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# **Standing Committee on Environment and Sustainable Development**

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**EVIDENCE**

**Tuesday, June 16, 2015**

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**Chair**

**Mr. Harold Albrecht**



## Standing Committee on Environment and Sustainable Development

Tuesday, June 16, 2015

• (0850)

[English]

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

We have with us today, from Ducks Unlimited Canada, Mr. James Fortune, chief operating officer. I was concerned for a bit. Even though it's Ducks Unlimited, and it's a very rainy day out there—perfect for ducks—I thought he wouldn't be able to arrive today because of the very wet weather. Appearing by video conference from Halifax, Nova Scotia, from the Ecology Action Centre, is Mr. Mark Butler, policy director. He will be giving his testimony by video conference. We welcome both of our witnesses today.

We'll begin with James Fortune, from Ducks Unlimited, for an opening 10-minute statement. Then we'll proceed to the video with Mr. Mark Butler. Following that, we'll have questions from committee members.

Mr. Fortune, please proceed.

**Mr. James Fortune (Chief Operating Officer, Ducks Unlimited Canada):** Thank you very much.

Good morning, everybody. Wet weather is always welcome when you're in the wetland conservation business.

Good morning, Mr. Chair and committee members. I'm Jamie Fortune. I'm the chief operating officer for Ducks Unlimited Canada and the executive responsible for our corporate and grassroots fundraising programs. I'm very pleased to speak to you today about our organization's 77-year legacy of meaningful and effective private sector partnerships in support of local wetland habitat conservation across Canada. We're a registered Canadian charity, and we operate in partnership with private businesses and all levels of government in Canada.

Ducks Unlimited was founded by a group of forward-thinking and conservation-minded business leaders who took action when North America's wetland populations and waterfowl populations were on the brink of collapse at the height of the Great Depression and the prairie dust bowl. Those were very trying times for our economy, our industry, our governments, and our wildlife. However, it was the vision of those business leaders that helped to advance wetlands and waterfowl conservation across the continent.

My remarks today will focus on four key areas that illustrate how private sector leadership has been the driving force behind our work since then. These four areas are: private land partnerships; voluntary

offsetting by industry; our partnerships with industry; and lastly, sponsorships and affinity relationships.

The first area is partnerships with private landowners. First and foremost, private land partnerships are at the very heart of our mission. Since 1938 we've been working with farmers, ranchers, rural property owners, private businesses, and governments at all levels to ensure that those who are interested in wetland conservation can get the science-based information, conservation advice, technical services, and financial support they need. Today, we're engaged with 18,000 private landowner partners across the country, coast to coast.

A recent and local example I'd like to share with you is that of Susan Prior, who lives just west of the city here, near Carp, Ontario. A few months ago, Ms. Prior signed a long-term agreement with Ducks Unlimited to rehabilitate drained wetlands on her historic farm property near Carp. That farm was settled in the very early 1800s. It's just 30 minutes west of Parliament Hill. In this partnership, thanks in part to support from the federal government's national wetland conservation fund, Ms. Prior retains full ownership of her land, and we're able to restore critical habitat for the benefit of fish and wildlife and also for species at risk. In the case of Ms. Prior, we used sound science when we worked with her to secure this habitat. Also, while we restore habitat, we're employing public sector and private sector funds to achieve her goals alongside ours and to achieve our mission and thus generate ecological benefits for Canadians over the long term.

Next is voluntary offsetting by industry. Canada's corporate leaders are looking for ways to reduce their environmental impacts and to transition towards more sustainable ways of doing business. Where our interests converge, Ducks Unlimited is proud to engage the private sector in these efforts through our voluntary offsetting initiatives. Loosely defined, a voluntary offset is a combination of measures or investments made by organizations to reduce or eliminate negative environmental impacts. This is all done outside a legislative regulatory framework that otherwise would force them to do so. Other elements of voluntary offsets include prepayment or banking of offsetting initiatives against future commercial undertakings. Many organizations and companies feature these activities as part of their corporate social responsibility programming. A number of leading companies involved in the development of the Alberta oil sands have land reclamation strategies in place to offset the impacts of their mining and processing activities. While these are long term and the efforts to fully rehabilitate the landscape are ongoing, in order to minimize their overall impacts right now, these companies purchase conservation offsets aimed at maintaining the ecological integrity of lands near their operations.

I'll share an example with you. This one is in southern Alberta, where Shell Canada contributed \$3 million towards the securement of our Buffalo Hills conservation ranch. It is located just outside Calgary. It includes 4,130 acres of pristine native grasslands and close to an additional 1,800 acres of hay lands that are supporting breeding, migrating, and wintering waterfowl and 159 species of birds, as well as mammals and amphibians. The Buffalo Hills ranch is the largest contiguous land acquisition that our organization has made, and it was enabled by a voluntary offset payment.

● (0855)

The third area is industry partnerships. One of the most important ways we're working to ensure the long-term sustainability of Canada's wetlands is through environmental education programs. These programs are aimed at students from kindergarten to high school. They provide more than 36,000 participants across Canada with teaching resources for their classroom and real-life, hands-on experiences with local wetland ecosystems in their communities. Our private sector partners have been integral to the success of these programs. These partners are sponsors, meaning that they provide funds for specific initiatives and activities and are associated with our brand.

