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Chair

Mr. Harold Albrecht

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•(0845)

[English]

The Chair (Mr. Harold Albrecht (Kitchener—Conestoga, CPC)): I'd like to call the meeting of the Standing Committee on Environment and Sustainable Development to order. This is meeting number 79.

We welcome to our committee today the Honourable Peter Kent, Minister of the Environment. Minister Kent, it's great to have you with us. We also have Andrea Lyon and Tony Young with us from the department. We welcome all of you here.

We will give Minister Kent a 10-minute opening statement, followed by questions from committee members in the predetermined order.

Minister Kent, welcome again to our committee. It's always a pleasure to have you here.

Hon. Peter Kent (Minister of the Environment): Thank you, Chair. It's always a pleasure to visit.

Let me start off by expressing my sincere appreciation for the opportunity to discuss the 2013-2016 draft federal sustainable development strategy.

As you said, I'll begin with a brief statement. I'd like to better introduce to the committee Andrea Lyon, who is my associate deputy minister, and with her is Tony Young, director general of the sustainability directorate and head of the sustainable development office.

We'll be pleased to answer questions after these opening remarks.

Mr. Chair, I'll begin by reflecting for a moment on the origins and evolution of the Federal Sustainable Development Act, back to when the office of the Commissioner of the Environment and Sustainable Development was created in 1995 and amendments to the Auditor General Act required the federal government to prepare and to table individual departmental sustainable development strategies. The first system did not work. It did not deliver the intended results. Successive audits between 1997 and 2008 examined various strategies and their outcomes, but without a government-wide strategy, environmental sustainability issues were often pushed to the margins of federal planning and reporting. There were no common goals or targets and no way to measure federal accomplishments.

Our government took action in 2008, and with all-party support the Federal Sustainable Development Act was passed. Two years later we delivered the federal sustainable development strategy. The FSDS, which today remains very much a work in progress, is

achieving the original intent: a strategy that makes environmental decision-making both more transparent and accountable. The FSDS provided Canadians for the first time with a comprehensive picture of actions right across government that contribute to environmental sustainability. This integrated whole-of-government picture was provided, as you know, under four key themes: climate change and air quality, water, nature, and of course, greening our government operations.

The FSDS improves the way the federal government plans for sustainable development, and it addresses weaknesses of the old system that had been noted a number of times by the Commissioner of the Environment and Sustainable Development. The strategy ensures that environmental objectives are a foundational piece in the government's decision-making processes. It does so by incorporating sustainable development planning and reporting into the government's core expenditure planning and reporting system, as well as integrating it into the strategic environmental assessment process.

Effective measurement, monitoring and reporting are crucial not only to track our progress but also to ensure that Canadians can follow and watch these changes. The federal sustainable development strategy has been well received by the Commissioner of the Environment and Sustainable Development, by the environmental organizations, and by the business community. I'm pleased to report that significant progress has been observed in the three-year interval between 2010 to 2013. Departments and agencies now produce annual departmental sustainable development strategies that are integrated into their core planning and reporting processes and are linked to the overarching federal strategy. As part of our ongoing commitment to measurement, monitoring, and reporting, we have issued two progress reports, as you know, and have expanded our suite of environmental indicators that support federal sustainable development strategy reporting.

I'll detail some of the areas in which the 2012 progress report itemizes what I believe is impressive progress. We are reducing greenhouse gas emissions, conserving our natural environment, and ensuring the quality of our air and water. As you know, we have an effective sector-by-sector regulatory approach to reducing greenhouse gas emissions, and we've already taken action on two of Canada's largest sources of emissions: transportation and electricity. By the time 2025-model-year cars hit our roads, it's estimated that vehicles will be consuming 50% less fuel and producing 50% fewer emissions compared to 2008 models.

In the coal-fired electricity sector, Canada is the first country in the world to ban construction of traditional technology coal plants. Emissions from the electricity sector are projected to decline by one-third by 2020, compared to 2005 levels. Fully three-quarters of our electricity is now generated without the emission of greenhouse gases. Canada has an electricity system that is one of the cleanest in the world, and it will get even cleaner.

● (0850)

Our government has also shown that economic growth and environmental stewardship can go hand in hand and are not mutually exclusive. Our 2012 progress report also shows we're making progress with the Great Lakes contaminated sites, the areas of concern, and with protected areas, both terrestrial and marine, across Canada. This brings the total protected areas in Canada to about 10%, or the equivalent of a territory the size of France, Germany, and Austria combined.

These are only some of our achievements to date. I'd now like to turn to the steps we'll be taking to move environmental sustainability forward as indicated in the draft 2013-2016 federal sustainable development strategy, which we released for public consultations in February.

The new strategy outlines an improved framework of sustainable development planning and reporting. It builds on key improvements that we introduced in our 2010 federal sustainable development strategy, but moreover, it underscores our continuing commitment to transparency. Building on the goals and the targets already in place, this new version expands the whole-of-government picture of federal activities aimed at achieving environmental sustainability.

We've expanded the scope of federal actions to include new targets and implementation strategies on climate change adaptation. Great progress has been made in strengthening existing targets, particularly in terms of nutrient loading in the Great Lakes, Lake Simcoe, and Lake Winnipeg, and with actions in regard to marine pollution.

At the same time, it's important to note that new and more specific targets will be added to reflect decisions made since the draft strategy was released in February. For example, the new Canadian ambient air quality standards published by Environment Canada and Health Canada are more stringent than current U.S. standards for particulate matter and ground-level ozone, two pollutants of concern to human health and of course the major components of smog.

We'll turn next in the clean air area to development of new industrial emissions regulations of pollutants such as nitrogen and sulphur oxides along with the provinces and territories as part of the new air quality management system. Of course data generated through our partnership with Alberta on oil sands monitoring will continue to be collected and posted on our new Web portal.

We've also expanded the range of indicators to track progress on the strategies, goals, and targets. As a matter of fact, since our first strategy, we have increased the number of indicators to some 36 targets in the 2012 progress report. Work is now under way to increase the number of indicators to more than 40 for better measurement and reporting under the 2013-2016 strategy. Furthermore, it aligns with sustainable development commitments with various departmental performance reporting.

In addition, it builds on the progress we've made in the greening government operations in the areas of real property, fleet, procurement, and general office operations. This new strategy has also been expanded to include clean air agenda reporting commitments, water agreements with Ontario and Manitoba, the Great Lakes Water Quality Agreement, of course, our commitment to a national conservation plan, and Canada's domestic response to the Convention on Biological Diversity.

At the same time it continues to support the integration of sustainable development into our decision-making process through strategic environmental assessments and green procurement.

Now we're asking for the people's input, including from this committee.

As you know, the public consultations process on the draft federal sustainable development strategy is currently under way. We are also engaging a wide range of stakeholders including the Sustainable Development Advisory Council and the interim Commissioner of the Environment, who will be speaking to you about some of his observations on the draft strategy a little later this morning. As with the case with the 2010 strategy, the commissioner's comments will contribute along with input from other consultations into the final strategy to be released this fall.

In response we've received over 40,000 visits to the FSDS website, and we expect substantial input from Canadians as the consultation period draws to a close in mid-June. The final strategy, as you know, will be tabled in Parliament in the fall, greatly informed by the feedback we receive from this committee and from other interventions.

Mr. Chair, I'd like to close by emphasizing that Canada has a very good story to tell regarding our efforts to promote sustainable development at both the domestic and international levels.

● (0855)

We are making concrete progress across the full range of environmental priorities identified in the strategy. The federal government's innovative approach is bringing more transparency and more accountability to environmental decision-making. We are also strengthening sustainable development, which will benefit Canadians today and well into the future.

Mr. Chair, I thank you for this opportunity to speak, and I'd be delighted to field questions.

The Chair: Thank you very much, Minister Kent. Thank you for being so meticulous in honouring the time commitment. That's helpful to our committee. You're right on time.

We're going to move to the round of questions. We're going to begin with Ms. Rempel.

Ms. Michelle Rempel (Calgary Centre-North, CPC): Thank you, Mr. Chair, and thank you, Minister Kent, for being here today.

One of the issues that has been coming up in one of the studies we're looking at is the effect of climate change on habitat conservation. We've been talking quite a bit about changing landscapes, etc. This is something the government is concerned about. You started to speak to the fact that the FSDS has mitigating climate change as one of its goals.

Could you speak about some of the progress we've made as a government on this issue?

Hon. Peter Kent: Biodiversity and conservation of wildlife and habitat are responsibilities shared by the federal government, the provinces and territories, other departments within the federal government, and all Canadians. Protection of ecologically valuable areas and the stewardship of working landscapes is the key to preserving both habitat and the wild species that occupy the various spaces across Canada. We are working on this. We remain committed to the aspirational goals of protecting and preserving spaces of land in each of the more than three dozen distinct natural areas across this great country, east to west and south to north. At the moment we are working to expand not only our terrestrial protected spaces, but also our marine protected areas. While we have been encouraged by some organizations to do more in a shorter timeframe, the reality is that because of the consultations required with the provinces, territories, and first nations, and because of the regular election cycles, we have been proceeding deliberately. Parks Canada, for example, has four major marine protected areas. We're working on three more now, including Lancaster Sound—the “Serengeti of the Arctic”—and we will continue working in that direction in the years ahead.

• (0900)

Ms. Michelle Rempel: Great.

Going back to my question, perhaps you could elaborate on some of the efforts our government has made to mitigate climate change, including the reduction of greenhouse gas emissions.

Hon. Peter Kent: We're addressing the mitigation of climate change through our sector-by-sector regulatory approach. As you know, colleagues have frequently asked questions in this regard in the House. With the regulations completed to date, and with actions taken by the provinces and municipalities, and by individual Canadians in terms of better use of thermostats, for example, we are just over halfway to achieving the reductions we have set as a target by 2020. The work is not done. We have several major emitting sectors yet to address. Oil and gas is next. Then there are other major emitters, such as the cement industry, the steel industry, and residential and commercial buildings. We will continue working our way around the pie chart.

