mr. Maxwell.

Mr. Neil Maxwell (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chairman.

There are several programs that have been put in place by Agriculture and Agri-Food Canada. The key one is agricultural environmental farm plans. Basically, agricultural producers look at their own farm situations to ask where the big environmental risks are. What are the negative and potentially positive impacts? Once a producer has completed an environmental farm plan, he or she is eligible for a series of reimbursements, if you will, for improvements on the farm. For example, if a major issue is livestock in the streams and the impact of that on the environment, there's money available under a farm stewardship program, a greencover program, and several other programs, that will provide reimbursement.

Mr. Francis Scarpaleggia: This is joint federal-provincial money, I take it.

Mr. Neil Maxwell: This is joint federal-provincial programming.

Mr. Francis Scarpaleggia: Do you have any insights on whether the farmers were successful in reducing the runoff of phosphorus into rivers? We've talked about that at this committee, and we've talked about regulations for dishwasher detergents and so on. People have come back to us and said that it's really an agricultural problem, which it is, and that it's up to the provinces. However, the federal government has the agricultural policy framework, and under the agricultural policy framework we're encouraging farmers to have better practices to reduce the runoff of phosphorus. Yet we never hear whether any of this works. Do you have any insights on that issue?

Mr. Neil Maxwell: Thank you for that question, because that is one of the central messages from our work, which is that the department has spent about \$370 million as of the time of our audit and it really doesn't have a good sense of the impacts. There are quite a few specific issues we raise in this audit, but the short answer is that not much is known about whether we're talking in general about the impacts or about something as specific as you've asked in the question about phosphorus runoff.

Mr. Francis Scarpaleggia: Do you think there's hope that—

The Chair: Your time has expired, Mr. Scarpaleggia. You shouldn't have asked.

Monsieur Bigras, sept minutes, s'il vous plaît.

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Thank you, Mr. Chair.

In reading Chapter 1 of your report, managing air emissions, what strikes me and worries me is that we must ensure that the figures available to the public are as reliable as possible. Why? Because when we appear on the international scene, when we are estimating and issuing national inventories, it is important to have audited figures.

One thing strikes me particularly. Take the example of Quebec. When we consider Quebec's inventory of greenhouse gas emissions reductions, we learn that they rose 1.2% over 1990 levels. When we look at the federal inventory, we see that Quebec reduced its emissions by 1.5% over 1990. These are completely different figures coming from two completely different inventories. I can understand that there is a problem achieving good accountability with respect to greenhouse gas emissions.

On page 23, paragraph 1.53, concerning agreements with industry, that the government did not carry out any verification of the reported results. On page 18, in paragraph 1.39, regarding the Clean Air and Climate Change Trust Fund, you tell us, "The little analysis it did undertake is based on flawed assumptions".

Here is my question: Does this lack of analysis of the greenhouse gas emissions plan reflect badly on the national accountability Canada presents to the world? In theory, we have increased our greenhouse gas emissions by more than 30% in Canada. Does the system Canada has established lead us to doubt the national reports presented by the government at the conference of the parties on climate change, for instance?

● (0915)

Mr. Scott Vaughan: Thank you.

I think there are probably two answers to that question. First, there is a kind of inventory for which the methods used are those of the United Nations and the Kyoto protocol. It is separate for the greenhouse gas emissions reduction targets that the department has proposed.

In fact the inventory is like a list for verifying what is going on right now. We have looked at the question of finding out whether there is a system that would enable us to verify future reductions. Are there targets and are there methods for measuring the reductions resulting from the programs against the targets? As we have said, there is a problem with the methods aimed at producing these reductions.

Mr. Bernard Bigras: This lack of a method—for measurement and verification—can that make Canada's accounts less credible when presented to the world at each of these conferences of the parties? Canada has an obligation to present its national accounts for greenhouse gases. Does this lack of a method have an impact on the reports it presents?

Mr. Scott Vaughan: Of course, there are doubts about the two measures we examined in this report, the Trust Fund and the tax credit. In both cases, there is no system that makes it possible to determine whether there are real reductions in greenhouse gases. As for the government's other measures, I think there are 19 of them, but in this report we only looked at two. If there are reductions in the south, are there real reductions?

Mr. Bernard Bigras: Chapter 2 talks about the management of severe weather warnings. You say that the department is unable to verify the accuracy or the effectiveness of these warnings, that there is no automatic public warning system, that there is no strategy for facing the challenges in the monitoring system and that Environment Canada should create a management plan.

Some years ago, a number of Meteorological Service of Canada offices were closed. There were many layoffs. In Quebec, for example, the Rimouski office was closed and everything was centralized in Quebec City and Montreal. Are these cuts in financial and human resources reflected in your audit? Are these cuts partially responsible for the poor state of the verification system in the Meteorological Service of Canada?

[English]

Mr. Scott Vaughan: We found that in terms of the overall network, Environment Canada had proposed several cuts, as you've said, to several weather stations, and many of them are automated. There has been a backlog then on how many of those have been closed, and because of that backlog the department is unable to reallocate the resources in order to provide a robust system for the network. There is a question on some of the delay in some of the closures. I think what you're asking is on the stations where there are meteorologists at the regional level. In our report we have not looked at whether that contributed to the overall problems of the network.

• (0920)

[Translation]

Mr. Bernard Bigras: In terms of a policy of adapting to climate change, do you think that the lack of an automatic alert system is a significant failing? This may be more of a yellow light than a red light with respect to the effectiveness, timeliness or accuracy of severe weather warnings. Is it an important shortfall in terms of a policy for adapting to climate change?

[English]

Mr. Scott Vaughan: I think there were two things.

In terms of the efficacy of the system, it's extremely important that the warnings are issued on time and are accurate, but also that Canadians understand them and the warnings reach them. Our understanding now is that the CRTC has said that broadcasters need to move forward urgently to do a voluntary agreement, and if not, they would actually mandate broadcasters to issue mandatory warnings so that it actually goes on the airwaves.

More generally, on the question of climate adaptation, what we have said is that based on analysis from the Intergovernmental Panel on Climate Change, from the government's own analysis from a report from 2007 issued in 2008, climate change will increase the severity and frequency of severe weather episodes. Therefore, the onus on looking at preparing for that and adapting to that becomes extremely urgent.

The Chair: Merci beaucoup.

Ms. Duncan, the floor is yours.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Thank you.

Commissioner Vaughan and your colleagues, I want to commend you on a well-done and cogent report. It is one of the best I have reviewed. The report raises widespread failures to monitor, report, or be held accountable for departmental spending and mandate performance. What I found most interesting was the inadequacy of the Department of the Environment and the Department of Finance. Is this a question of a lack of analytical tools, or poor use of these

tools in, for example, Finance's transit issue, or is it a question of the department simply not applying the information provided?

Mr. Scott Vaughan: I think it was a little of both. We looked at the analysis that the Department of Finance provided. In 2006, in their strategic environmental assessment, they had done some analysis on probable reductions because of a tax credit. They put it at around 110,000 tonnes. Environment Canada then did a second analysis, and they raised it to 220,000 tonnes. We went back and tried to understand it. We tried to retrace it and then do our own analysis, based on what they had done, and we were unable to do it. Part of that was because the team could not get access to some of Finance Canada's analysis because it was protected under cabinet confidence. So we were not able to determine how robust the analysis of Environment Canada was, because we did not have access to it in the audit.

Ms. Linda Duncan: Rather than getting into the details of the specific initiatives—whether it was a regulation, a pollution prevention plan, or a voluntary initiative—your report seems to demonstrate a general lack of capacity or interest in delivering the program, particularly at the enforcement and compliance levels. I'm wondering if, in addition to the new Federal Sustainable Development Act, your office might see a need to revisit the legislation and incorporate provisions that require departments and agencies to be held accountable for meeting targets and reporting on them.

Mr. Scott Vaughan: I wouldn't be able to comment generally. We looked at three regulations and made recommendations on them. In respect of the regulations we looked at, we suggested that Environment Canada needed to reconsider their overall approach to regulatory compliance and promotion. They accepted those recommendations.

More generally, I think the purpose of the Federal Sustainable Development Act is to look at how these programs link up in the light of environmental, economic, and social issues. It's an act of Parliament, an opportunity to provide an overarching framework on how the different approaches fit together.

• (0925)

Ms. Linda Duncan: It's my understanding that the Federal Sustainable Development Act provides an overview of how we're doing, whether we are moving towards a more sustainable future, while Environment Canada and other agencies such as Agriculture Canada have legislated mandates and targets that they have to deliver on.

I've noticed in my review of U.S. laws that it's a common practice to give environmental officials specific timelines for issuing regulations and for reporting on regulatory compliance. Based on what your report showed about the lack of commitment to monitor, verify, or even enforce laws, I wonder if it might be useful to move to a more accountable system in our legislation.

Mr. Scott Vaughan: What we found in the regulations and across the board was not an issue of implementation itself. Rather, we found an inability at Environment Canada and other departments to measure the results. Do they know the results of their interventions? If you don't know the results of your interventions, it's difficult to know if the problem is getting worse, getting better, or remaining the same. In this situation, it's hard to know how to deploy your interventions and how to apply scarce resources to them.