Last year Giant Tiger Stores and the North West Company joined together for a five-year commitment to us in support of our Oak Hammock Marsh Interpretive Centre, a 9,000-acre, world-class, award-winning wetland management area close to Winnipeg. It's 30 kilometres of trails through marshes, croplands, and tall grass prairie. It provides outstanding opportunities for education as well as tourism.

In another example, Talisman Energy began partnering with us on Project Webfoot, our education program in Alberta, in 2004. This program specifically links to grades 4 to 6 curricula across Canada, giving students the opportunity to apply classroom learning and connect with nature through field trips. That outdoor connection is very, very important. Our relationship with Talisman has been ongoing since 2004. In 2011 they became our first national education sponsor, supporting us at the national level. They continue to support Project Webfoot. They've also helped us establish two new wetland centres of excellence, in Quebec and British Columbia.

These companies achieve their corporate goals and we have financial support. It's a win-win situation.

The last area is affinity relationships. In these affinity relationships we license our brand to a corporation. For example, a corporate affinity credit card through MBNA Canada has really helped us drive a lot of conservation impact. This is a major credit card issuer, and I believe we were the first affinity partner they had when they came to Canada years ago. They're now owned by TD Bank. We receive an annual financial payment from MBNA based on the usage of these affinity cards. They've also sponsored our programs. They support conservation fellowships, the grant program that funds graduate research in waterfowl and wetland biology.

The success of these relationships is a real tribute to the commitment of our supporters across the country, who choose to get these products, use them every day, and by doing so support conservation delivery through their day-to-day activities.

These mechanisms and partnerships are just a few examples of how Ducks Unlimited Canada is working with the private sector to deliver results. These relationships are win-win in that both Ducks Unlimited and our partners achieve specific outcomes. By the very nature of the work we do, there are also significant benefits to the environment, to Canadians, and to society.

The work that's already going on through these partnerships is significant. We also believe there are concrete steps the federal government can take right now to encourage new productive relationships.

In particular, the government can expand funding for core existing programs that currently encourage private sector investment. These are matching programs. These include, in particular, the national wetland conservation fund, the natural areas conservation program, the joint ventures of the North American waterfowl management plan, and the recreational fisheries conservation partnership program.

Second, we can legislate and develop national guidelines and best practices for habitat-based offsetting and implement these on federal lands and all federally funded infrastructure projects as per the 1991 federal policy on wetland conservation. The consistent application of firm policy is beneficial to industry and Canadians. Simply put, all governments need to make it easier to conserve and restore habitat than to destroy it.

Thank you for your time this morning and for your interest in this important subject. I look forward to answering any questions you may have later.

Thank you.

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

We'll move now to Mr. Mark Butler, policy director with Ecology Action Centre in Halifax, Nova Scotia.

Welcome.

**Mr. Mark Butler (Policy Director, Ecology Action Centre):** Bonjour. Chair, Vice-Chairs, and members, thank you very much for this opportunity.

The Ecology Action Centre is not as big or as old as Ducks Unlimited; however, we're at respectable middle age. We started in 1971. We have 4,000 members. We're based in Nova Scotia, but we work across Canada. This morning I'd like to provide you with some examples of how the Ecology Action Centre works with the private sector, followed by some observations in that regard.

I do have a warning. I read this out to my son this morning and he said, "Good, but dull."

**Voices:** Oh, oh!

**Mr. Mark Butler:** The EAC began in 1971. One of our first projects was paper recycling. We bought a little cube van and picked up newspapers. Today, recycling is big business. The Canadian Association of Recycling Industries estimates that 34,000 people are directly employed in recycling. The moral of the story is that if you want tomorrow's business ideas, check out what environmental groups are doing today.

Another early project of ours, which continues today, is that of selling Christmas trees grown without pesticides or synthetic fertilizers. This is both a fundraiser and an awareness raiser. Currently, we partner with Christmas tree grower Kevin Veinotte of Lunenburg County and sell approximately 450 trees each December.

In 2005, the Ecology Action Centre, along with other environmental groups, initiated the Colin Stewart Forest Forum. To quote from a provincial report from several years ago:

The Colin Stewart Forest Forum is a protected areas planning process initiated by leading...ENGOS...and the four largest forestry companies operating in Nova Scotia. It formed to resolve conflict among ENGOS and the forestry industry over the future of Nova Scotia's remaining wilderness....

The industry was looking for more certainty around wood supply and the environmental groups for more certainty around land protection. It worked.

We also partner with the private sector to promote marine conservation and, in particular, better fishing practices. We are a member of SeaChoice, a Canada-wide program that helps businesses and consumers make choices to support the health of marine ecosystems. SeaChoice works closely with seafood suppliers, retailers, and restaurateurs across Canada to help them and consumers purchase sustainably caught seafood.

We also helped launch the Off the Hook Community Supported Fishery. You may have heard of community supported agriculture, or CSA. This is the same thing, but it's for fish, not vegetables. Off the Hook works to connect a co-operative of small-scale bottom-hook-and-line groundfish fishermen from the Bay of Fundy with consumers in Halifax.

Not surprisingly, the Ecology Action Centre is active on mitigating and adapting to the impact of a changing climate and a warming world. In this regard, we have partnered with the Insurance Bureau of Canada and individual insurance companies such as Intact Insurance.