Ms. Michelle Rempel: One of the criticisms we often get on television panels, here in committee, and from my opposition colleagues is that we're not doing enough in this area. Since you've done a lot of work in this area, could you speak about how our progress compares internationally? What is Canada's track record on this?

Hon. Peter Kent: It compares very well internationally. I just completed a swing across Europe to four capitals: London, Paris, Brussels, and Berlin. In fact, our actions, although not widely reported in Europe, compare very well to those of the Europeans.

I made the point when I was in Berlin and I was asked about coal-fired electricity that it represents barely 17% of Canada's 2% of annual greenhouse gas emissions, and that we are the first country in the world to effectively ban the building of any new traditional technology coal-fired generating units.

I asked my German audience at the Adenauer institute what Germany was doing, and I observed that I'd seen barges loaded with coal on the Rhine River. Their answer was that they have to protect their steel industry.

I think Canadians can be well satisfied that we're doing our part.

Ms. Michelle Rempel: On that note, you're talking about the development of regulations in this area. You sort of alluded to the fact that there is an economic impact. Can you talk about how the economic impact has been factored into the regulatory approach and how this contrasts with some of the other approaches that have been suggested?

Hon. Peter Kent: As the government makes clear at every occasion, we are trying to balance our activity both in mitigation as well as in adaptation to ensure that we not only protect the environment and work towards greater environmental sustainability, but at the same time protect what is still a very fragile economic recovery.

Environment Canada is essentially a regulatory department. With regard to climate change regulation, as each set of regulations is completed, we do a cost-benefit analysis to look at exactly the achievable mitigation outcomes as well as the benefits to health, to the economy, and of course to climate change mitigation.

The Chair: Thank you, Ms. Rempel. We'll move next to Ms. Leslie.

Ms. Megan Leslie (Halifax, NDP): Thank you, Mr. Chair.

Welcome, Minister.

I want to thank you for your recent willingness to come to our committee fairly often. We look forward to seeing you in a couple of weeks as well for the report on plans and priorities.

I'm going to jump right in. On page 7 there's a little sidebar talking about our international reputation. It says that the federal sustainable development strategy “is helping to advance Canada's international trade agenda by providing a comprehensive expression of Canada's commitments to the environment and sustainable development to our trading partners.”

I want to ask you a question about this. I've raised this issue in the House and publicly about the damage to our international reputation, because Canada isn't being perceived as really holding up our end of the bargain on the environment. I'm thinking in particular of the fact that we no longer protect fish habitat in this country, and that we have a completely new environmental assessment regime. Perhaps the most problematic point for our international partners is the fact that we continue to subsidize the oil and gas industry with \$1.3 billion per year.

Why do these oil and gas subsidies still exist, and how do they fit into the government's sustainable development strategy?

• (0905)

Hon. Peter Kent: Indeed there are misperceptions abroad about what we are doing in Canada. There's no question we need to communicate better in the international community on our actions and goals.

I must tell you that with regard to colleagues in the Major Economies Forum, in the G-20, and in the broader family of nations, there is recognition that Canada is working effectively, particularly on climate change, not only inside the UN framework where our fast-start financing—\$1.2 billion over the past three years—is beginning to show great benefit, but also outside the UN framework in terms of working with like-minded countries—the “coalition of the working” as some of my colleagues have described it—the Climate and Clean Air Coalition. We're addressing things like methane, black carbon, and other—

Ms. Megan Leslie: What about the subsidies?

Hon. Peter Kent: With regard to the subsidies, as you know, Canada led at the G-20 in making a commitment to reduce subsidies to the oil and gas sector. At the moment the only subsidies that go to that sector are with regard to climate change mitigation, to CCS, carbon capture and sequestration.

The oil and gas sector pays exactly the same corporate tax as other industrial sectors and, as I said, the phasing out of the original subsidies is now almost complete.

Ms. Megan Leslie: I would disagree with you on some of those points.

Is there a commitment from government to eliminate those subsidies?

Hon. Peter Kent: Absolutely. That is Canada's commitment with our international partners.

Ms. Megan Leslie: The last time you were here speaking to us about the estimates, you said that looking at the sector-by-sector approach the government is enacting with regard to greenhouse gas emissions, that the oil and gas sector was next. You have said this publicly a number of times.

When you were here on the estimates you said that we should expect those regulations mid-year. I would argue it's now mid-year. I'm wondering if you can give us an update.

Hon. Peter Kent: I won't quibble. We're not quite mid-year, but we are getting close. As we're in delicate final work right now, I think it would be premature to discuss any specifics.

Ms. Megan Leslie: Will we have them by the end of the year?

Hon. Peter Kent: I intend to have them well before the end of the year.

[*Translation*]

Ms. Megan Leslie: That is good news. As you know, my colleague Pierre Jacob, who is the member for Brome—Missisquoi, introduced a bill on sustainable development.

Would you and the government support a bill that would require a mandatory review of proposed acts and regulations in order to ensure that they do not conflict with the objectives of the Federal Sustainable Development Act?

[*English*]

Hon. Peter Kent: Sure. I'm glad to address that.

Certainly the objective of your colleague's bill is worthy. I will not support it because it adds a level of bureaucracy and redundant oversight, which I'm quite convinced is unnecessary given the ability of our government today through the FSDS, through the sustainable development office, to ensure that all departments and all legislation falls within the parameters of sustainable development.

• (0910)

[*Translation*]

Ms. Megan Leslie: Did you consult Quebec? There is a system there comparable to the one being proposed in the bill. Each piece of legislation and each policy is scrutinized to ensure that it contains a sustainable development component.

[*English*]

Hon. Peter Kent: I have met and spent some time, but not as much time as I would like, with Minister Blanchet. We didn't get into the specifics in this area, but we did share common objectives and common outcomes.

The provinces, like the federal government, like departments within the federal government, have their own set of protocols and approaches, but we share the same ultimate outcomes and objectives both in sustainable development and in good governance.

The Chair: You have 10 seconds, Ms. Leslie.

Ms. Megan Leslie: I'd like to know where energy efficiency fits into all of this.

Hon. Peter Kent: Energy efficiency is critically important. As you know, budget 2013, which I hope your party and the opposition will support, devotes a significant investment to energy efficiency and renewable energy particularly.

As I have said, the subsidies to the carbon sector have been all but eliminated.

The Chair: Thank you.

Thank you, Ms. Leslie.

Mr. Woodworth.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair.

Just before I begin with the minister, I want to take the opportunity to invite Ms. Leslie to join me on the fisheries committee some day where she will learn that indeed we do still protect fish habitat in Canada—

An hon. member: Hear, hear!

Mr. Stephen Woodworth:—and the notion that we don't is one of the biggest fish stories I've heard yet at this committee.

Having said that, Minister, I was interested, first of all, in Ms. Rempel's line of questioning regarding the issue of climate change and greenhouse gas emissions. I wondered if, in the context of the federal sustainable development strategy, you could give us an update on what measures you've found in terms of either a Canadian increase or reduction in greenhouse gases since the federal sustainable development strategy was entered into. How does that compare with economic growth in our country?

Hon. Peter Kent: Thank you, and thank you for catching up on that one unanswered part of the question from Ms. Leslie with regard to fish habitat. Of course, fish habitat is still protected by our government and across departments.

We have seen a levelling-off of GHG emissions. Since 2005 we've seen a reduction of just over 8% of GHGs. Part of this, to be fair, is attributable to the recession and decreased industrial activity, manufacturing activity, but at the same time, we have seen economic growth of almost 5%.

What we have seen and what we will continue to track very carefully, and it will inform our climate change regulatory process, is a separation between economic growth and growth in GHG emissions. That is key to achieving both a viable mitigation strategy and at the same time protecting the economy, because economic prosperity, of course, enables greater environmental responsibility and the benefits of good environmental governance.

Mr. Stephen Woodworth: Thank you. Of course, the reality is that climate change is having an impact in Canada; there's no question about that. The government recognizes it and understands it. We need to deal with measures to adapt to that. This, I think, also has to be done in the context of the federal sustainable development strategy.

I wonder if you could tell us what investments the government has made and is making in relation to climate change adaptation.

• (0915)

Hon. Peter Kent: As you know, last year in the budget we committed just under \$150 million specifically to climate change adaptation, and that's spread across departments. I don't want to read too many lists today, but in this \$150 million allotted over five years, for example, \$30 million goes to Environment Canada's climate change prediction and scenarios program, and \$16 million goes to the Department of Fisheries and Oceans aquatic change, climate change adaptation. Parks Canada is receiving money. Health Canada is receiving almost \$10 million for heat alert and response systems. There is an investment in the north. Natural Resources Canada has allocated \$35 million of this amount towards enhancing competitiveness in climate change programs.

Then, of course, this year, in budget 2013—and I can't miss this opportunity to again encourage the opposition parties' support for the budget—we have allocated almost a quarter of a billion dollars to the Meteorological Service of Canada to improve, to renovate, and to expand our ability to forecast and to deal with the significant impact of climate change, particularly in the north, and also to be able to more closely forecast extreme weather occurrences for the benefit of small communities, which until now have been more or less in the larger picture.

Mr. Stephen Woodworth: Thank you very much.

Another area I want to ask you about, in a more general sense regarding the federal sustainable development strategy, relates to some of the reports that the Commissioner of the Environment and Sustainable Development provided between 1997 and 2008, before our government introduced the federal sustainable development strategy. I wonder if you could tell us what progress has been made since 2010 in terms of the transparency of environmental decision-making.

Related to that, you mentioned there was going to be an expansion of indicators. I assume you're talking about the CESI, the Canadian environmental sustainability indicators. I wonder if you could give us more detail on that, please, if there is time.