On two of the regulations, we found that the level of compliance, according to Environment Canada, was actually quite high. The question is, high against what? Do we know the sufficiency? Do we know what we need to do? There was a gap there. With respect to the third regulation, there was almost no enforcement, but it was not a priority of the department. From these three examples, it's difficult to say whether this pattern exists in all regulatory approaches. What we saw, however, at both Agriculture and Environment, was a systematic inability to measure the results of programs. And there's a lot of money at stake in this deficiency.

Ms. Linda Duncan: Commissioner, as I mentioned in the lock-up on the document, Environment Canada has participated in North American reviews of more effective indicators of enforcement and compliance. I'm wondering if you think it might be useful for our committee to examine, perhaps with the department, whether or not they're pursuing those innovative approaches being attempted by other jurisdictions.

Mr. Scott Vaughan: I think there's a lot of really interesting work under way in the legal profession, as well as others, on how you measure effective enforcement and how you actually know indicators of looking at effective enforcement. I think this is something that, based on the recommendations, you may want to ask the department. But I think this is absolutely a worthwhile endeavour to know how you're doing. It would build in the question of whether you actually have the means of figuring out what you're track record is.

Ms. Linda Duncan: One of the things you raise in the report, which is of great concern to me, is the reliance on a trust fund. It's been a general shift in the federal government to move more towards downloading to the provinces or giving up jurisdiction.

I'm wondering if you think there may be a need to now have measures to verify whether or not reliance on mechanisms such as the harmonization accord might require revisiting to see if we're actually delivering our federal mandate.

Mr. Scott Vaughan: This would be up to Parliament. The Auditor General did a study on overall trust funds. I think the outlier with the trust fund we looked at for the climate and clean air was that the anomaly with this is that there is a target, and because there is a target there has to be a way of asking whether you are getting closer or further away from the target. To repeat myself on this one, because the provinces have no obligation to report, Parliament is left not knowing.

More generally on what the overall nature of trust funds is, I wouldn't be able to comment. We've looked at that specific example.

Ms. Linda Duncan: Thank you.

The Chair: Your time has expired.

Mr. Warawa.

Mr. Mark Warawa (Langley, CPC): Thank you, Chair.

Thank you, Commissioner Vaughan and department people, for being here.

The issues we hear today and that we heard last Wednesday in the report are similar critiques to those we've heard from the office of the commissioner under previous governments and also this government. I want to thank you for making sure governments today, and also in the past, are accountable. As your report highlights, there have been successes and there have been some concerns, and the government does support your recommendations.

In the summary document, the main points covered, under page 5, it highlights the test for success, and it says:

The test of any environmental law, regulation, program or tool is whether it leads to either reductions in the rate of environmental degradation, and/or measurable improvements in environmental quality.

I think that is the salient point. That's the point you keep on bringing up, and I think it's a good point. Are there successes?

Now the question of the climate change trust fund came up, and actually there have been some quite outrageous comments made in the media. On the \$1.5 billion that has gone from the federal government to the provinces, Mr. McGuinty was quoted as calling it "eco fraud".

On the \$586 million that went to the Province of Ontario to help the province clean up and shut down those coal-fired generating plants, there was clear discussion between the federal and provincial governments. When we became government, of course, there was a call to do things quickly. There had been 13 years of neglect by the previous government, so there was a call for us to move quickly. So there was \$586 million that went to the Province of Ontario to help them with their environmental programs; there was \$350 million that went to the Province of Quebec; there was \$200 million that went to the Province of British Columbia; \$156 million went to Alberta; \$53.8 million went to Manitoba; \$44 million went to Saskatchewan; and on and on.

Making sure there are achievable, I agree, the government agrees with your recommendations. But my question is this. Should there be a degree of trust and working together with the provinces, helping them, the federal government partnering? Is it important that there's a degree of trust with the provinces? Would you agree with the comment of it being an "eco fraud"?

• (0930)

Mr. Scott Vaughan: Thank you for the question.

When we looked at the audit, obviously, each province has its own climate policies and climate change policies. They're serious: the provinces are taking action. Our mandate from the Office of the Auditor General is to look at it from the federal side. So under our mandate we are not able to look at what the provinces will or will not be doing with those moneys, and I think that's appropriate. There are auditors general at the provincial level and they have their accountability to those mechanisms.

We are constrained in how we work to look only at what the obligation was on the federal side—and within that. So we reported that we were unable to say what the results would be, because there are no mechanisms for the provinces to report back on the programs they're actually doing with those moneys. We don't know the figures you just mentioned to us, but I think there are programs that will be put in place.

But the point from our side is, if the federal government sets up a target on the federal side, are we able to measure the results? Our answer is no, because there's no mechanism to report back.

Mr. Mark Warawa: Good. Thank you for that answer.

Back to the test of success, the test of any environmental law, regulation, program, or tools is whether it leads to either reductions in the rate of environmental degradation and/or measurable improvements in the environmental quality. I think it's premature to judge whether or not the federal money that went to the provinces will be used to improve the environment. I trust the provinces and I trust we are going to see some positive results and that the test of it will be successful.

I want to focus on the program for petitions. I touched on it briefly when we met last Wednesday. It's a program that started, I believe, in 1995. It's a good program. It provides Canadians an opportunity to ask questions, and also to hold some ministers to account.

My question again is whether, according to the test of success, this program for petitions is effective. Do you have a dollar figure of what it's costing, including administrative costs for all the different ministers, say, over your reporting period of the last year?

• (0935)

Mr. Scott Vaughan: We can get that information. I don't have it with me right now, but I promise to get back to you whether we do.

We would know our costs for administering the petitions process, but I don't think we would have an idea of what the costs would be for each of the departments and their mechanisms for replying and preparing the ministers' responses, but I'll double-check that, sir.

Mr. Mark Warawa: But, again, the goal of any program is to make sure we're improving the quality of the environment. That is the ultimate goal. Is that correct?

Mr. Scott Vaughan: Well, the purpose of the petitions process is to give Canadians a tool to ask questions about programs and policies at the federal level. That may be to look at measurable reductions in pollution or it may go to other matters. I think it's looking at the full gamut of the federal responsibilities on environment and sustainable development and for them to pose questions and to get answers from the minister.

The Chair: Thank you.

Mr. Mark Warawa: Is my time up? Oh, my goodness.

The Chair: Mr. McGuinty, you'll kick us off on the five-minute round, please.

Mr. David McGuinty (Ottawa South, Lib.): Thanks, Mr. Chair.

Thanks very much, gentlemen, for joining us this morning. I'd like to zero in, if I could, on two issues. One is the ecoTrust, and of course the other is the tax deductible transit pass.

Fifteen months ago at committee, I asked a series of questions of the former minister, Mr. Baird, about the \$1.5 billion trust. We asked serious questions about where the money was going and who the trustee of the fund was. I couldn't get an answer from the minister or his deputy minister, in terms of who the trustee of the fund was. Maybe you could help us, Mr. Vaughan.

It's interesting. I think I heard you just say in response to Mr. Warawa—who rhymed off how all the money has been spent—that you weren't aware of those numbers. You are the environmental auditor for Canada, and yet you can't track where that money has gone. We don't know whether the Province of Ontario has used all of that money to Canadian national standards, in terms of value for money propositions. The government has said now repeatedly for almost four years that it is the accountability government, and the previous minister was the accountability guy. He ran in the last election with that kind of language in his own materials.

Mr. Vaughan, can you help us understand how it's possible that \$1.5 billion has gone into a trust fund and you cannot report to Canadians, number one, how the money was disbursed; number two, who the trustee of the fund is; and number three, whether it had any effect at all, in terms of the minister's language of 15 months ago—which I pulled up—of reducing greenhouse gases and eliminating smog?

Can you help us understand how this is possible?

Mr. Scott Vaughan: As I mentioned earlier, the Auditor General did a study on the overall nature of trusts between the federal government and provinces. The general trend or general rule of thumb is that there are no conditions attached in those transfers, so that there are trusts for strengthening police forces and trusts for other objectives.

Because of that, I think the discretion on how that is spent when it is transferred lies, then, with the provinces. As to whether that goes into the provinces' general revenue or into other areas, this is, I think, as the previous member suggested. They're called “trusts” because partly it's a matter of trust in terms of the partnerships between the federal and provincial governments.

On this one, the reason we don't know is that we don't have the mandate to look at how the provinces intend to actually spend it. We don't have the oversight on what the provincial programs of spending will be. I've seen what the numbers are in the press, but we haven't officially, in the scope of our audit, looked at how the funds were actually disbursed.

Mr. David McGuinty: So who's the trustee?

Mr. Scott Vaughan: I don't know, sir. We'll get back to you on this.

• (0940)

Mr. David McGuinty: Do we know who's in charge of the \$1.5 billion? Is it the Department of Finance? Is it the Department of the Environment? Is it the Department of Natural Resources? Is it Treasury Board? Is it a third party? Is it an independent foundation? Is it a not-for-profit? Who's in charge of the money?

Mr. Scott Vaughan: I don't want to give you the wrong answer to this, so I'll double-check. My guess is that it probably follows the pattern of the other trust funds and it's with Finance as the lead department, but I'd like to double-check on that, if I may.