The industry of course has extensive and detailed data on climate impact. To quote from an article in the *Financial Post* from November 2011:

"What is causing it [climate change] is not our area of expertise but we agree the climate is changing," says Michael Tremblay, director of research with the Insurance Bureau, which says severe-storm-related water damage now comprises 44% of claims compared to just 22% in 1992.

The insurance industry has a saying: water is the new fire.

The private sector is often the funder of environmental work. The TD friends of the environment program and RBC's blue water project come to mind.

At the Ecology Action Centre, many of our supporters are small to mid-sized businesses. We have 10 companies that are sustainability allies, and they range from a real estate company to a pizzeria, to a

landscaper, to a brewery. We are also a member of One Percent for the Planet.

There are other examples, which I have omitted in the interest of time. Following are a few observations, and again, they are by no means inclusive.

The first observation is that we are neither a cheerleader for nor a detractor of the private sector; perhaps "agnostic" is the right word. As described, we work closely with the private sector. Certain segments of the private sector are showing increased leadership on environmental matters. At the same time, we spend a considerable amount of time trying to address and remedy the actions of the private sector, actions that are harming or threatening the environment.

● (0900)

EAC's engagement and partnership with the private sector are increasing, likely due partly to a growth in the capacity and the maturity of our organization, but I think it's also a reflection of external independent factors, a few in particular.

First, the private sector is simply showing more leadership on environmental matters, both because it is good for business and because business people are people and they get that it is the right thing to do.

Second, the private sector is showing more leadership because government isn't. There is a vacuum, and the private sector, along with NGOs and individuals, is trying to fill it.

Third, progress is achieved through the private sector, government, and citizens working together. As a parent, I don't expect government to leave child safety to the discretion of the private sector, nor would I expect protection of the environment to be left up to the private sector alone. The growth of the renewable energy industry is a great example of how the government and the private sector can work together globally. The power of the markets, certain policies of the government, and the application of technology are a powerful combination.

Fourth and last, the debate is often framed in terms of a private remedy versus a state or public remedy. Increasingly we are seeing the integration of market and social goals in the form of social enterprises. A social enterprise is defined as a business created to further a social purpose in a financially sustainable manner.

Thank you. I look forward to taking any of your questions.

● (0905)

**The Chair:** Thank you very much, Mr. Butler. I'm not sure your son was accurate when he said it was dull.

We'll proceed to our first questioner, Mr. Woodworth, from the Conservative Party.

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

Thank you to both of our witnesses.

Mr. Butler, having two sons who are now grown, I can only say that our children, because of their love and affection, are our fiercest critics, so don't be too concerned about that. They'll be straight shooters.

I have a couple of questions for you. I was interested in your comments about working with the Insurance Bureau of Canada and Intact Insurance. Can you tell me what kind of environmental initiatives those two organizations are engaged in with you?

**Mr. Mark Butler:** The main focus has been stormwater management. As I mentioned in my presentation, they have a phrase that I think is very apt, which is that water is the new fire. That's where they're seeing the most growth in their claims, from flooding, from construction of homes on flood plains, etc. We've been working with them on a number of projects around stormwater management, which is one way of mitigating the impact of flooding on homes.

We've also worked with them a little bit on something called "living shorelines" management. Instead of putting up hard buttresses against shoreline erosion, you use vegetation and more natural ways to control the impacts of rising sea levels or shoreline erosion.

**Mr. Stephen Woodworth:** What is their contribution, for example, to that project, living shorelines management?

**Mr. Mark Butler:** They've been a funder primarily, but they recently came to our organization and did a presentation on their concerns and some of the data they've been collecting. We've been learning from each other and identifying how to adapt and prepare for the growing impact of floods.

**Mr. Stephen Woodworth:** Maybe you can help me to visualize the outcome. How many kilometres or how much shoreline have you been able to restore or enhance under the living shorelines management program?

**Mr. Mark Butler:** I don't have the exact number in terms of kilometres. We've worked on the Northumberland Strait. We recently had a project here in Halifax on the Northwest Arm. I would say it's probably in the 10- to 20-kilometre range at most.

The purpose of it is not for us, along with funders, to do all this work around Nova Scotia or Atlantic Canada; it's just to show that there is a different approach to putting up cement walls, which in the end only deflect the energy of the ocean onto your neighbour's property.

**Mr. Stephen Woodworth:** It's kind of a demonstration of what's possible. Is that what you mean?

**Mr. Mark Butler:** That would be a good way of describing it.

**Mr. Stephen Woodworth:** Was there any provincial, federal, or municipal government funding involved in that particular project?

• (0910)

**Mr. Mark Butler:** For the most part, it was just a cooperation between the Ecology Action Centre and the private sector. I don't have all the funding sources in front of me. We definitely had support from federal and provincial scientists on practices, technology, methodology, etc.

**Mr. Stephen Woodworth:** Very good.

Can you tell me if your organization has any explicit policy, first of all, on searching for private sector partners—"seeking them out" might be a better way to put it—and second, on the rules of engagement with private sector partners?