Hon. Peter Kent: First of all, you're quite right. As I remarked, between 1995 and the time our government coincidentally took power, the Commissioner of the Environment and Sustainable Development regularly commented on the lack of coherent reporting across government, between various departments. Also, there have been a number of comments since, not only by the commissioner, who has just left the office, but from others, with regard to the lack of socio-economic considerations and measurement in the sustainable development area.

If I could, I'd like to remind folks that the act's purpose, as written in law, is to:

...provide the legal framework for developing and implementing a Federal Sustainable Development Strategy that will make environmental decision-making more transparent and accountable to Parliament.

We're focusing on environmental decision-making in government, but of course, in making those decisions, there are, again across 27 departments, benefits and ramifications that touch on both the social and the economic benefits of a responsible sustainable development strategy. Of course, the classic definition of sustainable development sits on three pillars of not only the environment, but also the social and economic considerations.

What we have done in increasing the number of indicators with the proposed 2013 to 2016 period, is to, among other things, broaden the measurement of benefits, under the Department of Health, for example—

• (0920)

The Chair: Could we have a quick wrap-up. We're a little over time.

Hon. Peter Kent: That pretty much....

I would invite all in this room and Canadians at large to visit the website and to take a close look at the strategy and the improvements. It is a work in progress. It will continue to improve as we go through each three-year period.

The Chair: Thank you, Mr. Kent.

Thank you, Mr. Woodworth.

We'll move now to Ms. Duncan, for seven minutes.

Ms. Kirsty Duncan (Etobicoke North, Lib.): Thank you, Mr. Chair.

Thank you to the minister. We appreciate your being here.

First, I want to pick up on a few things. The oil and gas sector is the fastest growing source of greenhouse gas emissions. It has been seven years since the government came to power and we still don't have those regulations. We did hear last time that perhaps it would be spring 2013....

Yes, there's been the investment in climate impacts and adaptation, and I believe the figure is \$148 million. But there was a cut to the climate impacts and adaptation group, which had many Nobel Prize-winning scientists as members. They did world-leading research. That needs to be said.

Given the government's emphasis in the document on air quality, could you explain why ARQX, a group that was about monitoring air quality, was eliminated? Also, for the stack monitoring program, Environment Canada's own officials expressed concern that they now lack the knowledge and capabilities.

Hon. Peter Kent: I would respectfully disagree. As you know, Environment Canada, like all other departments and agencies, has addressed deficit reduction. We have, for the most part, maintained our abilities to address the core responsibilities certainly within Environment Canada.

With regard to air quality and improvements in air quality, as I just remarked, not only are we regulating GHGs, but we've just entered the first stage of improving.... Canada already has some of the cleanest air in the world, and we are working with the provinces and territories to improve our ambient air quality standards to even lower levels than in the United States. We're working now and over the next year or so we will be working on the base level industrial emissions to attack the sulphur oxides and the nitrogen oxides, which will enable us to engage with the Americans, and perhaps in those areas create a new agreement not unlike the acid rain treaty, which has been so effective for both health and climate.

Ms. Kirsty Duncan: Thank you, Minister. I appreciate that, but I come back to your own officials' expressed concern.

Hon. Peter Kent: Not to me.

Ms. Kirsty Duncan: Since you talked about the United States, this year Lake Huron and Lake Michigan hit their lowest January water levels since record keeping began in 1918, following more than a decade of below normal rain and snowfall, and higher temperatures that increase evaporation. On the release of the commission's recent report, Lana Pollack, the U.S. co-chair of the International Joint Commission on the Great Lakes commented, "We have always depended on good collaboration with agencies in both

the governments. When those agencies get cut, we feel it, the lakes feel it."

There's been an 11% cut. How many IJC commissioners does Canada currently have?

Hon. Peter Kent: First of all, again, I would disagree. You cannot link effective deficit reduction with Great Lakes water levels.

With regard to the commissioners—

Ms. Kirsty Duncan: How many commissioners?

Hon. Peter Kent: We have three. There is one vacancy at the moment.

Ms. Kirsty Duncan: That's what I wanted to know. When will that vacancy be filled?

Hon. Peter Kent: The selection and nomination is being addressed now for that vacancy. The work of the IJC has not in any way.... I've met with the IJC—

• (0925)

Ms. Kirsty Duncan: When will it be filled, please?

Hon. Peter Kent: In the fullness of time. We're addressing it now. The nomination process doesn't happen immediately.

Ms. Kirsty Duncan: In the budget, the lower Great Lakes levels

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An hon. member: I have a point of order.

The Chair: There's a point of order. Who's raising it?

Mr. Storseth.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Chair, the minister is trying to answer Ms. Duncan's questions. If she'd just give him another 10 seconds.... I'm actually interested in the answers to some of her questions.

The Chair: Thank you, Mr. Storseth.

Ms. Duncan.

Ms. Kirsty Duncan: Thank you.

The minister was good enough to answer my question. There is a vacancy.

In the budget, the lower levels of the Great Lakes is mentioned. I'm wondering if you could table with the committee what solutions the government is considering, if they can be tabled. When will the government act?

Hon. Peter Kent: First of all, if you read the IJC report, you'll see there are no easy solutions to the record levels that we have seen in some of the Great Lakes. There is some discussion of examining again the possibility of creating flow retardants in the St. Clair River. That has been examined in the past; we will look at it again. The problem is one of nature. Part of it can be attributed to climate change and warmer winters with no ice cover, very heavy evaporation, as much as 30% in some winters.

There's also the matter of what is called glacial isostatic adjustment. That is negatively affecting the economy, the tax base, and certainly the quality of life for folks living, for example, on the north side of Georgian Bay.

Ms. Kirsty Duncan: Minister, I have only a few seconds left.

Hon. Peter Kent: I'm describing the actions—

Ms. Kirsty Duncan: What I asked was whether you could table the solutions, which you've kindly agreed to do. We understand some of the causes. What I asked was when the government would act. Perhaps you could table that.

Hon. Peter Kent: Well, if I could just say, we have responded. We are considering the recommendations of the IJC, but as I said, there are no snap solutions to this problem.

Ms. Kirsty Duncan: I understand that.

I'm sure you're aware of the statements of the Minister of Natural Resources casting doubt about climate change, the 2° Celsius. The World Economic Forum ranks climate change as the third biggest concern overall, and failure to adapt to climate change is the biggest single environmental hazard facing the planet.

When the government is looking at environmental policy and adapting to climate change, whose advice does the Prime Minister rely on, yours or the Minister of Natural Resources'?

The Chair: Okay. We're going to have to cut it off. We're a little over time. Maybe you can weave your answer back into it. We have five-minute rounds now, so maybe you can address it later.

We're moving to Madame Quach.

[*Translation*]

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP): Thank you, Mr. Chair.

Thank you, Minister, for being here with us this morning.

You talked a lot about the environmental footprint. In fact, chapter 4 discusses little else. However, a recent report indicates that in 2011, one additional megatonne of GHG was emitted into the atmosphere, as compared to 2010 levels. You know very well that the previous Commissioner of the Environment and the report of the National Round Table on the Environment and the Economy both expressed serious doubts regarding the reduction of emissions and attaining the objectives by 2020.

In addition, the Canadian hydrocarbon industry intends to develop 14 new coal, gas and oil extraction projects over the next few years. Between now and 2020, they would produce a quantity of CO₂ emissions equivalent of that of the United States. We are talking about 300 billion tonnes of new emissions from now until 2050. The oil sands will emit up to 420 million tonnes of greenhouse gases a

year, and there is still no regulation, sector by sector, in this area, regarding GHG.

Last May 16, on its website, the World Bank talked about the importance of setting a price on carbon to fight climate change. Moreover, with all due respect, the provinces are the ones that have made all of the efforts to reduce greenhouse gases. Quebec and California have set up a carbon exchange.

Regarding greenhouse gases, I want to know, sector by sector, on what science your approach is based, and what are the costs involved.

• (0930)

[*English*]

Hon. Peter Kent: We don't have nearly the time today to address the breadth of subjects that you've discussed—

[*Translation*]

Ms. Anne Minh-Thu Quach: You have been working on this sectoral plan for a long time.

[*English*]

Hon. Peter Kent: First of all, just let me say that the regulations are science-based. Environment Canada is very much a science-sourced department.

[*Translation*]

Ms. Anne Minh-Thu Quach: Do you have an approach that allows you to compare your sectoral plan with the carbon exchange?

[*English*]

Mr. Stephen Woodworth: On a point of order, Mr. Chair.

If I may, I find it impossible to listen to the minister's evidence when the member questioning him keeps interrupting his answers. I would ask the chair to direct the member to allow the witness to answer the questions before she interrupts him, please.

Thank you.

The Chair: Okay. Madame Quach.

[*Translation*]

Ms. Anne Minh-Thu Quach: I was wondering if you have an approach that allows you to compare your sectoral plan to the carbon exchange. They have one in Quebec and California, among other places.

[*English*]

Hon. Peter Kent: First of all, as I've said any number of times in the House, and as the Prime Minister has said, we have no intention of imposing a carbon tax.

We respect those provinces which have created carbon pricing of different sorts—

[*Translation*]

Ms. Anne Minh-Thu Quach: Yes, but—

[English]

The Chair: No, Madame Quach, I've asked you to respect—

Hon. Peter Kent: We respect the provinces.

The subject of carbon pricing is a very broad spectrum but our position on carbon taxes is informed by the European carbon market, which last year almost collapsed entirely. It's down around three euros a tonne. The billions of dollars that have been invested in it have depreciated, so we are not—

[Translation]

Ms. Anne Minh-Thu Quach: So, how much does the sectoral plan cost?

[English]

The Chair: We are going to move to Mr. Storseth, Madame Quach.