Mr. David McGuinty: Mr. Vaughan, about eight or nine months ago we had the Minister of Finance in the committee of the whole. I asked him specifically, in about five or six questions, about this tax deductible transit pass.

We had heard from Pembina at the time that the cost per tonne of reductions in greenhouse gases would probably be over \$7,000. Your numbers are somewhat more modest at \$3,000, \$4,000, or maybe \$5,000, but we're not sure exactly what it is.

Can you tell us from your audit and your work if the Minister of Finance and the Government of Canada were forewarned by Finance officials, NRCan officials, or Environment officials that the use of this tax deductible transit pass would not be good value for money?

Mr. Scott Vaughan: In our report, on what we did find, the department actually provided us with an internal analysis from Finance Canada. What they said was that any program over \$800 a tonne would not be an effective use of taxpayers' money in order to get at a target. I don't know whether you can characterize this as a forewarning; it was an analysis.

Our analysis, as you say, was between the range of \$2,000 and \$3,000 per tonne, and probably more.

The Chair: Thank you very much.

Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair.

I want to thank our guests for being here today.

I'll be coming at this from the perspective and the context that my riding is a rural riding in Alberta, so I'll be asking questions pertaining to the agricultural portion, just so you can prepare yourself.

One of the questions I have deals with the comments made here that it didn't appear you were able to sense whether or not there was value for money from programs such as the environmental farm plans and so on. Your report did highlight, however, that in order for farmers to qualify to receive farm stewardship program money or Greencover Canada money, they had to fill out an environmental farm plan first. So that did put the onus on the program to actually deliver a tangible result.

I'm just wondering about this from your perspective in dealing with accountability. Does the fact that in order to qualify for programs to receive money to help with farm stewardship they had to fill out the plan first not in itself create some accountability mechanism for the environmental farm plan program?

Mr. Scott Vaughan: I'll ask my colleague, Mr. Maxwell.

Mr. Neil Maxwell: I have two comments. The first is that our comments were about the fact that the department is responsible for ensuring it can demonstrate, so we really weren't commenting on whether the programs were good or bad. That's consistent with our mandate.

On the second question, yes, the whole design of that program, as I'd mentioned earlier, is to start with environmental farm plans. That's a very important mechanism by which producers determine what the biggest environmental risks are. That then becomes the gate to moneys under the other programs you've mentioned: stewardship, Greencover, etc.

We raised two issues with respect to that. First, one of the great obstacles for the department in terms of being able to demonstrate what impacts those programs are having is the fact that the farm plans remain confidential. We recommended that much of Statistics Canada's and other organizations.... There are ways in which one can protect the confidentiality of those farm plans, yet still be able to demonstrate results.

The other concern we raised is that from an operational point of view, because of the confidentiality of the farm plans, when someone comes forward and is looking for money under Greencover or stewardship, the department isn't in a position to know if in fact the things being sought are the biggest risks on that farm. Again, we made recommendations where we believed that the confidentiality of the farm plans could be maintained, yet provide some mechanisms for the department to manage this better.

Mr. Blaine Calkins: I spent a number of years as a conservation officer in a prior life before coming down this road. I not only protected ecosystems under my mandate as a conservation officer, but I worked in partnership with farmers and rural producers. You see the fencing off of rivers to keep cattle out of them, and so on, and the environmental changes. These are anecdotal things that I can track in my own personal life, but they are difficult to measure.

Farmers are not welders, carpenters, or environmental scientists by trade, but they have an ability to weld when they need to fix their own machinery. They also understand that their environment is their backbone, and if they keep their farms clean and their access and sources of water available, that's vital to their industry. So just to reinforce the point, the issue isn't whether or not farmers are doing a good job, or whether or not the environmental farm plan is working; the issue is the accountability mechanism within the department.

So at what point in the department is this breakdown happening? Is it a leadership issue in the senior ranks within the Department of Agriculture and Agri-food? Is it a mid-management issue? Is it at low-level management, just before we get out into the operational field? Where is that breakdown occurring?

● (0945)

Mr. Neil Maxwell: Thank you, Chair.

I have two points on that question as well.

First, it's very important to emphasize the importance of improving how well that department can demonstrate results. It's important for all the obvious reasons—taxpayers' money, etc.—but it's equally important for the producers. As you say, the problem now is that much of the benefit of these programs is anecdotal. The department is not in a good position to be able to say in any systematic way what kind of return taxpayers are getting and the kinds of improvements that are happening on the farm. So for a lot of reasons, it's important that the department improve its measurement.

On the causes, it's probably a better question to put directly to the department. There were a number of areas in this audit where we identified problems, but we also noted that in many instances corrective action wasn't under way. We were fairly impressed by the kinds of steps still not complete that were being taken by the department to address issues such as measurement and several of the other things we were concerned about.

[*Translation*]

The Chair: Mr. Ouellet, you have five minutes.

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Thank you, Mr. Chair.

Mr. Vaughan, in your introduction, you said that pollution caused by the agricultural sector is a substantial environmental burden that worries an increasing number of people. I entirely agree with you on that.

Knowing that the agricultural sector is responsible for 40% of the greenhouse gas emissions in Canada, are you evaluating the programs based on that 40% figure, that is, the total greenhouse gas emissions caused by the agriculture and agri-food sector, or do you evaluate them based only on the programs?

Mr. Neil Maxwell: Thank you, Mr. Chair.

The level of greenhouse gas emission is the main reason we conducted this audit. It highlights the importance of improving the situation and the department's ability to get results.

Mr. Christian Ouellet: He did not answer my question at all.

Mr. Scott Vaughan: The indicators used regarding the agricultural and agri-food environment do include a target. It is a 21% reduction in agricultural greenhouse gas emissions. In the national inventory, there is a breakdown of emissions by sector, such as industry, housing, transportation and agriculture. As you said, there is one very significant source of emissions. Does Chapter 1, which we have looked at, mention a breakdown of emission reductions by sector? We did not do that in the two climate change programs we audited.

● (0950)

Mr. Christian Ouellet: You only audited two programs, then?

Mr. Scott Vaughan: That's right.

Mr. Christian Ouellet: And not what the government could be doing that it is not doing. Is that it?

Mr. Scott Vaughan: Yes, that's it. We examined two programs, the tax credit and the Trust Fund. We looked at those two programs in terms of climate change, and in terms of the two existing targets for the reduction of greenhouse gas emissions. We did not examine the impact of each sector, or the levels in each sector, on this aspect. We are preparing a chapter, to be submitted in May, on the application of the Kyoto protocol. This would be a broader evaluation that would provide a wider-ranging overview of the various programs offered by the federal government.

Mr. Christian Ouellet: At that point, when you do the evaluation with respect to Kyoto, can you tell us what you will do about such disturbing situations as the manure that emits such huge quantities of greenhouse gas because it is much more virulent? Can we get a picture of what the government is or is not doing in this sector?

Mr. Scott Vaughan: The work is being done right now. It is hard for me to say, because there are no conclusions yet. The report in May will be the first one. It is the beginning of the application of the Kyoto protocol. It is hard to say

[*English*]

are you on target or not.

[*Translation*]

For me, right now, it is hard to say.

Mr. Christian Ouellet: Let us return to two of Agriculture Canada's programs, first, the one called Environmental Farm Planning. What is the government's success rate in this program?

Mr. Scott Vaughan: As Mr. Maxwell said, there is a \$370 million government program to manage and reduce risks on farms. The government does not know the results of the various programs. It is a monitoring problem, and it is difficult to show specific, concrete results regarding what is happening on farms. But at the present time, no. The answer is no. We do not know.

[*English*]

The Chair: Thank you.

Mr. Braid, the floor is yours.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you, Mr. Chair.

Mr. Vaughan, thank you again. I want to echo the comments of my fellow committee members and thank you for an excellent and very thorough report. I certainly appreciate the opportunity to start this mandate of the committee by studying and digesting it.

I want to come back to the issue of the public transit tax credit. I wonder if you can start our conversation by agreeing that the premise of supporting public transit and encouraging public transit is good public policy. It's clear that the stated goal of reducing greenhouse gas emissions was not met. The original goal was 220,000 tonnes per year, and the actual achieved was 35,000 tonnes per year.

I presume that the original projected cost of \$635 million, which I understand has yet to be confirmed, corresponds to the original stated goal of 220,000 tonnes. Is that correct? If the actual achieved greenhouse gas emission target is less—about 16% of the goal—is it not logical that the actual cost would be less by a corresponding amount?

• (0955)

Mr. Scott Vaughan: Thank you for the question.

First, just to underscore and echo your comments, what I think is important—and you know, this has been a goal of environmental policy now for 25 years—is that it's sending the right pricing signals to encourage Canadians to adjust their behaviour in favour of more sustainable, environmentally sound practices. I think this is an example. Also, I think behavioural change, especially for climate change, is a long-haul issue. This is not going to be done in a year. This is a long, significant challenge to every country in the world.

Specifically on your question, our understanding is that while the target of reduction in greenhouse gas emissions has changed significantly, the financial target that has been put forward, the \$650 million, remains the same. That's why the cost has gone up exponentially between 220,000 tonnes of reduction to 35,000 tonnes. If the cost remains the same, the cost per tonne actually increases.

Mr. Peter Braid: But the actual projected costs will not be known or confirmed until 2011. Is that correct?