**Mr. Mark Butler:** That's a good question. We do. Because we do some policy work, we really try to keep funding and policy separate. We try to avoid the conflict of interest, so although we may not take funding from a wind company or an oil company, we're very ready to partner with them in other ways. The example I gave of the forest industry is an example where we're willing to sit down and engage with them when we have a mutual purpose. Whilst we may not take funding from the forest industry, we're certainly willing to talk to them, engage with them, work with them where possible.

**Mr. Stephen Woodworth:** On project-specific issues in other words....

**Mr. Mark Butler:** Yes.

**Mr. Stephen Woodworth:** What about seeking out private sector partners for projects or otherwise? Do you have any proactive approach on that?

**Mr. Mark Butler:** We perhaps don't always practise this, but we try. If there is an issue, we try to open the channels of communication and dialogue explicitly. Definitely our work in the marine sector has been one of trying to work with fishermen, in this case, and using the markets to advance certain shared goals. Certain technologies are gentler on the environment, and we're trying to create a market incentive for those fishermen to continue fishing and other fishermen to switch to that technology.

**Mr. Stephen Woodworth:** This might be too broad and too historical a question. You mentioned three specific projects: the Colin Stewart Forest Forum, SeaChoice, and Off the Hook. Were those all programs that originated with your organization, or did they originate with private sector people approaching your organization? If you can tell me, I'd appreciate hearing the history.

**Mr. Mark Butler:** In all three cases, we reached out to the private sector—and I'm proud of that—and the response was positive. Increasingly we have businesses coming to us asking how we can collaborate. I had a landscaper walk in our door yesterday morning. We just wrapped up a large event with a large independent brewery here. Increasingly I'm finding it is happening both ways, but certainly businesses are approaching us about working together.

**The Chair:** Thank you for your time.

**Mr. Stephen Woodworth:** Thank you very much, sir.

I'm sorry, I didn't have a chance to get to the other witness.

**The Chair:** We will move now to Ms. Leslie, for seven minutes.

**Ms. Megan Leslie (Halifax, NDP):** Thanks, Mr. Chair.

Hello, Mr. Butler. It's nice to see you here from Ottawa instead of at home.

I'm actually going to pick up a little bit from where Mr. Woodworth left off on the fisheries issue and Off the Hook, the community-supported fishery, which is a fantastic initiative. I've had the occasion to go and meet some of the fishermen down Brier Island way, down Digby Neck. I think it's an interesting project because you are working with the private sector, obviously. There are fishermen involved. It's sort of formed like a co-op. I buy a share and every week I get fresh fish. It's amazing.

You're working with the private sector there, but then the work that's happening through Off the Hook stands in pretty stark contrast to the bigger fisheries in our region that are taking a different approach to the fisheries, one that is perhaps less sustainable. There's the community-supported fishery. I know the EAC also does a lot of work on trying to get changes to legislation so that we can have more initiatives like community-supported fisheries versus the big bottom-trawling fishery, which is dragging the nets and leaving this empty sort of dead highway behind them where they've scooped up everything.

How does that work, this working with the private sector, sort of small-scale private sector, if that's a phrase, but then also needing to work with government to change legislation for a fundamental shift in how we do fishing in this country?

● (0915)

**Mr. Mark Butler:** As Ms. Leslie knows, this is a question dear to my heart. Prior to working at the Ecology Action Centre, I worked in the commercial fishery for a number of years as a deckhand, so I've seen first-hand the effects of poor management, both on the environment and on people and the economy of southwest Nova Scotia. For example, at one time we had hundreds of handline fishermen. These are small-boat fishermen in southwest Nova Scotia, who basically fish like you and I do, with a bunch of hooks. When the fish are there, when there's biomass in the water, then this method of fishing can be highly effective and it produces a high-quality product.

Today, unfortunately, there are almost no handliners left in southwest Nova Scotia, or most of Atlantic Canada. To me, that's a real sadness and a real missed opportunity because I think there's a growing market for fish caught in this manner.

To answer your question, I think it's both. You have to do this work where you work with fishermen individually and try to use the markets to reward those fishermen who are fishing in a more sustainable manner. At the same time, and I think this is one of the great tragedies of fisheries policy in Canada, despite the collapse and the huge economic hit that this region took—40,000 jobs lost and never really recovered—we have not addressed the base causes of the fisheries collapse, which included technology.

The market, in the absence of strong federal policy, has been a problem for many years, not just the last 10. It's been a problem for the last 20 since the collapse in the early nineties. There has been no real, strong government response. I think what's happening is that the private sector is stepping up. We have the marine stewardship certification program, which has its pluses and minuses, but it's an attempt by large players and the WWF to help the consumer, guide the consumer, in purchasing sustainably caught seafood.

Perhaps I was a little long, but it's a passionate topic for me.

**Ms. Megan Leslie:** Of course, and it should be for all of us.

I guess the point I'm hoping to make here is that Off the Hook is this incredible program and it should be celebrated, but it exists because of this huge legislative mess that we have. It's tricky because you want to work on the innovative projects that are working, but at the same time you want to put attention to working with government to actually transform policy, in the fishery in this case, but in other areas around environment as well.

**Mr. Mark Butler:** Right now, at least with Off the Hook, we're working with four fishermen in the Bay of Fundy. There should be thousands of fishermen in Atlantic Canada fishing groundfish. We can't do it four fishermen at a time. I think in part because of our work, and just the growing consumer awareness, we now see more producers engaging in promoting sustainably caught seafood. If it's helped get the ball rolling, that's great, but you're absolutely right that we still need to have strong policies from government. These initiatives should be hand in hand with that in order to have a real impact.