Mr. Storseth.

An hon. member: Point of order.

Mr. Brian Storseth: Thank you very much.

Ms. Megan Leslie: Mr. Chair, a point of order.

The Chair: I've repeatedly asked for permission for the minister to respond to the question and you are—

[Translation]

Ms. Anne Minh-Thu Quach: The minister is not answering my question. That is why I asked it again.

[English]

Ms. Megan Leslie: Perhaps you should ask the minister to answer the question.

Does Madame Quach still have time left?

The Chair: He is answering the question.

Mr. Storseth.

Ms. Megan Leslie: Mr. Chair—

Mr. François Choquette (Drummond, NDP): I have a point of order.

The Chair: Mr. Choquette.

[Translation]

Mr. François Choquette: Mr. Chair, despite all the admiration I have for the position you occupy, I think it is essential that we understand the situation we are in today. We have asked questions repeatedly, but unfortunately, the topic is being avoided. We have very little time with the minister. As you know, we only have an hour to spend with him. We would have liked to have two. Had that been the case, we could have had a second question period, and asked our questions again and taken the time to hear all of the minister's points.

Since we have very little time, we want to obtain answers to the questions we raise. If I talk about the cost of the sectoral approach and the minister starts to talk to me about the exchange in Europe, he is not answering my question. Since we are very pressed for time, my colleague took the liberty of repeating her question.

Mr. Chair, I think that your decision to deprive my colleague of the speaking time she had left should be reconsidered. I think that

she has the right to have the two minutes she had left. And so I humbly ask you, Mr. Chair, how many minutes my colleague had left, and if she had any left, why you decided to withdraw it from her and give it to someone else, who is, as it happens, a Conservative member.

Thank you, Mr. Chair.

[English]

The Chair: Thank you, Mr. Choquette.

If we had followed my direction, we would now be halfway through the Conservative members, and the NDP members would actually have had an extra question.

You were going to finish the round today. You've ceded that time. I'm going to move to Mr. Storseth at this point.

Thank you.

Mr. Storseth.

[Translation]

Mr. François Choquette: I apologize, Mr. Chair, but you did not answer my question. I have a lot of admiration for you, but I simply asked you how much time my colleague Anne Minh-Thu Quach had left. Could you answer me, please?

[English]

The Chair: She had one minute and thirty-four seconds.

[Translation]

Mr. François Choquette: Thank you, Mr. Chair.

[English]

Ms. Megan Leslie: Mr. Chair, a point of order.

I challenge the chair.

The Chair: The chair has been challenged.

Would all those upholding the ruling of the chair please indicate that.

All those opposed.

[Translation]

Mr. François Choquette: Mr. Chair, I request a recorded vote.

● (0935)

[English]

The Chair: The motion is non-debatable.

(Ruling of the chair sustained [See *Minutes of Proceedings*])

The Chair: Mr. Storseth, please.

Mr. Brian Storseth: Thank you very much, Mr. Chair.

I would like to actually set the record straight not on what just happened, but what happened prior to that.

The oil and gas sector faces the exact same general corporate income tax rates as all other sectors of the economy. While some like to demonize the oil and gas sector, the fact of the matter is it is one of the key clogs in our economy. As was mentioned earlier today, we're talking about an economy that's had 6.5% growth over the last six or seven years. At the same time, Minister, under your leadership and other ministers under Prime Minister Harper, we've also seen a 6.5% decrease in greenhouse gas emissions. I think that's something we need to talk about more. As we talk about what's going on abroad, it's something we should be very proud of as a country and as a people.

Minister, I'd like you to talk a little bit about the sector-by-sector regulatory approach this government has taken to help meet these objectives and at the same time to help industry in our country meet these objectives by creating certainty and real results.

Hon. Peter Kent: With respect to your question and the preceding question, the methodology Canada uses to measure the anticipated achievement of our 2020 emission reduction targets is accepted by the United Nations Framework Convention on Climate Change. The numbers are checked, and the changes....

Again, there was a mistake in the assumption by the previous questioner in that we shouldn't be measuring the annual inventory numbers that we report in terms of emissions. We should be looking at the benefits that our regulatory approach and the actions of the provinces, territories, industry, and individual Canadians will have in achieving the outcomes by 2020.

With regard to the oil sands, there's been some wonderful news, which again has not been widely covered in the pages of our newspapers. A large new plant, Imperial Oil's Kearl plant in Alberta, has developed and opened a mine and gone on stream. The new technology they're using is a frothing technology, which I haven't seen. We haven't seen proof of their expectations, but they say that in this particular operation, they will reduce their emissions intensity to almost that of conventional oil once they get fully up and on stream.

We need to recognize that since 1990, for example, emissions intensity in the oil and gas sector, including the oil sands, has decreased by 26%. It is the intention.... The industry is committed to further reducing emissions intensity and to complying with the regulations, which we are now completing. The oil sands operators themselves have made a commitment to reduce their emissions intensity to that of conventional oil just as soon as possible, again using technology and better practices.

I think there is good news, both in our sector-by-sector approach and in the cooperation of industry, again ensuring that we continue in the still fragile economic recovery in terms of some global uncertainty but at the same time we do our part to address climate change.

Mr. Brian Storseth: Thank you, Minister.

Chair, how much time do I have left?

The Chair: You have a minute and twenty seconds.

Mr. Brian Storseth: I'll share my time with Madame Quach.

[*Translation*]

Ms. Anne Minh-Thu Quach: Thank you very much, Mr. Storseth. I appreciate that very much.

My questions will be about Parks Canada.

On page 26, it says that the intent is to have more programs and broaden the network of protected areas in Canada. To better measure progress, for instance, you have to have more personnel. However, there were \$29 million in cuts to Parks Canada, and 600 biologists, archeologists and others were laid off. It is very difficult to do effective management with less expertise.

How can the minister ensure that there will be more protected areas and that the Aichi sites will be respected?

[*English*]

Hon. Peter Kent: Well, I disagree with your summary. We are indeed committed to increasing the amount of protected space, both in traditional parks as well as in other forms of conservation and protection.

As I said, unlike previous governments which addressed deficit situations by cutting health and social transfers and education transfers to the provinces, our approach, after a very successful economic action plan to get us through the recession, has addressed the deficit by downsizing responsibly and modestly the size of government. All departments and agencies are participating in that.

It has forced some changes—

[*Translation*]

Ms. Anne Minh-Thu Quach: With your permission—

• (0940)

[*English*]

The Chair: Thank you. The time is up.

We'll move now to Ms. Leslie, for five minutes.

Ms. Megan Leslie: Thank you, Mr. Chair.

I'd like to take a second to thank Mr. Storseth for that gesture. That was kind.

I think this committee actually isn't that adversarial, and we don't have a history of being very adversarial.

The Chair: I agree.

Ms. Megan Leslie: I have a couple of follow-up questions, Minister Kent.

First, you said that government has phased out fossil fuel subsidies. I think you're specifically talking about the tax breaks specific to the oil sands.

We do still have the Canadian exploration expense and the Canadian development expense. These are pretty sizable tax breaks. I wonder, is the government committing to phasing out these subsidies?

Hon. Peter Kent: Thank you for your question.

It was good to see harmony restored to the committee.

In terms of industrial development, there are benefits for those who risk embarking on responsible resource development. But as I said, and as my colleague said, the oil and gas sector pays exactly the same corporate tax as all other sectors. The only significant subsidies today are there with regard to climate change and carbon capture and sequestration. In terms of the basic incentives that are available for industrial development, they are there for all responsible industries and responsible resource development.

Ms. Megan Leslie: When you said that government was willing to phase out the subsidies, does that include the Canadian exploration expense and the Canadian development expense?

Hon. Peter Kent: You would have to raise that issue of the timing and the extent with the Minister of Finance; that's beyond my file, but we are committed. We are on the record, and we lead at the G-20 in making that very firm commitment to eliminate those subsidies.

Ms. Megan Leslie: When we closed off about energy efficiency, you mentioned there were specific pieces in budget 2013 for renewables and for energy efficiency. With renewables, there is only a very tiny tax credit there and I haven't seen anything specific for energy efficiency at all.

Can you tell us exactly what government is doing on energy efficiency?

Hon. Peter Kent: I recognize that our time is running short, but I understand you'll have the head of Sustainable Development Technology Canada speaking later this morning. Ms. Sharpe can address very fully exactly where our investments have been going. They are significant investments into renewable energy and into clean technologies.

I won't read the list to you, but I suggest you take a look at the environmental section of economic action plan 2013, the budget document. There is significant investment both in my department and in other departments.

Ms. Megan Leslie: Are you not actually able to tell us what those investments are right now?

Hon. Peter Kent: I could, but I think we're down to a couple of minutes.

If the chair has time for me to dig out all of those numbers, for sure. Again, there is a significant investment in these technologies.

The Chair: There are two minutes left.

Ms. Megan Leslie: I'm going to go back to the overall sustainable development strategy.

When I look at environmental assessments, last year with the changes to the Canadian Environmental Assessment Act, almost 3,000 environmental assessments were cancelled. Some 678 of them involved fossil fuels; 249 of them involved pipelines; and only 18 of the screenings that were in process were continued.

When I look at the environmental assessment, I would say it was gutted. You would say it was streamlined. I don't understand how reducing 3,000 environmental assessments to 18 would fit into any kind of sustainable development strategy.

• (0945)

Hon. Peter Kent: Actually, we're not down to 18 environmental assessments. I don't have the current numbers at hand, but I believe

there are 78 environmental assessments now being conducted under Environment—

Ms. Megan Leslie: Just to clarify, it's 18 continued screenings.

Hon. Peter Kent: Yes, under the previous designation we considered them significant. An example is the offshore exploration and development of Old Harry. We continued that as an environmental assessment because there is public interest and there is the possibility of significant impact on the environment.