Mr. Scott Vaughan: Our understanding, sir, is that's exactly right. Finance Canada with Revenue Canada will come back in 2011 with calculations.

Mr. Peter Braid: I presume that it's possible that the take-up for the tax credit may vary across the country depending on the quality and the effectiveness of the public transit system. Is that fair? For example, if it's better in Vancouver, the take-up could be higher in Vancouver. As public transit improves, perhaps take-up may increase or improve.

Mr. Scott Vaughan: I think just intuitively, if you're giving Canadians incentive to try to increase their use of public transport, they need the choice. They need to have public transit systems in place that they can access. We haven't looked at that, but I think your observations are probably correct. If you're living, for example, in rural communities where there is no public transport or very limited public transport, then chances are there will be fewer people in rural areas who will actually be able to take advantage of this, as opposed to in city centres, where there are systems in place.

Mr. Peter Braid: Right.

From a purely monetary policy perspective, the tax credit does make the use of public transit more affordable, does it not?

Mr. Scott Vaughan: That's correct. The intention is to do a reduction on annual passes by, I think, 15%.

Mr. Peter Braid: Lastly, would you happen to have any recommendations in terms of how we could promote the use of either the tax credit or public transit generally?

Mr. Scott Vaughan: We didn't look at what the government might do in terms of increasing the awareness of this as an option for Canadians.

Mr. Peter Braid: Thank you very much.

The Chair: Thank you. Your time has expired.

Mr. Wrzesnewskyj, five minutes, please.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): I'm deferring to Mr. McGuinty.

Mr. David McGuinty: Thank you, Mr. Chair.

Can I go back to that very informative line of questioning by Mr. Braid?

When you looked at the tax deductible transit pass and you found out, Mr. Vaughan, that the government had been forewarned that it wasn't good ecological fiscal policy to pursue policies where the cost per tonne for production was over \$800, did you come across any documentation that presented alternatives to the government—such as, for example, the well-known fact inside the Department of Finance that it is better for the federal government to take scarce taxpayer dollars and allocate them towards infrastructure costs for transit than it is to try to incent behaviour for those who are already riding transit, particularly when we knew the cost would be well over \$800 a tonne?

Did you come across any evidence on that front?

Mr. Scott Vaughan: We did not look at alternatives that were in play in different departments in looking at policy alternatives. That would be an area of policy that we wouldn't generally look at anyway. So when the policy decision was made, we would look at the management in order to implement—what was the analysis supporting that policy decision—but we would not look at policy alternatives.

Mr. David McGuinty: When you examined the government's target of...? Was it 220,000 tonnes?

Mr. Scott Vaughan: For 2007, yes, sir, it was 220,000.

Mr. David McGuinty: When you examined that, what were the projections the government had? I mean, with a \$635 million expenditure, we would assume a government would have done calculations, for example, on how much public transit ridership would increase. What numbers were produced by the government to justify \$635 million to increase ridership, as Mr. Braid says, rightly so, depending on the city where transit exists?

•(1000)

Mr. Scott Vaughan: I think what the team found was that there was a wide scale of projections in terms of assumptions on changes in ridership. It was wide, in terms of the range of magnitude. But as I said before, it was hard to get a substantiation. Part of it was because we did not have full access to the analysis, so we didn't see the assumptions the department was making in terms of actually doing those projections.

If you see some numbers and you see a model that is used, generally what you want to do is to be able to road test it. You want to see whether you can replicate it, actually put those numbers in and come up with the same numbers. But since we didn't have access to that information, we're not able to say what their range of projections were.

Mr. David McGuinty: Sorry, I'm confused.

Is it because the calculations weren't performed, or the calculations that were performed were not made available to you?

Mr. Scott Vaughan: It was the latter. Well, we don't know whether or not they were performed. There were some calculations that were made available to the team; however, there were calculations that were done by Finance Canada that the team had asked to have access to in the duration of the audit, and that access was denied because they are classified as cabinet confidence.

Mr. David McGuinty: As an environmental auditor, are you recommending to the government now that it cease and desist on this extremely expensive fiscal measure, which you've said yourself is excessively expensive in terms of greenhouse gas reductions per tonne? You have no evidence at all that ridership has increased; we have no impact at all. We don't know at all what we're getting here for \$635 million, do we?

Mr. Scott Vaughan: Let me just underscore that in the government's plan there are multiple objectives. But to reiterate, there was only one objective that actually had a target that you can count. So that's what we looked at in order to see what the outcome of that was in terms of a number. The number is what it is: it's 35,000 tonnes.

If you want to put that in perspective, the reason we've said it is negligible is because that represents 0.005% of total national greenhouse gas emissions in Canada. So if you want to know the perspective of it, it's 0.005% of total emissions. But in terms of whether we would then say to cease and desist, that is not something that our office would determine. That would be a matter for Parliament. It's a matter for the minister to make a determination of. It would certainly not be for me to say, therefore continue, or change, or whatever. That's a policy area. That's outside our mandate.

Mr. David McGuinty: Is the tax deductible transit pass then good value for money?

Mr. Scott Vaughan: What we've said is that there are disappointing results and negligible results. We base that on what is the total magnitude of the problem. Disappointment means that we would have an expectation of probably higher results, stronger results on the amount of money that has actually been allocated, because \$635 million is a significant amount of money.

The Chair: Thank you, sir.

Mr. Watson, it's your turn.

Mr. Jeff Watson (Essex, CPC): Thank you, Mr. Chair, and thank you to the Commissioner of the Environment for appearing here.

I think this is now either my fourth or fifth report from the Commissioner of the Environment in my brief parliamentary career. I'm beginning to notice things that are, shall we say, peculiar to the culture of auditing as opposed to the realm that I'm in, the realm of politics. I'm not sure that auditors will ever be satisfied, for example, with the ability to measure results or prove results with tools like trust funds, or evaluate results for programs that are shared with the provinces.

You'll have an opportunity to correct me on that in a moment if you'd like. I want to address something else first. I'm going to come back to that line of questioning in a moment.

I do have a concern about whether anything is being, for lack of a better expression, torqued up a little bit. Here's where I want to go: I want to start with the chapter on managing air emissions.

On page 8, exhibit 1.1, you conclude that acrylonitrile air emissions in Canada have increased overall but show recent reductions.

If we flip back to page 7, you actually talk about Environment Canada's efforts having "reversed the upward trend by almost 50 percent in 2006-07". That's the factual explanation.

But on page 3 of your statement today, you say, "we found that since that substance was declared toxic almost eight years ago, total emissions have not been lowered but rather increased three-fold."

That's factually correct, but I'm concerned that the impression you leave for the public is that it's an upward trend, not a downward trend. In other words, in your opening statement there's no hint that there's progress. The public would in fact have to go in and read your report to find that out.

Are you concerned that your opening statement is a little misleading in terms of public perception about where the trend is heading?

•(1005)

Mr. Scott Vaughan: Thank you very much for the question.

As you say, there is a pollution prevention plan, and we've looked at whether that plan actually led to prevention, which is what one might expect. What we found is that—you're absolutely right—there was between 2003 and 2006 a 50% reduction in that source of acrylonitrile that they had identified, and it looked, from Environment Canada's perspective, that actually things were well in hand and that actually it was going to lead to absolute reductions. However, there was then that spike, which you can see in the graph in exhibit 1.1. That spike has actually thrown off whatever was going to be the favourable return in terms of absolute reductions, so what we looked at was from when the plan was introduced, first of all, when the substance was declared toxic, in 2000, has it gone up or down. As you say, there has been a 300% increase since it was declared toxic. It has about doubled since the pollution prevention plan was introduced.

But let me just add to that, and I think you are right. You can see from the graph that we, in the team, really made sure we got the most recent information in order to show that downward trend. We went out of our way because we were right up against the wall in terms of the date on this. But your observation is important that this actually is going down again.

Mr. Jeff Watson: Okay. I'm hoping to get to a couple of more questions if I can here.

With respect to acrylonitrile, what we learned in the government's response is that 99% of emitting sources are covered, and we're talking about two companies particularly. One is federally regulated. The other is provincially regulated. Yet you still conclude in paragraph 1.13 that Environment Canada should ensure control measures are in place to deal with significant sources. I'm asking you what more should be done with respect to acrylonitrile risk management for the additional 1%, or are you not satisfied that you can audit the results at the provincially regulated plant?

I want you to keep in mind as you answer that the chemicals management plan will be sending thousands more chemicals down the line for risk management to Environment Canada. So at what point do we draw the line and say 99% is good enough and let's move on to another? Could you inform us?

Mr. Scott Vaughan: As you say, the chemicals management plan is in place now. Acrylonitrile is one of 93 substances that now have been declared toxic, so Environment Canada...this is difficult to manage these things. We're not underplaying the order of magnitude of what a challenge this is to management.

In terms of the risk assessment, we have made a recommendation to the department. The department has accepted that recommendation on getting an overall risk assessment strategy in order to say that if you have surprises in terms of spikes in emissions, then those would probably go into the risk assessment strategy. So that's what we were looking at.

On the latter point on the second source, this was being addressed, and it is being addressed with the partnership with Quebec, and actually there is now movement towards addressing that.