**Ms. Megan Leslie:** Thanks.

I'll do my part by inviting everybody at committee, should you be in Halifax this summer, to come to my house for some the Off the Hook Community Supported Fishery fish. I'll cook it up, we'll invite Mark over, and we'll talk fisheries policy.

● (0920)

**Mr. François Choquette:** Watch out.

**Voices:** Oh, oh!

**Ms. Megan Leslie:** To Mr. Fortune from Ducks Unlimited, thank you so much for the recommendations you made at the end of your presentation. I would really like to explore all of them, but I can't in the time I have. Expand funding for core investment programs, legislate guidelines, make it easier to conserve habitat rather than destroy—those are good recommendations.

Take the first one, perhaps, the investment for core programs. Could you expand on that? Why is that an issue? Why is that a problem right now?

**Mr. James Fortune:** The government announced the national conservation plan, which is a terrific first step. It's a major investment of \$250 million.

Just to frame the programs that we're most involved in, the recreational fisheries conservation partnership program and the wetland conservation fund are both heavily subscribed. I know that the national wetland conservation fund is oversubscribed, so when we go into those investments we have to find a match. It often comes from the private sector in some way. Either we raise the funds from an industry partner or through our fundraising initiatives—

**Ms. Megan Leslie:** Sorry to interrupt. They're oversubscribed?

**Mr. James Fortune:** Yes, they are oversubscribed, which is a great indicator of the willingness of Canadians and conservation organizations to get involved in conservation programs.

**The Chair:** You're out of time, Ms. Leslie. Maybe someone else can pick up on that question.

Mr. Sopuck, please.

**Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC):** Thank you.

Mr. Fortune, of course you know where I come from and the area I represent.

For the rest of the committee's benefit, Ducks Unlimited's project number one, Big Grass Marsh, is in my constituency. It was built in the 1930s. I've been there many times. Ducks Unlimited and the landowners and farmers in my own region have been partners for decades now.

Mr. Fortune, can you briefly elaborate on the value of wetlands? Why are wetlands important?

**Mr. James Fortune:** I think wetlands have emerged in importance, and awareness of their value is growing. With Ducks Unlimited and other hunting and fishing supported groups, there's a lot of alignment and awareness driven around wetlands as fish and wildlife habitat. The traditional sporting pursuits of hunting, angling, and trapping utilize those habitats.

That's where it all started. As we've moved ahead and done a lot of research, we've discovered that the ecological benefits of wetlands are profound. Wetlands store water, and release it slowly to help mitigate flooding. Wetlands sequester carbon. Restored wetlands sequester carbon. We also have all the impacts of species at risk well beyond the huntable, consumable wildlife that we all enjoy. I think the first real CSA programs are the fish and wildlife we capture and take home and consume ourselves.

We see ecological benefits and environmental benefits that are quite significant. We've done a lot of research, as you know, Bob, in that area to support it all.

**Mr. Robert Sopuck:** Thanks. I appreciate that.

You talked about our national conservation plan and the wetlands component. Have you accessed this fund? I'm quite sure you have, but could you talk about the specific wetlands projects that are being supported by Ducks Unlimited and our government specifically related to wetlands?

**Mr. James Fortune:** The window opened up with the announcement of the program a year ago. Immediately, in go funding requests for \$10 million in partnership resource and it's oversubscribed; no problem.

In the first round we received \$2 million in that general area of funding. One of the projects we delivered was this one just west of the city here, near Carp. It's very interesting. The benefits of that project include habitat for the Blanding's turtle, a species at risk, in addition to waterfowl, fish, wildlife, frogs, and everything else in one spot. That's an example of a local site.

There are other projects, such as the early land securement we do in the prairies on landscapes. We'll buy a quarter section of property and restore the wetlands on it using federal funds to invest in the restoration initiatives, partnering with industry, and then put a conservation easement to secure the property in perpetuity. We'll

then sell the property so that it goes into private sector ownership. The habitat is maintained in perpetuity in its values and it's a win for everybody. That's another example.

**Mr. Robert Sopuck:** Thank you.

Mr. Butler, I was very interested in the project you described about the seawalls and using natural methods to protect shorelines. We did a study on urban conservation a couple of years ago, and a number of us threw out the idea of the Building Canada fund supporting ecological infrastructure. To me that's the way of future: constructed wetlands and the things you're talking about, projects that deliver multiple benefits.

I have a fisheries background myself, so I'm very interested in your Off the Hook program. Is the program working? Are there price premiums? Do consumers pay more for those fish than for the sort of mass-caught fish, or is the price point about the same?

● (0925)

**Mr. Mark Butler:** The price point is definitely higher, and for two reasons: because we have a relatively small customer base, so we don't have the volume advantage yet, and because we want to provide the fishermen with more money, a more reasonable price for their fish. Although luckily, things have been changing in the lobster industry of late and the price has gone up, it's often been the case in the natural resources sector that fishermen are still receiving the same price for groundfish per pound that they received 20 years ago, and we know that everything else has gone up in price. We wanted to provide them with a much better price. Those are two reasons why the price is higher.