We did streamline CEAA 2012 and it is proving itself and will prove itself in the years ahead. The streamlining has eliminated duplication and redundancy. The provinces and municipalities have capacity for the literally thousands of minor screenings, which in many cases were paper experiences with check-the-box compliance. We are addressing and focusing, and the new project list reflects this. We are focusing on all industrial projects that have a potential for significant environmental impact. Again, in this first year of CEAA 2012, we are seeing that the new legislation is working as it was intended.

The Chair: Thank you, Ms. Leslie.

I want to thank Minister Kent, Ms. Lyon and Mr. Young for being with us today. We'll look forward to the committee report as we come down to the end of this.

Thank you very much.

We'll take a three-minute recess. We will suspend for three minutes and ask our other witnesses to take their places at the table.

• (0945)

_____ (Pause) _____

• (0950)

The Chair: I call the meeting back to order.

I want to welcome as witnesses, from the Office of the Auditor General of Canada, Mr. Neil Maxwell, Interim Commissioner of the Environment and Sustainable Development; Mr. James McKenzie, principal, Sustainable Development Strategies, audits and studies; and from the International Institute for Sustainable Development, Mr. David Sawyer, vice-president; and from Sustainable Development Technology Canada, Ms. Vicky J. Sharpe, president and chief executive officer. We welcome all of you.

We'll give each group a 10-minute opening round. I'll ask the indulgence of the committee, because of the length of time with three witnesses giving an opening statement, to go immediately to five-minute rounds rather than the initial seven-minute round. That will give more opportunity for questions.

With that, we'll begin with Mr. Maxwell.

[Translation]

Mr. Neil Maxwell (Interim Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Thank you, Mr. Chair.

[English]

It's a pleasure to share our views on the draft federal sustainable development strategy. I'm joined today by Jim McKenzie, a senior colleague in the office.

Under the Federal Sustainable Development Act, I'm required to review the draft strategy and provide comments to the Minister of the Environment by June 14. We are still finalizing our review. Today I am providing our initial findings.

We are strong proponents of the requirement for a federal sustainable development strategy. It responds to concerns we expressed numerous times, as the minister noted, culminating in our 2007 report when we concluded that the existing process was not working. We recommended that the government establish overall federal goals for sustainable development.

[Translation]

We believe the strategy is essential as a means for the government to explain its environmental and sustainable development plan. We have found to date that the strategy addresses environmental issues that are indeed relevant and important to Canadians. A number of improvements are needed, however, for it to achieve its full potential. The strategy needs to be more complete and clear.

The strategy's intent is to build a whole-of-government picture by ensuring that it addresses important challenges and problems. However, we found it to be incomplete in some respects. First, some key initiatives are missing, such as the government's responsible resource development agenda and plans to monitor water, land and biodiversity in the oil sands region.

As well, the strategy does not include an indication of the resources that will be allocated to deliver on the targets and implementation strategies.

[English]

For the strategy to be clear, its targets and implementation strategies must also be clear and measurable. They provide the basis for assessing and reporting on the strategy's goals. They are also an important part of good accountability and transparency. In this regard, most of the 34 targets lack sufficient clarity, which will make it difficult to assess progress over the short and long term.

An example is target 2.3, to reduce risk to Canadians and impacts on the environment and human health posed by harmful substances emitted to air. That target specifies neither the extent of this reduction nor timeframe, both critical for assessing progress.

[Translation]

Other targets are sufficiently clear. For instance, target 1.1 aims to reduce Canada's total greenhouse gas emissions by 17% by 2020, relative to 2005 emission levels. Target 4.4 aims to improve the condition of at least one ecological integrity indicator in 20 national parks by 2015.

We found that almost all of the implementation strategies are directly linked to their respective targets. However, much more needs to be done to make them clear and measurable. We also found that the large number of implementation strategies—over 200—makes it difficult to determine which ones are most critical. For

example, one target has 50 implementation strategies. Highlighting the most important of these would help communicate the government's sustainable development priorities.

[English]

I'm pleased to report that there are some key improvements from the previous strategy, which covered 2010 to 2013. For example, a section related to reducing the government's environmental footprint, theme IV, is more strategic and focused. We believe this section provides a useful model for other parts of the strategy. Also, indicators have been introduced, which should be helpful in measuring progress on its goals and targets.

In conclusion, the strategy addresses environmental issues that are relevant and important to Canadians, but because it's not sufficiently complete or clear as yet, its potential for communicating the government's environmental and sustainable development plan is not fully realized. With a number of improvements, some easily achieved, the strategy would become a valuable tool for showing Canadians how the government is addressing the environmental and sustainable development issues we face.

Mr. Chair, your committee can play an important role in that process of improvement. I commend you for the attention you're giving today to this draft strategy. I would urge the committee to also study the report on progress, released in February, on progress on the very first strategy.

The strategy and progress report should be useful to your committee and its members on an ongoing basis, since everything related to the federal environmental and sustainable development activities should be in there. By regularly using these reports, you create an environment where improvements are much more likely to take place.

We hope that our review will prove useful to the development of this strategy.

Mr. Chair, that concludes my opening remarks. We would be happy to answer the committee's questions.

● (0955)

The Chair: Thank you, Mr. Maxwell.

We'll move now to Mr. David Sawyer, from the International Institute for Sustainable Development.

Mr. David Sawyer (Vice-President, Climate, Energy and Partnerships, International Institute for Sustainable Development): Thank you, Mr. Chair.

Members of the committee, ladies and gentlemen, it's my pleasure to be here today to reflect on the draft federal SDS. Our CEO, Scott Vaughan, extends his regrets. He's in China working with decision-makers on new programs basically to help China improve its SD management practices.

The International Institute for Sustainable Development has been facilitating the transition to development futures that are more sustainable for about 20 years now. We've been working actively at home from our base in Canada and abroad as a non-partisan thought leader building partnerships and engaging policy-makers in government, business, and civil society.

Currently we're working in about 45 countries. Recently we reviewed 15 global sustainable development strategies. This work basically informs some of our input and thinking today which we share with you.

While IISD has witnessed the rise of sustainable development as a unifying concept, we have also witnessed its calcification under the environment pillar alone, where SD now essentially equals environment. This has raised the risk that SD as a unifying frame could be perhaps passé, with a limited ability to help achieve national development aspirations. But a renewed shift in the SD landscape has recently emerged where there's an increasing recognition that environmental, economic, and social linkages need to be more tightly bundled and thought of in policy development.

In Canada, for example, we are seeing an interesting trend towards revealing the economic value of ecosystem goods and services that is strengthening on-the-ground efforts to manage wetlands, grasslands, and watersheds, helping farming communities, ecosystem users, and conservationists alike. In a sense, we're starting to come full circle where SD as practised is starting to better align with SD as originally conceived under the Brundtland commission over 25 years ago.

The federal government is in good company with the hundred or so countries that have published national sustainable development strategies globally. SD strategies are clearly the vehicle of choice for governments around the world to translate SD policy into practice. In 2012, as I indicated, we reviewed about 32 of these hundred or so global SD strategies to look for lessons learned and to assess the global state of play. Again, our findings are informative and influence our thinking and our presentation here today.

While we found that success hinges on many things—SD is a complex issue—two elements are worth noting within the context of the draft federal SDS. First, an ideal SDS emphasizes good governance and enables implementation, so SD strategies are both governance reform agendas and a north star to signal expectations within and outside government. Successful SD strategies build on elements of good governance, including transparency, accountability, evaluation, and performance reporting. They then commit resources to the SDS agenda in an open and transparent manner, signalling priorities, while implementation road maps make clear the actions that are to come to support the aspirations contained in the SD strategies.

Success hinges on horizontal integration and a dynamic forward-looking view. This is important. I'll pick this up later. There is no doubt that ineffective integration between institutions within and

outside government and a myopic focus on environment alone impede SDS success. Integration needs to move beyond the environment pillar, truly enabling horizontal implementation to broaden the SD constituency, both within and outside government. Core central agencies are key to poking and prodding for more horizontal integration and coordination, and for achieving success.

Related is a more forward-looking and strategic view that goes beyond short-term departmental plans and priorities, and addresses long-term uncertainties and risks. Basically, what are we doing? Where are we going? What risks do we need to identify?

With those general observations, I'll now jump more specifically into six recommendations or observations on the draft SDS.

Not surprisingly, we see the federal SDS as currently constructed as a clearinghouse for environment programs. There are long lists in the back of the SDS. There's a need to rethink the singular pillar in the SDS and broaden the focus to more closely align with the balanced view of SDS, the original intent of SD, sustainable development.

While housing the SDS in Environment Canada makes sense, consolidating and centralizing what has been a diffuse function in the past across many departments, it also reinforces the stereotype that SD is an environment issue alone, which we think is a significant risk.

As an environmental clearinghouse, this SDS is less useful as a strategic forward-looking SD document. Our observation is that the draft SDS at best provides a snapshot in time with a limited strategic view and road map for success. A longer term and more integrated view would strengthen this SDS.

We think there's a need to communicate SDS linkages more clearly. Priority areas in the draft SDS have large economic and social consequences and have positive environmental outcomes.

•(1000)

We know, for example, that climate long ago moved from an environmental issue to an economic issue. That explains why we haven't moved on the file. Recently, the head of the IMF concurred in Davos this year and said that climate is the single biggest issue facing economies in the 21st century. This is certainly the case in Canada where the government's sector-based GHG regulations will likely pose costs. These costs are published in the *Canada Gazette*, part II, and are in the order of \$30 billion between now and 2030.

These aren't our estimates. They come right out of the regulatory impact analysis statements. Clearly, these have significant impacts on consumers and households for an environmental outcome. We need to better translate and talk about these linkages and better communicate and articulate the trade-offs of federal policy.