Mr. Jeff Watson: My last question—

The Chair: That's time.

Mr. Jeff Watson: Can I get my last question on the record so he can answer it at least?

The Chair: No, sir, your time has expired. It has to be fair for everybody, Mr. Watson.

Mr. Woodworth, you get to do cleanup.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you. I'm always bringing up the hind quarter. I appreciate it.

I want to thank Mr. Vaughn and his staff for a very comprehensive report. I know it's a monumental amount of work, and I can't begin to imagine how it all gets done.

I'm going to focus on one particular item, and in doing so, and in looking at the tail of the elephant, as it were, I don't want in any way to detract from all of the other good things in your report.

Specifically, I am interested in the chapter on severe weather warnings, and in looking at paragraph 2.17 I see the purpose of the audit was to determine if Environment Canada systems support the delivery of timely and reliable severe weather warnings. That was the purpose, so I'm wondering if in that context you were alert to and watchful for any reports or cases of severe weather warnings that were not timely or not reliable.

• (1010)

Mr. Scott Vaughan: Thank you for the question.

The team looked at whether the department has a system of verification in place in order that they know whether their warnings are timely and accurate. The team is aware of where there have been episodes where events have taken place where a warning has not taken place, thereby placing people at risk, but we didn't go through and categorize or catalogue those.

I'm glad you asked that question. Paragraph 2.17 is to look at whether the department knows about the timeliness and the reliability of its warning systems.

Mr. Stephen Woodworth: Actually, 2.17 doesn't talk about whether the department knows; it talks about whether the department systems support the delivery of timely and reliable severe weather warnings. In my search of your report I could not find a single case reported of a severe weather warning that was not timely or reliable. Is there any such instance in your report that I may have overlooked?

Mr. Scott Vaughan: There's none in the report. I would be glad to provide you with information that the team has compiled, where there are instances. We didn't put it in the report, but there are instances where there actually had not been either timely or accurate information.

Mr. Stephen Woodworth: Since the subject of the audit was to determine whether the systems support the delivery of timely and reliable severe weather warnings, I'm content to accept what's in your report. In fact, as I understand from your report, Environment Canada also has looked actively for cases of untimely or unreliable warnings. They've conducted national public opinion surveys. They've conducted storm surveys. They have found recent verification of severe weather warnings in three of four regions. They've had positive feedback on the services provided.

I'm assuming you would have had access to all of that data. Is that correct?

Mr. Scott Vaughan: Yes, it is.

Mr. Stephen Woodworth: In all of that data, wasn't there any instance of an untimely or unreliable severe weather warning that you felt was worth reporting?

Mr. Scott Vaughan: What we looked at was if there was a national verification system itself. That was the focus.

There was anecdotal information, but as you said, there's been work carried out in the prairies. There was work carried out in British Columbia on pilot studies. I'm looking at the verification system. Ontario had a system in place until 2002, but that was ceased in order to set up a national system.

Mr. Stephen Woodworth: If your report had only talked about whether or not severe weather warning verification systems were in place, I wouldn't be nearly so concerned, but the problem I'm having is that your report contains a conclusion at 2.82 that Environment Canada systems do not adequately support the delivery of timely and accurate severe weather warnings. That makes it appear to me that you are saying that Environment Canada systems in fact don't deliver timely and accurate severe weather warnings.

You can see why I consider it a good news story. Out of what you reported to be now 15,000 severe weather warnings every year, when you were looking for cases of severe weather warnings that were not timely or not reliable, and with all the data you had from public opinion surveys, storm surveys, case studies, and other feedback, do you see why I consider it a good news story that there is not a single case of unreliable or untimely severe weather warnings that you thought worth including in your report? I just want to say that in light of that, I don't agree with your conclusion at 2.82. I think, in fact your report confirms exactly the opposite, that out of 15,000 cases there is not a single report worth mentioning of an untimely or inaccurate report.

The Chair: Mr. Woodworth, your time expired.

Do you want to reply with a very brief response, Mr. Vaughan?

Mr. Scott Vaughan: Thank you.

If we found that there were unreliable reports, then we would have stated that. What we have said is that the department itself doesn't know the degree of its reliability because it doesn't have a national system in place.

On the second part of this, we also looked at the network and the capacity of the network in the future to deliver. Environment Canada submitted its own report last week to Parliament, on the 5th, and they said the current system's network is facing obsolescence. The technological innovation is outpacing its ability to maintain the network into the future. I think what we're looking at is, more importantly, the reliability of the current network into the future. Based on what the department has told us, there's been some urgent need of attention in looking at the network itself.

• (1015)

The Chair: Thank you. The time has expired.

We're going to do a third five-minute round for all the parties.

Mr. Scarpaleggia.

Mr. Francis Scarpaleggia: Thank you.

I have a quick question. Did you get a sense of where the government is at in terms of its Turning the Corner plan? Would you have looked at that as to whether the plan is on its way or if it's stuck somewhere?

Mr. Scott Vaughan: We only looked at the two measures on the trust fund and the tax credit. Those were two measures identified in the government's national climate change plan that was submitted to Parliament in 2007-08.

Mr. Francis Scarpaleggia: Okay.

In terms of the ecoTrust, permit me to ask a rather naive question.

You said that when it comes to setting up trusts, by definition there's really no accountability. We're trusting the provinces and we're giving them money, whether it be to hire police officers or whatever. We don't really expect them to report back to us. That seems to be the general philosophy when it comes to trusts, so why bother looking at the ecoTrusts?

Mr. Scott Vaughan: Thank you for the question.

To reiterate, last week the Auditor General gave an overall study on the nature of the trust. I think this one is different because, as you say, there's no obligation for the provinces to report. However, the government set a target on what they expected performance of the trust would be for the climate changing theme.

That was the anomaly on this one. There are no conditions generally attached for provinces in terms of how they spend the money. Where it became difficult is that because of the virtue of the target attached to this trust fund you would then ask how you report back.

Mr. Francis Scarpaleggia: Basically the government should have been straight with Canadians and said it was just going to write a cheque because it believes in devolution.

Did the Auditor General not call into question the trust arrangements in a previous study? I'm trying to remember. In general, had the Auditor General not called into question this whole method of disbursing funds because of the lack of accountability?

Mr. Scott Vaughan: Not that I'm aware of, sir.

Mr. Francis Scarpaleggia: That's fine.

Mr. Scott Vaughan: I think this is the first time the Auditor General has actually provided a study to Parliament on the nature of the trust funds.

Mr. Francis Scarpaleggia: Okay.

Now in terms of the cost of the transit pass credit—I'm just trying to understand—there are two components. There's a numerator, which is the total money spent on the tax credit by the government, and the denominator is the number of tonnes reduced because of it.

Did I understand correctly that it will take until 2011 to know the value of the tax expenditure to the government? This is another naive question, Commissioner, but it seems that the revenue department would just have to press a button and figure out how many people claimed a transit tax credit. Why is it going to take until 2011? Did they give reasons for this? If so, are you satisfied with the reasons?

Mr. Scott Vaughan: I think part of your question is the methodology the government is using to do that calculation in terms of how many people asked for the credit and the impact on total greenhouse gas emissions. We also try to point out that people take public transport for different reasons. Trying to get causality on this can be very difficult.

• (1020)

Mr. Francis Scarpaleggia: So it's not the numerator that's the problem; it's the denominator.

Mr. Scott Vaughan: I think it may be both. You might want to ask Finance Canada about the methodologies they're assuming to figure this out.

Mr. Francis Scarpaleggia: I'd like to go back to Mr. Calkins' points, which I thought were very good. He said farmers will essentially self-regulate, in the sense that they know what's good for their farm in terms of environmental protection and so on. I buy that up to a point. When it comes to things like the runoff of fertilizer into rivers that move downstream, they don't really have a stake in what they're doing. They're passing the problem along to people downstream.

How do you get around this problem that you have to have confidentially on the one hand, but on the other hand you're giving money that may not be effective because it's not in the interest of a farmer to take a particular environmental precaution?

The Chair: The time has expired, so a very brief response, please.

Mr. Scott Vaughan: I'll ask my colleague Mr. Maxwell.

The Chair: Mr. Maxwell.

Mr. Neil Maxwell: Very briefly, we were impressed that this department was actually moving on the whole realm of agri-environmental indicators. These are essentially state of the environment indicators that try to capture that sense. You may want to have the department here to brief you more extensively on this.

In some instances, agricultural impacts are improving, and some are deteriorating. It's certainly not the case that across the board things are getting worse. Some are getting better.

Mr. Francis Scarpaleggia: I wasn't suggesting they were getting worse.

The Chair: Your time has expired.

Maybe as a farmer I'm a little too sensitive on all this. I'm the only farmer sitting at the table. I get a little sensitive at times with all these comments. I can tell you that as a farmer, when my father inherited the farm from his dad, my grandfather, my grandfather always wanted to leave it in better shape than he found it. My father wants to leave his farm in better shape for his children, and I'm doing the same thing with my kids. And that's not just about being a profitable operation, but about environmental sustainability on our farms as well. If we're not environmentally sustainable, these farms aren't going to last.

Monsieur Bigras, s'il vous plaît.

[Translation]

Mr. Bernard Bigras: Thank you, Mr. Chair.