**Mr. Robert Sopuck:** Your point about the price that producers get reflects the situation in my own constituency, which is largely agricultural. I can hear my farmers saying exactly the same thing, but they're talking about grain. Again, I share your lament at the loss of the small producers. We see the same thing in agriculture.

You talked about better fishing practices. Would you want to see a fairly significant reduction in the large-scale mechanized fishing practices in favour of more small-scale fishermen out there? Is that a policy change that you would recommend the government explore?

**Mr. Mark Butler:** There are two issues. There's the technology you use. A small guy can use destructive technology and a big guy can use sustainable technology, so it's not as simple as "small good, big bad". Those two issues should be addressed, and we should deal with the issue of technology.

I gave the example of the handliners. They were small, and they were also using the most sustainable technology out there. We have the lobster fishery, which creates an incredible amount of employment. If you took the lobster out of southwest Nova Scotia, that part of the province would be a ghost town. I think that the fact that it's small-scale, involves many people, and is sustainable all comes together in that fishery.

Generally, I guess, we would lean towards creating more jobs from a public resource and having a few jobs and the concentration of ownership in a few hands, but you have to start with the technology and whether it's conservation-oriented or not.



**Mr. Robert Sopuck:** Thank you very much.

**The Chair:** Mr. McKay, go ahead, please.

**Hon. John McKay (Scarborough—Guildwood, Lib.):** Thank you both.

Mr. Fortune, carbon offsets are all the rage these days. Your work is really, in some measure, kind of leading work as far as carbon offsets go. Those were probably not recognized for a long time, but they are now. Do you get any credit for the carbon offsets that you achieve by buying a quarter section or a half section, or whatever, of land?

**Mr. James Fortune:** No, we don't. There is no market for carbon at the present time. We certainly support and utilize that value proposition in a major way, talking to people about it. It's altruistic. It's a good thing to do, and the outcome is very valuable, as you point out. We use it as a value proposition.

**Hon. John McKay:** Even in Quebec, where they have kind of a cap-and-trade system, there's no benefit or there are no certificates issued for the work you do?

**Mr. James Fortune:** We have not been pursuing them.

**Hon. John McKay:** One way or another, about 80% to 85% of the economy is going to be pricing carbon probably by the end of the year, Ontario probably being the leader. It strikes me as anomalous that we would buy carbon offsets in other countries, yet not buy carbon offsets in this country. Have you engaged in any discussions about that with any government authorities?

● (0930)

**Mr. James Fortune:** We have. Right across the country, at all levels, we talk about creating markets for ecological business services, and carbon is a very compelling opportunity in Canada. It certainly is. One of the first things we recommend is that we try to maintain the carbon that's in the ground now. We have an extensive northern landscape with a lot of carbon in it and conserving extensive areas there is very important. But when we get down into the working landscapes, if we can create markets then we can help enable conservation because there will be—as identified in the fisheries here—a market-based incentive for conservation.

**Hon. John McKay:** Pricing externalities is a bit of an economist's fun game. It's not entirely unreasonable but still an interesting intellectual exercise. It also strikes me that the work that you do in retaining and slowing down runoff is a valuable good and service. I'm thinking particularly of Manitoba, for instance, where the lower part of Manitoba seems to flood on a pretty regular basis at extraordinary costs to the people particularly of Winnipeg. Again have you engaged in any conversations with anybody as to the value of those services that you provide?

**Mr. James Fortune:** Yes. I think we visited every member of Parliament who would entertain us and we talked about the ecological benefits and values. Our research has identified \$22 billion in the ecological business services associated with restored wetlands.

**Hon. John McKay:** That's \$22 billion across the country?

**Mr. James Fortune:** We have some background on that, a nice paper. When you try to partition out flooding and wetland conservation, there is definitely a relationship there. When you get right down to it, if you restored wetland X and it was this large, a

watershed the size of the watersheds in Saskatchewan and Manitoba, it takes an awful lot of work at that scale to have an impact, but that doesn't mean it's not worth doing, not worth starting on.

**Hon. John McKay:** We're looking forward 20, 30, or 50 years, and as Mr. Butler said, water is the new fire. Let me switch to Mr. Butler here to follow up on that comment because I think it is interesting.

You had a presentation from the insurance industry on the cost of insurance and it does relate to our conversation with Mr. Fortune. Did they give you any insight, first, on the increase of premium by virtue of water events, and second, on the changing of insurance contract language? I've never noticed that insurance companies are overly enthusiastic about paying out. They do seem to have a great deal of enthusiasm about collecting my premium though. I'd be interested in any observations you have with respect to the insurance industry and its recognition of the impacts of climate change on the industry.

**Mr. Mark Butler:** In preparation for this presentation we did ask for the PowerPoint that they provided us with, but unfortunately I wasn't able to get it in time. I hesitate to go to an area that I don't have a lot of depth in, other than being a premium holder. I do know that the increase in premiums particularly around flooding is perhaps more location based. Depending on where you're located, and certainly if you're located on a flood plain, then you might want to consider that as a factor.

I can't say much about language. I hope our perspective isn't influenced by the support we receive. It was my impression that the insurance industry is genuinely concerned about the vulnerability of our cities and our infrastructure to flooding, and what it means to them in terms of payouts and hence increased premiums. When they are funding work around stormwater or rain gardens or living shorelines they're doing it because they see these as potential models to reduce our vulnerability.