The SDS could be more transparent. There's a deluge of priority indicators and implementation strategies in the back of the document that are confusing to parliamentarians, the public, and certainly to us. There's a need to simplify priority indicators under a few key areas and go deep on those, as well as outline implementation road maps, articulate financial disbursements, and indicate performance reporting in these priority areas.

I have two more quick points.

One is the need to improve financial reporting. It's hard to understand priorities and disbursements in the current document; in fact, it's almost impossible. You have to dig into plans and priorities and other documents to understand what is being allocated to these programs, what the priorities are, and the size of activities. We think improved financial performance reporting would strengthen the document and be more realistic.

Two, there's always a gap in plans between aspirations and actions. We see it in everything we do. Being more realistic and not so aspirational would realign and fix more realistic expectations. We think a more realistic accounting of what we want to do and where we want to go would help.

For these reasons we think some additional effort is required to make the draft FSDS more transparent, more strategic, and perhaps more balanced to reflect the core elements of SD.

Thank you for your time. I would be happy to answer your questions and explore these issues.

The Chair: Thank you very much, Mr. Sawyer.

We will move next to Sustainable Development Technology Canada. We have Vicky Sharpe, the president and CEO.

Welcome, Vicky.

Dr. Vicky Sharpe (President and Chief Executive Officer, Sustainable Development Technology Canada): Thank you very much, Mr. Chair and committee members.

I'm delighted to have an opportunity to speak to you today about a subject which I am very passionate about, and so is the team at SDTC.

I would like to draw your attention to the materials we've handed out. We'll address this from the perspective of an entity that has truly

integrated all elements of sustainable development into its decision-making.

We were created by the Government of Canada through an act of Parliament. We essentially build clean technologies. We help to ensure that they make it out to market, for it is only in the marketplace that the environmental returns occur. We have responsibility for two funds; both of them are complementary, and as I said, help to take these technologies and companies to the marketplace.

If you direct your attention to slide 3, you'll see that we've been able to engage different companies and technologies across the entire country. You can see that they are able to contribute to our economy, whether that be in urban locations or rural communities.

There's a different emphasis in clusters of capacity. In British Columbia, you tend to see a focus on different kinds of power generation. There's energy exploration, not surprisingly, in Alberta, and waste management in Quebec. Given Ontario's vast industrial base, we see clean technology solutions for increasing efficiency in the utilization of energy, whether that be for industry, commercial buildings, or the retail sector.

Moving on, and perhaps picking up on Mr. Sawyer's comments, you have to see economic returns from these companies. We have been able to build companies that have shown about \$400 million in revenues in 2012 and have created 7,000 jobs.

This is just 22 of the 245 companies that are in our portfolio. We are tracking their results specifically. We actually interview them. These are not made-up numbers. You can see that by 2015 we anticipate over \$5 billion in revenues and about 24,000 jobs created, and there will be more to come.

If you look at the environmental impacts under climate change, we are reporting an impact of between 7 and 17 megatonnes by 2015 from the entire portfolio. I'd like to draw your attention to the care we take in how we report these. These numbers are essentially reduced to accommodate risk factors by between 80% and 94%. This is a significant impact, but by indicating a range we're being very careful. It's a powerful indicator of what we need to do to move forward.

If you look at the next slide on clean air, these emissions are really.... The benefits are largely captured in smog areas where there is a density of both urban living and also transportation. We've looked at the impact on the smog airsheds and how the avoided health costs can be measured as a result of implementing these technologies. You can see that for 81 of our portfolio companies in the transportation and power generation sectors, we anticipate about \$1.5 billion of avoided health-related costs by 2025.

I will move to an area where in fact SDTC has shown leadership in trying to quantify the impacts on soil and water. Those are very difficult, depending on your watershed, the kind of chemical you're avoiding, or whether it's water conservation. What you're seeing is roughly \$60 million in avoided health costs by 2025 that are linked to these.

If we talk about what we're going to do internationally, clearly the markets in Canada are limited and our GHG impacts are global, so we are moving toward trying to increase Canada's share of the global clean tech market. That is going to increase significantly. By 2020, if we double our share of the market—currently it's 1%—we will be able to generate some \$60 billion in revenues and 126,000 jobs.

• (1005)

Looking at the examples of companies that can deliver those so it's not just a wish list, you've got some compound annual growth and revenue statistics for some of our companies which show that Canada is building globally competitive companies.

Where we are working in specific sectors, looking at the slide with the heading "Helping to "Green" Oil and Gas", you will see we have taken two views. One is around improving the efficacy of the extraction of both oil and gas using different kinds of technologies that reduce the use of water and the use of energy. We have a number of examples which have shown that these areas of opportunity are realistic. The other area we look at is pipelining and whether we can make sure we are detecting potential flaws before there are failures and therefore direct the company to effectively manage the safety of the pipelines and fix them as needed. That work is also very successful.

There was some discussion around buildings. The next slide talks about a very broad portfolio we have of energy efficiency technologies, whether it be dimmable fluorescent ballasts, or ice storage for load balancing and energy reduction—a lot of lighting technologies take up about 20% of a commercial building's energy usage—and then control systems as well.

Moving to the transportation sector, which is one of the largest polluters for Canada but also important globally, SDTC has a portfolio that treats the vehicles as a system. We're looking at advanced materials, light-weighting—for every 10 % in weight reduction, there's a 7% reduction in fuel use—and also fuel cells and advanced batteries that can work for hybrid vehicles.

Quickly touching on providing solutions in regulated industries, I think SDTC is a primary example of how we can work with the regulated companies to find solutions which they may adopt so that in time they are able to respond effectively to those regulations, and that they bring about the intended results.

We do this in a wide range of areas, not surprisingly, working extensively with the power utilities, waste management, the oil and gas sector, and looking at clean water regulations. We are a backup, if you like, in enabling to act for the various regulatory policies the government is putting forward.

How do we ensure that we are working across the government? Slide 15 shows you the kinds of things we're doing to ensure there is linkage and continuity. We've partnered with Export Development Canada to ensure that we have a way of reaching out to those global markets by identifying great companies. EDC has provided analysis of the great markets we can tackle and also supports policies and instruments to manage risk for those companies going into the global markets.

We work a lot with NRCan on the green mining initiative, for example. We work a lot with them. We work with Environment Canada on their environmental technology verification initiative. We interface with NRC IRAP to ensure there is continuity in the ecosystem for clean tech development. We fed a number of SDTC companies to the Canadian innovation commercialization program under Public Works to ensure that those companies get an opportunity to be adopted by the government. We work, again not surprisingly, with DFAIT on their clean-tech advisory board to ensure we're putting our best foot forward in international markets. There's significant collaboration across the federal family.

Moving out into the provinces, SDTC has been involved in the design and development of a number of provincial funds. We're working directly on due diligence sharing and shared investments in British Columbia, Alberta, Ontario, Quebec, and Nova Scotia. These provincial partnerships have provided an additional \$132 million of provincial money into the SDTC portfolio companies.

• (1010)

Moving out to the international arena, I would add that the fast-track funds that have been put forward by this government, for example to International Finance Corporation, we have been working with them to ensure Canadian company access.

Thank you.

The Chair: Thank you very much, Ms. Sharpe.

We're going to move now to the five-minute rounds of questioning, beginning with Mr. Sopuck.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Thank you very much. Seeing as we only have five minutes I'll try to keep it short, which is difficult for any politician.

The Commissioner of the Environment and Sustainable Development conducted—and this is from Mr. Maxwell—11 highly critical audits of the previous sustainable development approach between 1997 and 2008. He made the point that at that time the approach to sustainable development across the federal government consisted of individual departmental sustainable development strategies, which made the former sustainable development strategies ineffective and hard to measure.

How has the current federal sustainable development strategy improved on this?

Mr. Neil Maxwell: As I mentioned, we are very strong supporters of this federal sustainable development strategy. The problem with the old system—and we used the analogy of trying to put together a jigsaw puzzle—was what we had before were lots of pieces, but we never had the picture on the front of the box that tells you how it all fits together. Really, the federal sustainable development strategy is still in its early stages. It's only the second strategy, but we see this as something that has a lot of potential to paint that broad picture of what the government is attempting to do.

• (1015)

Mr. Robert Sopuck: I appreciate that.

Mr. Sawyer, I think committee members, if they listened to your testimony very carefully as I did, would have been quite surprised when you made the comment, which I actually agree with, that sustainable development is disappointing. I don't know if you used the word “disappointing”, but you expressed concern that it was equated only with the environment. To use your words, you said uses of sustainable development had “a myopic focus on environment alone”.

Having read the Brundtland commission report myself, can you define sustainable development, or describe the definition of sustainable development as it came out in the Brundtland commission report and comment on the notion of sustainable development being equated only as an environmental concept?

Mr. David Sawyer: So you're asking me to go back to grad school. I will pass on a definition from the Brundtland commission, if I may. It's been a while.

SD is a simple concept with a really poor track record in implementation, and there has been a real problem with taking this notion, the general definition of balancing environment, economy, and society, balancing decisions to get sort of positive outcomes in those three spaces, and making clear the trade-offs. We actually do it very well in regulatory analysis. If you look at the RIAs, regulatory impact analysis statements, in the *Gazette* part I online, there's a very clear outline for what you get for what you spend, and who's impacted and how much. But there then seems to be a gap up to the SDS level where that view, which is ingrained in the bureaucracy, doesn't make it into the high-level declarations around the SDS.

Just to finish, it's balancing environment, economy, society, and decisions, and making clear trade-offs, but I think more importantly,

moving to implementation. That's where I think we're really suffering.

Mr. Robert Sopuck: In terms of the definition of sustainable development, the old three-legged stool of social, environmental, and economic, can we accurately say that sustainable development is actually a development concept?