I would like to talk about the sustainable development strategy and have a look at the public transit tax credit, a bit like a case study.

In 2008, Parliament passed the Godfrey bill, which requires you to study the targets Environment Canada will have put in place by June 2010. In Chapter 1 of your report, it says that:

Finance Canada did not provide documentation that it had assessed the key environmental and economic impacts of the Public Transit Tax Credit—

and that:

The Department provided a copy of its strategic environmental assessment but was unable to show how it was integrated into the Department's overall analysis under the Framework, since it too constituted a Cabinet confidence.

Over the next months and years, you will have to audit the sustainable development strategy. How will you be able to do that if some departments, including the Department of Finance, refuse to submit overall analyses? Is this systemic? Do all departments do this? If the Department of Finance has the same attitude towards the sustainable development strategy audit as it had towards this document during the tax credit audit, there will be problems. Do you feel that, under the circumstances, this type of approach by the departments will complicate your work?

Mr. Scott Vaughan: Thank you. I would like to ask my colleague Mr. Arseneault to answer your question. I am new to the Auditor General's Office, but I would think that it is quite rare that we would not have access to government documents, to analyses. I think that the Department of Finance, and the measures concerning the tax credit analyses, is really an exception.

Mr. Richard Arseneault (Principal, Office of the Commissioner of the Environment and Sustainable Development): Usually we have access to any documentation we need in order to do our analyses. Normally, that would include any analyses submitted to cabinet. That was quite an exceptional case, but it has always been difficult to get information from the Department of Finance when we are doing an audit. It is often a question of cabinet confidences or of confidential information for the minister's eyes only. We have had issues like this with the Department of Finance in the past, and it is happening again this year. The sustainable development strategy will apply to all departments. Normally, we have access to the information we need in order to perform an audit.

• (1025)

Mr. Bernard Bigras: I understand what you're saying, but taxation is a key element in a sustainable development strategy. Just think about the tax exemption for oil companies, which represents close to \$5.9 billion. Is the fact that this key element of an environmental policy is the responsibility of the Department of Finance going to make your work fundamentally more difficult? We are not talking about Veterans Affairs. This is the Department of Finance, which establishes tax measures, and taxation is fundamental to environmental policy.

Mr. Richard Arseneault: We do not know what the government's sustainable development strategy will contain. The government may decide to move in another direction. If there are financial issues that involve the Department of Finance, we will report back to Parliament. If we have accessibility issues, we will say that.

Mr. Bernard Bigras: Is there a plan in place to audit the strategy? Has that begun? Where is the Office in terms of the audit under the 2008 legislation?

Mr. Scott Vaughan: As you said, it is a new law. Environment Canada is working on a plan. I have a legal obligation to study the draft plan by 2010. We are in the process of preparing to audit the federal government's overall sustainable development strategy. After that date, each department must study the impacts of the federal law by a certain date, sometime between 2011 and 2012.

The Chair: Thank you very much.

Ms. Duncan.

[*English*]

Ms. Linda Duncan: Thank you.

Commissioner, I want to follow up on the questions Mr. Bigras is raising. I'm very troubled, and I'm hoping this isn't a trend showing what's going to happen, particularly in the climate change area. I'm particularly concerned about the implications of passing information through ministerial briefs, so that you can't gain access for evaluation. That is critical to the delivery of your responsibilities under your statutes, but it is also critical to transparency to the public, because we're dealing with very serious chemicals—in the case of benzene, of course, a major carcinogen; and the government has yet to regulate mercury, an even more critical carcinogen; and in the case of greenhouse gases, a serious problem.

I'm wondering, and I'll go back to the question I raised before, whether or not you thought there might be value in providing more specific, prescribed legal requirements to the departments and agencies, including the Department of Finance, concerning what they have to provide back. If there's going to be increasing reliance on economic measures and voluntary agreements and not on the normal regulatory tools, then it's incumbent upon agencies to also be forthcoming in the way they analyze the efficacy of those instruments to deliver, both on cost and in how they deliver.

I note that in the United States, when the federal government transfers money to the U.S. states, if they don't deliver on that program the federal government can yank the money back and can move in and do its own enforcement. So I'm very concerned about the issues you're raising. You're saying you believe it's only one example and that you haven't necessarily seen a trend, but this may be an indicator of a problem to come, and it perhaps needs to be clarified through clear regulations or requirements to provide information or access to analyses.

Mr. Scott Vaughan: As I mentioned just now, the incidence of denial of access because of cabinet confidence is extremely rare. I wouldn't say this is by any means a trend—rare means it happens exceptionally. And it is when documents go before cabinet; then, cabinet has that right, in the sense that what's in discussion in cabinet is protected.

Right now, based on the information we had, I don't have any particular concern that what we have in front of us involves any kind of warning in any way. It's up to the government, in their policy choices in the future, whether they want to go to more or fewer fiscal policies to address environmental issues. That's a choice of the government, and we would come across it when we looked at it.

More generally comparing the U.S. and Canadian experience, as I mentioned earlier, the nature of the Canadian confederation is that when, under the trust, the provinces receive it, there are no legal

obligations or conditions attached to the trust funds giving the province an obligation to report back. There's not a legal obligation for the provinces to do so, so there's not a way for Ottawa to measure their performance concerning how the funds are being used.

• (1030)

Ms. Linda Duncan: Mr. Commissioner, are you aware of any barrier to imposing a legal obligation to report?

Mr. Scott Vaughan: No. That's why we said it was unlikely for Environment Canada. Parliament could imagine different ways in which you could look at, for example, voluntary ways for reporting between the provinces and Ottawa. I think there have been some instances of this. But this is something about which the Canadian Parliament as well as the provincial legislature could say, let's look at the various alternative mechanisms for reporting. As things are now, I can only think of one possible instance where this has taken place.

Ms. Linda Duncan: Thank you.

The Chair: You have one minute left. Do you need it?

Ms. Linda Duncan: That's fine.

The Chair: Thank you. Maybe we can give that to someone else.

Mr. Warawa.

Mr. Mark Warawa: I have some quick comments about the May report from former Commissioner Madame Gélinas regarding Kyoto. She said in her report:

We expected the federal government would have conducted economic, social, environmental and risk analyses in support of its decision to sign the Kyoto Protocol in 1998.

They found little economic analysis was completed and that the then government was unable to provide evidence of detailed social, environmental, and risk analysis.

I believe this is salient as you prepare for your report because subsequent bills that were passed, for example, Bill C-288 the Liberal bill, and Bill C-377.... Again, the committee asked numerous times for a risk analysis and an estimate of the costs. Was a risk analysis done? We heard no, there was none, and it was highly recommended that one be done before we proceeded with Bill C-288 and Bill C-377. The opposition pushed that bill through and we ended up committing to a poorly thought out obligation initially, and again in subsequent bills from the opposition. So just keep that in mind as you prepare for your report.

I also want to quickly share some concerns about the petitions.

On page 23, there were four petitions from a Carole Clinch. This one individual had four petitions requiring a total of 14 responses from different ministers, all on the same issue of fluoride in water.

Petition number 223 was from a Canadian resident and it was regarding the use of recycled paper by federal government departments. She required a response from 27 different ministries, and the amount of administrative time that that one petition created.... Is there a more efficient way to deal with that, as opposed to having 27 different responses?

Petition 259 was regarding Tsawwassen. Two individuals wanted to know who has the authority to halt the construction of a power line. It was a very controversial issue. It was provincial jurisdiction; it wasn't federal, and yet we've got a petition.

I've read that in 2006 and 2007 we had five each year that were listed as "Canadian resident". In this one we had 12 that were listed as "Canadian resident". People are not providing their names. Why is that?

Those are just concerns in the spirit of accountability, and we want to make sure the petition process is good but not abused.

I'm going to pass my time on to Mr. Calkins now.

• (1035)

Mr. Blaine Calkins: Thank you, Mr. Warawa.

We've established that most of the issues with those particular agriculture programs in the environmental farm plan aren't with the actual accountability on the ground or the programs themselves, but with the fact that the department can't actually verify the value of those programs.

When I look at the report on page 17, I see sections 3.58, 3.59, and 3.60 deal with operational resources that were not tracked by the program. It says the department was allocated \$400 million for the programs contribution portion over the five-year life of the APF and \$126 million for administration.

So we've got over half a billion dollars there. Then it goes on to say:

We expected the Department to have plans that identified objectives and expected results....

Those were the expectations of the department from your audit. And then 3.60 says:

However, the Department was unable to provide a complete set of financial information to demonstrate that this type of planning had occurred.

Those are very troubling things for me to read. Can you remind us of when the agriculture policy framework came forward, which administration that was, and, now that we're transitioning from the agriculture policy framework to "Growing Forward", how is the work that's been done so far with the APF being tracked with the "Growing Forward" policy?

Mr. Neil Maxwell: Thank you, Chair.

The APF was created in 2003. In terms of the issue with the tracking of operational funds, we go on to note that the department has already taken some action in that regard. They've set up a system for tracking operational funds.

Mr. Blaine Calkins: When was that action taken, Mr. Maxwell?

Mr. Neil Maxwell: In the 2007-08 fiscal year they set up systems to fix this problem, that they were not able to track operational funds.