● (0935)

**Hon. John McKay:** I've been given to understand that the folks in Calgary, particularly in the river flood plain, have had dramatic increases to their premiums and considerable restrictions on the ability to pay out on them.

If you can get that presentation, I'd be interested in it. Possibly the rest of the committee would be interested in it.

Thanks very much.

**The Chair:** Mr. Choquette.

[Translation]

**Mr. François Choquette (Drummond, NDP):** Thank you, Mr. Chair.

I represent the riding of Drummond, which is located in the Central Quebec region and has many wetland areas. Although the region is rich in wetlands, Quebec as a whole, and especially southern Quebec, is really losing ground year after year in terms of wetland conservation.

Is that also the case across Canada in general and in southern Canada in particular?

Mr. Fortune, would you like to answer?

[English]

**Mr. James Fortune:** There has been a significant and ongoing loss of wetlands across the developed landscapes in Canada. A lot of it happened when European settlement arrived, but it still is ongoing. The major causes are the expansion of urban areas and development, and the expansion of agriculture in some areas.

It's having an effect on wetlands and ecosystems, certainly.

[Translation]

**Mr. François Choquette:** In other words, the situation is the same as in Quebec and in my region, Central Quebec, where we are losing many of our wetland areas. That is a major concern for my region, which is rural, although it has a city at its centre

You talked about all the environmental benefits associated with wetlands. You are working very hard to raise money from the private sector, and you are doing an excellent job. As we know, your organization is exemplary, but it does not seem to be enough, despite all the efforts you are making when it comes to getting the private sector involved on a voluntary basis.

Ms. Leslie asked you what more could be done in terms of investment or legislation to conserve the wetlands, which, despite your significant efforts, continue to disappear.

[English]

**Mr. James Fortune:** Let's use your landscape in Quebec as an example. The continued loss of wetlands, with its impact on your community and your area, is largely legislated and regulated provincially. We are working extensively with the provincial governments across the country to create the value propositions and help governments develop strong legislation. That legislation is aimed at protecting the base of wetlands that exist.

We realize that there is progress, that there are developments, that things have to happen. We've built the country, and I expect we want the economy to continue to grow. In cases where wetland losses are unavoidable, we highly recommend and we endorse that mitigation be undertaken to offset that. The intent is that there would be no net loss of wetlands on these systems. We're working very hard provincially right across the country to try to bring in that type of legislation.

[Translation]

**Mr. François Choquette:** What could the federal government do to support you?

[English]

**Mr. James Fortune:** As I mentioned, in 1991 the federal government established its wetlands policy. The policy highlights the need to protect, conserve, and restore wetland on federal lands and in federal projects. Our recommendation is that we continue to apply that policy: that where there are federal lands, development is going on, and it affects wetlands, mitigation and compensation be enacted.

[Translation]

**Mr. François Choquette:** Thank you.

Mr. Butler, one of the things you talked about was the impact of climate change on insurance. You also talked about energy

efficiency. Some of your work focuses on energy and the built environment. In the past, the federal program called ecoENERGY Retrofit - Homes enabled people to make an effort in energy efficiency.

Are you familiar with that program? Did you or the people you are helping use it?

● (0940)

[English]

**Mr. Mark Butler:** I'm generally aware of it.

We didn't have a direct engagement with it, but I know that it no longer exists, and it's a loss.

[Translation]

**Mr. François Choquette:** Very well. You did not really use the program, but you know what it was all about. It provided Canadian families with support in their fight against climate change.

[English]

**The Chair:** Do you have another question? Your time is up.

[Translation]

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

[English]

**The Chair:** Mrs. Ambler, please.

**Mrs. Stella Ambler (Mississauga South, CPC):** Thank you, Mr. Chair.

Thank you to Mr. Butler and Mr. Fortune for being here today to inform our study.

I want to talk to Ducks Unlimited Canada about Ontario, the land of 1,000 lakes where I'm from—and where 13 million people also live—to pick up on the conversation about wetland loss. According to your website, southern Ontario apparently has lost 72% of its wetlands, over 170,000 acres, between 1982 and 2002 alone.

In Canada, is it true that it's the equivalent of 45 soccer fields per day of wetlands that are lost? That's a bit shocking and sad.

I wonder if any of the work that Ducks Unlimited Canada does is in urban areas in particular.

**Mr. James Fortune:** Yes, it is.

Let's define "urban" a little bit. In downtown Ottawa, where it's heavily developed—paved—there's not a lot that you can do in those areas. But if you look at the footprint in the hinterlands surrounding urban areas, we're quite involved there. This project in Carp would be an example. You can stand here and look up, and you can see the subdivisions coming all around. It's right out there on the edge.

We have extensive interpretive facilities. In a lot of places, we're aiming at and endeavouring to maintain the base that exists there.

**Mrs. Stella Ambler:** Interpretive facilities?

**Mr. James Fortune:** Yes, educational centres.

**Mrs. Stella Ambler:** Are some of those in partnership with the private sector?

**Mr. James Fortune:** Oh, definitely. Indeed, they are.

**Mrs. Stella Ambler:** The definition of what you do—everything you do—is really in partnership with the private sector.