Mr. David Sawyer: Economic growth, human capital, environmental performance, there are all kinds of labels we can put on the outcomes that flow from that three-legged stool. What I'm saying is the fourth leg, governance, is where we fall down, and perhaps the definition is lacking in a nod to good governance.

Mr. Robert Sopuck: In terms of a notion of a country's development and the creation of wealth, the minister made a point earlier that in spite of Canada's something like 5% growth over the last couple of years, our greenhouse gas emissions have actually gone down. So it is very possible, and the track record is fairly clear that especially in the western industrial free market democracies, the creation of wealth is almost always accompanied by an increase in environmental performance. More wealth equals a better environment.

Mr. David Sawyer: I think the assertion that our emissions have gone down is not quite right. That's a snapshot in time in 2010, sort of mirroring the cratering of economic performance after the financial crisis of 2008-09. I think even the government's trends report shows increases in emissions.

In terms of natural wealth, I think of it as a bank account: to the extent you're increasing your economic account and converting your natural capital into monetary capital, you're less well off. It's sort of a stocks and flow issue, and your bank account is depleting. Your environmental ATM is going into overdrive. So conserving wetlands, conserving protected areas makes sense intrinsically, and they also reduce downstream costs on others.

The Chair: Mr. Sopuck, I'm sorry, but your time is up. I know it doesn't seem like five minutes, but it is.

Mr. Choquette.

[Translation]

Mr. François Choquette: Thank you very much, Mr. Chair.

I thank the witnesses for their statements.

I would like to go back to the answers the Minister of the Environment, Mr. Kent, gave a bit earlier. He told us that there were no more subsidies to the fossil fuel industries. He stated that the perception in that regard was mistaken because the subsidies were in fact being allocated to fight climate change. However, there are indeed income tax credits, such as the Canadian Exploration Expenses and the Canadian Development Expenses, that are comparable to subsidies.

Mr. Commissioner, I would like to ask you the following question. The Commissioner of the Environment and Sustainable Development once said that we had really made a commitment at the G20 to eliminate subsidies. I see that you have the report of the Commissioner of the Environment and Sustainable Development. Did we really eliminate the subsidies? Can we have some further clarification on that? Do you have those clarifications, Mr. Commissioner?

• (1020)

Mr. Neil Maxwell: Thank you for the question.

My predecessor, Mr. Vaughan, completed a study on financial subsidies. That was included in our report in February. I am not an expert in this area, but we noted a few points of interest during that study, that is to say regarding most of the subsidies.

I apologize, but I am going to answer in English because I don't know the terminology in French regarding these subsidies.

[English]

We concluded that the biggest single subsidy at the moment is the accelerated capital cost allowance. That is being phased out, and the minister did mention that. The two largest ones that remain are tax expenditures. Those are, as was mentioned, the Canadian development—I have my copy in French here, so if I'm totally confused, excuse me—tax expenditure and the exploration one.

One of the things we noted in that study is that while we could put a price tag against the accelerated capital cost allowance, Finance isn't in a position to estimate what the tax expenditures actually cost the Canadian taxpayer. Now, we did note that this is a very difficult area. It is very difficult to estimate tax expenditures, but one of the things we noted was that it is an important part of what the government needs to work on, because that is what remains as two key elements of the support.

[Translation]

Mr. François Choquette: If I understand correctly, you are saying that there are still some tax credits and subsidies for the fossil fuel industry. They are in the process of being eliminated, but they still exist.

Mr. Neil Maxwell: Yes, we would be very pleased to give you more explanations concerning this study if the committee—

Mr. François Choquette: You also spoke about the importance of having some clearer points, of having greater transparency and measurable development. One of my colleagues, Mr. Pierre Jacob, tabled a bill which would require that all federal legislation respect the principles of the Federal Sustainable Development Act.

Would something like that constitute a good solution that would allow us to have more measurable sustainable development?

Mr. Neil Maxwell: Thank you for the question.

I met with Mr. Jacob to discuss his bill. In theory, we support the idea of always taking sustainable development considerations into account when decisions are made. It is a very important aspect of this concept of sustainable development, that is to say

[English]

the integrated decision-making.

[Translation]

In principle, we do not support such bills because that is a political question, but

[English]

the principle is a very important one.

[Translation]

Mr. François Choquette: Thank you very much.

Have you made any comparisons? At this time, we have the Federal Sustainable Development Strategy which of course includes the climate change plan. We see that there are different ways of doing things. Some provinces do different things in this regard. For instance, Alberta and British Columbia have a carbon tax. Quebec has a carbon fee and will have a carbon exchange, like California.

Have you done any studies on this? Is there a better approach that could be considered? Between the sector by sector approach and fees, taxes or exchanges, which is the most effective? What is the percentage of positive effects in the provinces as compared to the federal government's sectoral approach? Several scientists have said that the federal approach has little impact.

• (1025)

[English]

The Chair: Mr. Maxwell, I'll give you a few seconds.

[Translation]

Mr. Neil Maxwell: We have not done such a comparative study on the various approaches to reduce greenhouse gases. However, we will soon be updating an audit carried out a few years ago, according to which we have estimated or

[English]

projected how well the government was doing in terms of meeting its 2020 targets on climate change. That will be for our report in 2014.

The Chair: Thank you, Mr. Choquette.

We'll move now to Mr. Toet, for five minutes.

Mr. Lawrence Toet (Elmwood—Transcona, CPC): Thank you, Mr. Chair. I thank all of our guests. I very much appreciate that you're here with us.

We've had quite a discussion today about energy efficiency and its impact on sustainable development. There was quite a bit of talk about that also in the first hour.

One of the comments Mr. Sawyer made in his answers to Mr. Sopuck was that we're suffering from a lack of bringing sustainable development technologies to commercialization and it's one of the challenges we face. That brings me to some of the questions I have for Ms. Sharpe, because the work that Sustainable Development Technology Canada does is very much geared to bringing commercial success to the work that's been done as far as sustainable development research and actually bringing that to fruition is concerned.

Minister Kent referred to the government's approach to reduce GHG emissions in the transportation sector as part of our sector-by-sector approach. SDTC has played a key role in that in a lot of ways. I wanted to talk about one particular project that is very exciting and interesting to me as a member of the transport committee.

We recently completed a study on innovative transportation technologies. One of the things that obviously was talked about quite a bit was electrification and battery power. It was interesting because during the testimony we heard from a lot of witnesses who said, "We're not there yet. We're a long way off from being able to commercialize these products." Yet shortly after that, in the fall of last year, we actually had an announcement in my riding of Elmwood—Transcona with SDTC and New Flyer Industries about the work that is being done there.

I wonder, Ms. Sharpe, if you could speak about SDTC's involvement in that project, and also some of the great environmental outcomes of that particular project which are readily available today, and also the worldwide impacts that those may have.

Dr. Vicky Sharpe: Thank you very much. We do indeed make sure that we are getting these technologies to market, and we do that in a number of ways.

Specifically for batteries and other advanced transportation technologies, you would expect to see greater market uptake with things like fleets and buses before you could move to the very large expenditures that you get for cars in the retail markets. SDTC originally concentrated on fleet applications, whether they be couriers, or in this case, buses.

New Flyer builds a lot of buses for the North American market, and therefore, we saw a real benefit in being able to have a collaboration so that if the technology proved out within a real world application, it would be able to impact more broadly. We've got a four year in-service evaluation of a small fleet of buses in Winnipeg Transit. We're examining the charging system, the battery capacity, the component life and reliability. If this works, we'll be able to reduce both greenhouse gases and criteria air contaminants by shifting from diesel to a utility-based generation source of energy.

I believe the annual reduction per bus when compared with a hybrid will be about 90 tonnes of CO₂ equivalent per bus per year. I think this will be a way of proving that the reliability is there, the life-cycle costs will be reasonable, and therefore you'll see greater adoption.

I hope that answers your question.

Mr. Lawrence Toet: I think it's important to note also if we compare it to diesel buses, we're going to see a 160-tonne reduction. The diesel bus is still the number one bus used especially in North America. It's great to see these technologies being developed and actually commercialized.

It's important to note too in this particular case with the New Flyer that this is happening live. These buses are going to be running regular routes in probably one of the harsher climates in the world, in the wintertime in Manitoba. We're having a real opportunity to see not only the ability to have an impact on the environment, but also to do a close study as to how this can be effectively brought out throughout the world, not just in North America.

• (1030)

The Chair: Mr. Toet, your time is up. Thank you. Those are great points, by the way.

Now we'll go to more great points from Ms. Duncan.

Ms. Kirsty Duncan: Thank you, Mr. Chair, and thank you all for coming.

I'm going to pick up on something Mr. Maxwell and Mr. Sawyer were talking about, the difficulty of determining what is most critical.

Mr. Sawyer, you talked about priority indicators. If there is something that could be done to improve this, what would you specifically recommend regarding priorities?

Mr. Neil Maxwell: I made several points. Some of this is simply going through and sifting the important from the unimportant. Some of it is quite easily achieved. That was something in our review. We found a lot of improvements that are quite easy to achieve in this draft.

I'd also point out specifically that putting in the financial resources is very important. I noted that the minister spoke about the adaptation announcements of \$150 million over a number of years. You can read the entire adaptation section of that SDS and not get a sense of the magnitude at all.

Ms. Kirsty Duncan: Thank you.

Mr. Sawyer, what priorities are you looking for specifically?

Mr. David Sawyer: We think that four or five major priorities in the SDS would help to focus beyond the thematic areas. Pick four or five action items that are priorities and then add budget items, line items, the resources being spent, and indicate results. You should actually indicate results. Lay down some performance metrics in time. Trade-offs are also important. Tie in the SD with the social aspects and talk about some of the trade-offs. A lot of the activities have strategic environmental assessments, regulatory analyses, or all kinds of policy assessments. One can agglomerate those trade-offs and make them clear so we know what we're getting for what we spend.