The Chair: Is there anything you want to add to that, Commissioner?

Mr. Scott Vaughan: Just very briefly, in relation to the petitions, there are two very quick answers.

First, on how to increase the efficiency, we've sent it to all the members' offices as well as to your constituency offices. We're trying

to help petitioners have more focused questions. We really discourage individuals from repeating the same question. We're very aware of tying up departmental time on this.

This is what's out now. We're trying to get their petitions as focused as possible, so we're not eating up time on both sides.

Second, on the names being withheld, the petitioners have to disclose their names to us, but they have the option in so disclosing to say if they wish to be withheld from the public record. There may be something before the courts; there may be some other issues related to liability. We will not process a petition unless we know the name of the person.

The Chair: Mr. Watson, you have one burning issue, so I'll let you put that on the record before we start on Mr. Scarpa's motion.

Mr. Jeff Watson: Mr. Chair, I wanted to get a sense from you of how the Office of the Environment Commissioner handles, for audit purposes, the measuring results, if you will, for jurisdictions that are shared with the provinces. Two things come to mind.

One, as I mentioned, is the acrylonitrile situation where the second emitting source is provincially regulated. The federal government has made some determination that the provincial regulations are satisfactory. What's it going to take for you to feel satisfied that results are sufficient from that?

The example with respect to environmental farm plants, which are accepted or proved, if you will, by the provinces and territories—we co-fund those things and there is some amount of recognition provincially for that through the Ontario Soil and Crop Improvement Association. They give out awards and recognition for the completion of environmental farm programs. It has to be approved by some mechanism before payout happens. What would it take for you to be satisfied with that? If there's a gap there, what would satisfy you as the Commissioner of the Environment for auditing purposes?

I want to leave that on the record. Thank you, Mr. Chair, for letting me get that out.

The Chair: If you have a brief response, I'll let you respond. Otherwise, you can always give it to the committee in writing.

Mr. Scott Vaughan: Perhaps I can get back to the member with a more detailed answer.

Mr. Jeff Watson: Thank you. I would appreciate that.

The Chair: Before I dismiss you, we do have homework for you. One is to make sure you send the clerk the response to Mr. Watson's question. You were also asked to provide information on the cost of administration of petitions. You were also asked, and I think you said you would provide it to the committee, for a little more information on who the trustee is on ecoTrust or the department that is in charge. And to follow up on Mr. Woodworth's question on stuff not in the report on severe weather warnings, where there were some gaps in getting out information, if you could provide that in writing, we'd really appreciate it.

I thank you, Commissioner and Mr. Maxwell, for joining us. It was a very full and informative conversation. I'll look forward to seeing you again in the future. Thank you very much.

If you guys can clear the table, we'll go right to motions. We have 20 minutes. Before we jump into the motion on the issue of witnesses, just for clarification, I'm going to Marleau and Montpetit, page 860 in chapter 20, about witness selection:

A committee may wish to hear testimony from private individuals, representatives of groups, or public officials concerning the matter which it is studying. Witness selection may be carried out in a number of different ways. Normally, witnesses are proposed by individual committee members. The committee may also invite potential witnesses to indicate their interest in appearing. The selection is often delegated to the Sub-committee on Procedure and Agenda....

So there are a number of different ways witnesses can be called. I wanted to throw that out before we jumped into the motion.

With that, Mr. Scarpaleggia, if you could put your motion on the table....

• (1040)

Mr. Francis Scarpaleggia: Thank you very much.

Essentially what I'm asking the committee is to do what it did already and to be consistent with its decision in the last Parliament, which is to do a study of the impact of the oil sands on water. So I'm reintroducing a motion that is almost 90% the same, which was adopted unanimously, I believe, if I'm not mistaken, in the last Parliament when we got started on the study but were interrupted when the election was called.

I mean very sincerely, to those who might be sensitive on the issue of the oil sands, that this is not an attempt to beat up on the oil sands in any way, shape, or form. It's an attempt to get to the bottom of some issues that have been circulating in the media, that have raised a lot of question marks. It's because I think it's our responsibility to look at how the oil sands are affecting rivers in the area that might even cross into other provinces, and how the oil sands may be affecting—and I'm not prejudging the issue—the health of aboriginal people, first nations people, downriver from the oil sands, and whether our obligations under the Migratory Birds Convention Act are somehow being compromised.

I hope we find everything is hunky-dory, but I think it's our responsibility as federal legislators to do these kinds of studies. And again, I'm just proposing that we adopt what we essentially adopted at the last committee.

The Chair: To be procedurally correct, can I ask you to read it into the record?

Mr. Francis Scarpaleggia: Okay.

[*Translation*]

It reads:

That the Standing Committee on Environment and Sustainable Development re-launch the study on the oil sands and Canada's water resources that it began shortly before the last federal election.

That, as part of this study, the committee invite, among other witnesses, representatives from Environment Canada and Natural Resources Canada (including Randy Mikula from NRCan), representatives of the Alberta government, Dr. David Schindler, Andrew Nikiforuk, Michael Wenig (of the Canadian Institute of Resource Law), Kevin P. Timoney (of Treeline Environmental Research), representatives of the Nunee Health Authority of Fort Chipewyan, representatives of the Keepers of the Athabasca, representatives of the Pembina Institute, Adèle Hurley, Director of the Program on Water Issues at the Munk Centre for International Studies, and various industry representatives, to discuss the impact of oil-sands development on Canada's present and future water

resources, including on water flows and pollution in the Athabasca River and Lake Athabasca and on migratory birds in the Peace-Athabasca Delta.

[*English*]

The Chair: The motion is on the table.

Monsieur Bigras.

[*Translation*]

Mr. Bernard Bigras: I have an information question. Does the motion that was passed in the previous Parliament also deal with the oil sands and water resources, or was it broader in scope?

Could the clerk remind me what was in the motion that was passed?

• (1045)

[*English*]

The Chair: I'll let the mover, Mr. Scarpaleggia, respond.

[*Translation*]

Mr. Francis Scarpaleggia: It was the same motion, Bernard. I added two witnesses, but the wording is the same.

[*English*]

The Chair: A follow-up, Mr. Bigras.

[*Translation*]

Mr. Bernard Bigras: I feel that this motion is a timely one, especially given that Environment Canada laid charges against Syncrude as recently as yesterday.

I believe that a study on the oil sands must be undertaken. I would have preferred it to be as wide-reaching as possible and for it not only to evaluate and study the impact the oil sands have on water resources, but also to be a larger study on the oil sands in general.

I am not proposing a friendly amendment, but I would have preferred to see a more comprehensive study on the impacts of the oil sands. I am making the suggestion, but it is not a friendly amendment, not at the moment. I would like to know what my colleagues think. A study on the oil sands is important.

[*English*]

The Chair: Okay.

Mr. Warawa.

Mr. Mark Warawa: I do support relaunching the study on the oil sands and the water resources, which is the first paragraph. I do have concerns about the second paragraph and won't be supporting that, so in a moment I'll be moving an amendment to remove that.

We have specific names from different departments—a lot of specific names—but then for various industry representatives we have no names. As you presented, the norm is the norm. It's for this to be referred to the subcommittee to provide a witness list that the NDP is happy with. The NDP would be providing names, the Bloc would provide names of witnesses they would like to have, the Liberals, and then us. Everybody would have a chance to put witnesses, and then we would provide you and the clerk with names of witnesses and you would arrange who's available when, so we have time to provide the maximum number of witnesses. I'm uncomfortable with this portion of the motion.

The other point the motion doesn't include—and the first paragraph is very general—is what that study would look like. Again, the subcommittee needs to seriously discuss what this study would look like. Now, I'm not looking forward to going to Fort McMurray, particularly at this time of year, or any time of year—

The Chair: Why not? It's the great province of Alberta.

Mr. Mark Warawa: I've been there and I've seen it. I think it's important that for something this important we have a trip there. I have talked to the parliamentary secretary to the Minister of Transport, Brian Jean, and he would host a meeting up there. Those of us in this committee who wanted to go should go, should have that opportunity. It will provide a different perspective, actually being there and seeing it.

I went there and I took a ride in a boat all through the Athabasca River, and I got off and walked on the shore and saw bitumen oozing out of the rocks and leaching into the water naturally. The technologies of how they are processing at the oil sands...there's in situ and there's open pit. The use now of in situ does not even require an environmental assessment because there are no tailing ponds. The trees stay in place and they pump, they put the pipes into the ground. Yet you have increased greenhouse gas emissions because you're using more steam.

You need to see this to be able to grasp it and deal with it properly. I'm going to be moving an amendment that paragraph 2 be taken out of here and that it be referred to the subcommittee.

The Chair: We have an amendment to the motion to strike the second paragraph. As chair, I just want to say that naming people in motions does present us with some difficulty. If people move on to different jobs or move out of the country, or whatever, you can't call them, as described by the motion itself. If we have witnesses who are named in a motion and aren't available for whatever reasons, then am I put into a position that I have to subpoena them?

• (1050)

Mr. Francis Scarpaleggia: No, no.

The Chair: That's a question, then. So I'd rather we deal with those.

I'll let Mr. Scarpaleggia actually respond to that.

Mr. Francis Scarpaleggia: It seems to me that we've passed motions inviting people at other committees. I'm saying that we invite, not that we subpoena. This is very open-ended. To show good faith, it's open-ended. I believe this, first of all, is a core group of witnesses who we must see. However, it's quite open-ended and it's quite balanced in the sense that I'm asking that we invite representatives of the Alberta government—Alberta environment, Alberta health—and that we invite various industry representatives. I want a balanced look at this.

This can of course be discussed in a subcommittee, but as a bare minimum I think we have to invite these people. We can also discuss the notion of a trip at a subcommittee. I am approaching this with a sincere openness, Chair. That is to say, I hope we find there's no problem and I hope we find it's all about oil sands oozing naturally into the river. I don't know what the answer is, but Dr. David Schindler is an expert, and many others are experts.

I really think as a bare minimum it's important that we meet these people, and let's discuss other witnesses and what this study should look like at the subcommittee. I'm very open to doing that.

The Chair: I have a fairly extensive speaker list going already here. I have Mr. Calkins, Mr. Watson, Ms. Duncan, Monsieur Ouellet, Monsieur Bigras, and then Mr. Woodworth, and we have 10 minutes.

Mr. Calkins, you have the floor.

Mr. Blaine Calkins: Thank you, Mr. Chair. Of course, I raised my hand to be on the speakers list prior to the subamendment—

The Chair: We are discussing the amendment.

Mr. Blaine Calkins: Sorry, the amendment my colleague has moved, which would have been the point of discussion that I was.... I was simply going to ask Mr. Scarpaleggia what the purpose of that particular paragraph was, and he satisfied me. So thank you.

The Chair: Mr. Watson, we are speaking on the amendment.

Mr. Jeff Watson: I'm speaking in favour of the amendment, Mr. Chair. I'm not sure we need to be that prescriptive with respect to the motion. I think there has to be some amount of give and take when it comes to witness lists and things like that. I certainly wouldn't want to put the constraint on you with respect to who has to be here.

I think the experience of the committee is that there has been a fair balance. Even with politically contentious issues where we've had very divergent opinions, I think the ultimate attempt when it comes to fashioning witness testimony at the committee has been very balanced. I don't feel we've been shortchanged, for example, so I'm not sure we need to be this prescriptive in the motion. That's why I'm supporting the subamendment—or the amendment.

The Chair: It's an amendment.

Ms. Duncan.

Ms. Linda Duncan: Mr. Chair, I have concerns with the broad breadth of this motion. I'm not speaking to the amendment; I'm speaking to the motion itself. I have absolutely no interest in going through another review of the tar sands for what the province does. We have had review after review and an excellent open public review.

It's not our mandate to look at what the province is doing. I would be very opposed to provincial officials coming in. It's our responsibility to look at what the federal government's area of responsibility and jurisdiction is and whether they are delivering those responsibilities vis-à-vis the tar sands and the related water resources. I don't know if we have to amend it—I don't know if that would be our agreement—but we're going to have a limited number of witnesses we can hear.

I'm also not interested in just going on a tourism trip to the tar sands. If we're going to do that, then it has to be led by some independent people. We need to also have a meeting in Fort Chip and Fort McMurray with the first nations, since we probably can't bring them all in.

I would also be insistent that we include witnesses from those down river who are affected transboundary, the Deh Cho and Smith's Landing, as the beginning, and the Métis and first nations on the Saskatchewan side of the Athabasca Lake.

The Chair: Just on the witnesses, I can tell you—as chair and from the way it worked in agriculture—that I will work very closely with all parties and the steering committee to ensure that we are very open and are bringing in as many witnesses as possible to satisfy the members at the table.

Monsieur Ouellet.

[Translation]

Mr. Christian Ouellet: Thank you, Mr. Chair.

I think the motion is great and interesting, but it cannot be limited, as in the first sentence by mentioning only water resources. Even though studies have already been done on the oil sands, the fact remains that we still do not know a lot about natural gas reserves and how quickly they are being depleted. This is important for the province and for all of North America as well. The energy efficiency at stake in this process is very important because we use so much other energy. We might finally realize that we are not getting that much energy out of it.

Even though the greenhouse gases represent only 2% of all the greenhouse gas in Canada, that is still a huge amount. It is important to include them in a much more extensive study. Water is an interesting aspect, but it is too limited. We will come up against questions that we will want to answer and explain to the public, and we will not be able to do it.

I went on a tour with the Natural Resources Committee, which also did a study. This tour must be planned. Unless it is planned and each person knows what they want to see, we will not see anything. That is what happened when the Natural Resources Committee visited. We did not see anything because the tour was planned so that we would not see anything. We either go and see things or we do not go.

•(1055)

[English]

The Chair: Monsieur Bigras.

[Translation]

Mr. Bernard Bigras: To reiterate what Mr. Ouellet and Mr. Warawa just said, I feel that we need to undertake the broadest study possible of the oil sands. We will not have a very global view of the oil sands issue if we limit the study to the topic of water.

I would put forward a motion, Mr. Chair, that would, after the word “sands”—

No?

[English]

The Chair: So we're at a subamendment now?

[Translation]

Mr. Bernard Bigras: Yes, it is an amendment to the amendment. I would put a period after the word “sands”.

Mr. Christian Ouellet: And you would delete the rest of the phrase.

Mr. Bernard Bigras: Yes, I would delete “and Canada’s water resources that it began shortly before the last federal election.” That would not keep us from looking at the impact of the oil sands on water reserves. But we would have a more comprehensive study on the most recent technologies, as Mr. Warawa said. It would be broader.

[English]

The Chair: Mr. Woodworth.

Now we're speaking on the subamendment.

Mr. Stephen Woodworth: Thank you.

I hope my comments can be a little more wide-ranging.

The Chair: I'll give you a little latitude.

Mr. Stephen Woodworth: I don't know, of course, what happened with this study before the last election, but I'm going to assume that it didn't progress to the point of calling witnesses. We're relaunching a study that was done previously, so I presume no witnesses were called on this the last time.

I guess I'm also thinking that it would be an odd precedent to start by loading up motions of this sort with names and lists of witnesses. I of course haven't been around long enough to know what the precedent is, but I have the impression that it's generally the chair who decides such things.

I'll steal a page from a comment Mr. McGuinty made a meeting or two ago and say that if the chair goes ahead and sets this up with the appropriate subcommittee's guidance and we don't like it, we can always come back and call for further specific witnesses, if we wish to do so. That would at least get us on the road today.

The Chair: Francis.

Mr. Francis Scarpaleggia: Mr. Chair, you would chair a subcommittee with a spirit of balance and goodwill, and I would certainly participate in the subcommittee with the same spirit.

This motion was adopted by a previous committee. Now, I don't know if we're saying that the previous committee didn't know what it was doing, but it was adopted by a previous committee.

[Translation]

I would like to respond to Mr. Bigras. I understand that he would like to study the oil sands more closely, and I am not against that idea. However, I feel that there is a specific policy question here and that it should not be taken over by a broader topic. I would be open to the idea of starting the study by placing an emphasis on water and then, part way through, we could discuss broadening our scope. Once we have looked at the topic of water, I would not be against expanding the study, but perhaps we should start with the first part and then proceed from there. We may soon enough come across other issues we should focus on.

In response to Ms. Duncan, I included the Government of Alberta for two reasons. First, because that province has a more favourable outlook on the oil sands. So I included it in the interest of having a balance. Second, waterways are managed jointly by the federal government and Alberta. We do not want to encroach on Alberta's jurisdiction, but we want to hear what these people have to say. If they do not want to meet with us, we cannot force them to, but I think it would be in their best interests.

• (1100)

[*English*]

The Chair: Our time has expired. I don't have anybody else on the speakers list, so maybe we can go to the vote.

Mr. Blaine Calkins: Please.

An hon. member: The vote is on what?

The Chair: We're going to vote first on the subamendment by Monsieur Bigras, which is to end the first sentence at "oil sands" and delete the rest, up to "election".

Is everybody under the correct understanding?

Some hon. members: Agreed.

(Subamendment negatived)

The Chair: Now we'll go to the amendment of Mr. Warawa to remove the second paragraph.

(Amendment agreed to)

The Chair: That removes the last paragraph, so we're back to the amended motion by Mr. Scarpaleggia.

It reads:

That the Standing Committee on Environment and Sustainable Development re-launch the study on the oil sands and Canada's water resources that it began shortly before the last federal election.

Are there any comments?

(Motion as amended agreed to)

The Chair: Before we adjourn, I want to remind everybody about Thursday's meeting. We have the minister here for the first hour, from 9 to 10. The officials will then appear from 10 to 11.

We're to meet on the supplementary estimates (B), but there is still the outside chance that the House will be voting on the supplementaries tomorrow afternoon. If that occurs, the minister will then be appearing under Standing Order 32(5) rather than the supplementaries. Just so everyone knows, that'll be the basis.

A voice: We don't need to report back.

The Chair: Then we won't need to report back. That's why it was important to do it on Tuesday, but the minister wasn't available.

The clerk has also circulated a document on the expenditures of the committee from the last session, and he can further prepare the documents that we actually prepared as a committee.

Can I have a motion to adjourn?

Mr. Blaine Calkins: So moved.

The Chair: We're adjourned.

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