Ms. Kirsty Duncan: Thank you.

Mr. Sawyer, you talked about improving governance. What would you recommend to improve governance?

Mr. David Sawyer: In the context of this SDS, I would pick up on two points.

One is transparency. It is really hard to figure out what's going on in the current document. Besides echoing long-standing observations from the commissioner's office, we need to indicate performance a little more clearly.

Also, I would echo the comments I made already. The one addition would be implementation road maps, again this forward-looking strategic view. These are long-term, complex issues—most of them—that have been tackled, and there is a need for a longer-term view as well.

Ms. Kirsty Duncan: Thank you.

Mr. Maxwell, I'm not sure if you're able to do this. You said that most of the 34 targets lack sufficient clarity. Are you able to table with the committee which ones are sufficiently clear? For those that are not, what is required to make them sufficiently complete and clear?

Mr. Neil Maxwell: We are in the process of doing that detailed work. In two short weeks, we'll have that out as a public report for the minister.

On the governance point, that's an excellent question. The easiest thing is, there's a fifth theme that isn't in the strategy, and it's about integrated decision-making. It's referred to very broadly but without any targets and goals. If I had a single thing I'd like to see, it would be to develop how the government intends to improve its decision-making. They need to integrate the three pillars and put that in with the goals and targets. Then people could track how well it's being improved.

Ms. Kirsty Duncan: Could you elaborate on integrated decision-making?

Mr. Neil Maxwell: The government has some tools now, things like strategic environmental assessment. That's attempting to look at new proposals. It's related to that *project de loi* to look at new decisions, to analyze the environmental impacts as well as the social and economic ones. There are some existing tools, so the question is how the government will improve these tools over the course of the next three years.

• (1035)

Ms. Kirsty Duncan: Are there any recommendations you'd like to make to the committee?

Mr. Neil Maxwell: We have quite a number of recommendations. We're still working on them.

Ms. Kirsty Duncan: Could you share some of them with us, please?

Mr. Neil Maxwell: Some of them I've already shared in the opening statement.

There's another thing—and perhaps this gets to the governance issue that David raised as well—we think should be done, which could be an important improvement, rather than simply doing a lot of bottom-up collection—and a lot of this exercise having to do with this strategy has been essentially Environment Canada going to all the other departments and asking them what they're doing about air and water—

Ms. Kirsty Duncan: They're asking for an inventory.

Mr. Neil Maxwell: It should be more top-down, more directed towards priorities.

The Chair: Thank you, Ms. Duncan. We're out of time.

We'll move now to Madame Quach for five minutes.

[Translation]

Ms. Anne Minh-Thu Quach: Thank you, Mr. Chair.

I thank the witnesses for having come to testify before us today.

My first questions will be for Mr. Sawyer.

You have found a certain number of gaps in the sustainable development strategy. May I remind you that this strategy is now in its second phase. Should we be seeing more results? Are there enough credible tools to measure progress? Once again, we are hearing about developing indicators. We are still at the theoretical level, whereas we should be acting. Do we have the necessary tools to act, and implement all of these indicators?

[English]

Mr. David Sawyer: Thank you for the question.

To me it's unclear whether we have the tools and whether we are achieving the result. From the document, it's unclear. That indicates an opportunity, perhaps, to make it more clear or to improve systems and practices, to fill the gap, as it were. Looking at the FSDS right now, it's really hard to track results. For all of the activities that are listed in the back of the document, we simply don't know where progress has occurred.

Do we have the tools? I think that's an open question. I actually might defer to Mr. Maxwell on that question.

[Translation]

Ms. Anne Minh-Thu Quach: Mr. Maxwell, do we have tools to measure progress?

[English]

Mr. Neil Maxwell: We'll have a lot more to say in the fall. In the fall we are going to be reporting on the first substantive progress report, which was tabled, as I mentioned, in February, at the same time as the draft strategy. So I'll defer, if I may, to what we will have to say in October.

It's a very important question, and I appreciate that.

[Translation]

Ms. Anne Minh-Thu Quach: Yes, it is important, because three years have already been spent on this.

I will come back to you, Mr. Sawyer.

Several witnesses have told us that the time has come to work on the protection of wetlands, to transition toward renewable energy in order to minimize the effects of pollution and do some site restoration work.

Can you give us some examples of countries who have already implemented these measures successfully and who are deriving economic advantages from this? You in fact mentioned a link with the economy.

[English]

Mr. David Sawyer: I think we could look to Canada for all kinds of interesting examples of cases in which we have used innovative ways to protect wetlands.

In Ontario there has been phosphorus trading. Work on Lake Winnipeg is going on right now around the bioeconomy, basically helping with eutrophication, sort of baseline environmental quality stuff to reduce the impact and stresses on ecosystems.

There are lots of innovative ways to deal with this. Generally the approach to dealing with an environmental challenge is to use regulations. You can use economic instruments. Information is always a complement. In different thematic areas, under different environmental impacts, you have to look at the institutional context. You have to look at who the constituents are. Then you have to cobble together a program to address the issue. There really is no one-size-fits-all package of policies to address an issue.

If you look at climate change, for example, it is a really complex issue. A simple instrument cannot address pollution. You need complementary instruments.

[*Translation*]

Ms. Anne Minh-Thu Quach: In light of the fact that several initiatives have already been undertaken, would you say in this case that there is a lack of coordination among the provinces?

• (1040)

[*English*]

Mr. David Sawyer: Coordination with the provinces is a difficult one given jurisdiction and shared jurisdiction.

Certainly on the climate file right now, with the federal government moving towards equivalency and basically working with the provinces to recognize existing programs, there is a coordination issue, there's no doubt, and that needs to be worked out.

One could go all the way down. For enforcement officers, under the Fisheries Act, working on watersheds in P.E.I., for example, there are harmonization and coordination issues.

It is a complex jurisdiction we live in. Harmonization and coordination with the provinces are challenges.

[*Translation*]

Ms. Anne Minh-Thu Quach: I would like to go back to one of the questions put by my colleague, Mr. Choquette.

Several institutions are talking about setting a price on carbon. The federal government has chosen, rather, to go with a sector by sector approach.

Do you have any comparative studies of these two types of tools to fight greenhouse gas emissions?

[*English*]

The Chair: Who is your question directed to, Madame Quach?

Ms. Anne Minh-Thu Quach: It's for Mr. Sawyer.

Mr. David Sawyer: I'm sorry, I thought it was for someone else.

The Chair: You have a very short time for an answer.

Mr. David Sawyer: Yes, I have a really quick answer.

A World Bank report just came out which said that 60 countries are pursuing carbon pricing globally. Within Canada, some provinces are pursuing carbon pricing. There are elements of compliance flexibility in the current federal regulations that look a

lot like some of the core elements of market-based instruments. Again, I refer to my previous comment that you need flexibility for people to make decisions to comply and at low cost. Again, you look globally and a lot is going on in all kinds of instrument areas.

The Chair: Thank you, Madame Quach.

We'll move to Mr. Woodworth for the last four minutes.

Mr. Stephen Woodworth: Thank you very much, Mr. Chair, and thank you to the witnesses for attending today.

I will mention just briefly, Dr. Sharpe, that I'm a big fan of SDTC. I don't have any questions for you this morning but it's not for lack of interest; I am very aware of the good things you do.

I do have some questions for Mr. Maxwell regarding the issue of clarity of reporting, because I know that auditors always require clarity of reporting. I understand that the federal sustainable development strategy has two elements within it that are intended to work in that direction. One is the use of what we refer to as the SMART approach—specific, measurable, achievable, results-oriented, time-bound indicators. The other is the expenditure management system, which helps to bring clarity to the cost of these measures.

I wonder if you are familiar with those two approaches, if you've looked at them in the context of the federal sustainable development strategy, and if you feel they offer hope to achieve that clarity of reporting to which you have referred.

Mr. Neil Maxwell: Thank you for that question. That's an auditor's dream question.

Yes, those five attributes captured in that acronym, SMART, are ones which the government is using in its strategy, and we know from our discussions in Environment Canada that this is what they're working toward. We use that same framework when we assess, as we are required under the act, whether there's sufficient clarity or not. I'll be providing that kind of feedback to the minister in less than two weeks. Absolutely, we certainly see some progress from the first cycle in terms of the SMART goal.

In terms of the second aspect, the integration with the expenditure management system, this too is something that as the Office of the Auditor General we're very strong proponents of. This gets to the point that I made in my opening statement, Chair, that probably the single most important thing would be to try to bring some of that expenditure information right into the strategy. Anyone could now take any of these targets and try to find in the estimates process where the associated money was. We're trained auditors and that would take us a long time. I think anyone else, any other Canadian, would find it virtually impossible to try to figure out from the expenditure management system, the estimates that come to Parliament, exactly where the money lies. Again, this is a relatively easy thing to improve.

Mr. Stephen Woodworth: Thank you very much.

Mr. Sawyer, I was interested in your observations about the 32 jurisdictions you studied where sustainable development strategies have been in place. I know that each one is different and it's hard to compare, but is there one jurisdiction that is most advanced, and how long have they been at it?

•(1045)

Mr. David Sawyer: Again, I prefer to defer or look within Canada for some good best practices first, and both Quebec's and Manitoba's SD strategies are interesting because they do, first and foremost, take this broad view on SD and they look into where they're going and why.

Globally, we found a lot of good practice is going on at the OECD level, and it was really hard to find results. Canada is not alone in

having a hard time demonstrating results. In the end, we found that some of our analysts who are doing the work would defer to high-level observations about how a country is doing in a certain area. We're not alone, I think, in some of these observations.

The Chair: Thank you, Mr. Sawyer.

The bells are ringing, so the votes have been called.

I want to thank our witnesses for being with us today and for their input.

With that, the meeting is adjourned.

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