Would that be a fair statement?

**Mr. James Fortune:** Yes, it is.

Our conservation programs are based on science. Once we can target the best thing to do for wetlands, then we go and raise the money. A lot of it comes from the private sector and either the landowners themselves or from industry.

**Mrs. Stella Ambler:** I was also impressed to read about your partnership with Street Capital Financial Corporation. I like the slogan “Get a home for your family, give a home to wildlife”. That’s very nice.

Does that operate across Canada? How does that work?

**Mr. James Fortune:** Yes, it does.

That’s an affinity program. It’s like the credit card. A financial company says, “We’d like to approach Ducks Unlimited supporters and conservation-minded people with a mortgage opportunity. We’ll give a great rate.” For every mortgage that they sign up, we get a share of the proceeds from it. Those are affinity-style partnerships.

**Mrs. Stella Ambler:** It’s almost like social licence but on a smaller scale, on an individual family scale.

**Mr. James Fortune:** Yes.

**Mrs. Stella Ambler:** I was particularly interested in the second point you made about the types of partnerships you have, and voluntary conservation offset, in particular the habitat banking.

I have two questions on that.

In your experience, is it only the large private sector companies that can afford to do this kind of thing? Are there any SMEs that might participate in these types of initiatives and projects?

With regard to my second question, you mentioned pre-banking, doing this habitat conservation banking before the other project is completed. Can you tell us how that works?

• (0945)

**Mr. James Fortune:** The first question was, do we have small and medium-sized enterprises involved? I wouldn’t say in the voluntary offset. It’s not a specific initiative, with small business saying they want to do this to offset.

To your point about the social licence and being a responsible corporation, they’re supporting us and we are conserving habitat. They’re not looking for acres to broadcast or to claim, or anything like that. They’re doing it to be a good corporate citizen.

**Mrs. Stella Ambler:** Sometimes it’s just a matter of greening your corporate grounds, for example.

**Mr. James Fortune:** They might want to do that, but we wouldn’t partner with them on that, because it isn’t delivering a science-based, high-quality outcome.

**Mrs. Stella Ambler:** Benefit to a wetland, for example.

**Mr. James Fortune:** Right. If they’re going to be affiliated with us and our brand, it has to be out there.

**Mrs. Stella Ambler:** It has to be highlighted.

Thank you.

**The Chair:** Thank you very much, Ms. Ambler.

Mr. Bevington.

**Mr. Dennis Bevington (Northwest Territories, NDP):** Thanks, Mr. Chair.

It’s a very interesting discussion today.

Mr. Fortune, a number of changes have been made to the environmental assessment process in Parliament over the last four or five years. Did Ducks Unlimited present on that?

**Mr. James Fortune:** I don’t know, honestly. I didn’t.

Hold on a second.

Not formally, no.

**Mr. Dennis Bevington:** We’re talking about wetlands. The poster child for the anti-environmental assessment process was the drainage ditch that farmers would install in their fields. That was brought up many times in Parliament as being something that shouldn’t be part of an environmental assessment. We’re losing wetlands. What’s the feeling of Ducks Unlimited on drainage ditches being taken out of the environmental assessment or any consideration of the impact of installing drainage ditches throughout wetland areas?

**Mr. James Fortune:** It shouldn’t be a surprise to anybody that we conserve wetlands. We protect wetlands, so we are not fans of wetland drainage. Our mission is wetland conservation. We don’t support wetland drainage.

When it comes to protecting wetlands on the working landscape, it is very challenging because of the levels of jurisdiction. The drainage ditch and the drainage issues are at the level of provincial legislation. As I’ve talked about earlier, our focus is to build those strong, effective policies at the provincial level to protect the base of wetlands on the landscape.

**Mr. Dennis Bevington:** Of course the fisheries legislation was altered as well, which played out on some of the drainage areas.

Are there fewer wetlands in Canada today than there were 10 years ago?

**Mr. James Fortune:** It depends where you are. In some municipalities, yes, that is truly the case. If you went into the northern landscapes and all the crown and public lands, which are owned and managed by crown authorities, they’re pretty well in existence there, and there may even be more because of the behaviour of beavers—

**Mr. Dennis Bevington:** What about the flyways? That would be your major area of concern, maintaining the flyways.

**Mr. James Fortune:** Yes, in the breeding landscapes. That would be the Prairies and southern Ontario, where we have the greatest presence of industry and significant economic activity. We still see ongoing losses, yes, generally speaking.

**Mr. Dennis Bevington:** Are those significant losses?

**Mr. James Fortune:** Yes, they are.

**Mr. Dennis Bevington:** If we're going to have a conservation landscape, we need some control over the existing wetlands. Would that be—

**Mr. James Fortune:** That's been our approach working with governments, but realizing that to have effective control, the communities have to support it. If we get too far ahead with legislation and these prescriptions and things, we find that the regulators and the communities they're made up of don't support them.

• (0950)

**Mr. Dennis Bevington:** I live in a community. There are people who are vocal, and then there are people who aren't vocal.

When you say “communities”, do you mean the ones that speak up or the ones that don't speak up? That's a really tricky answer, when you say the communities support.... If the communities don't have the knowledge of what's happening, how can you give that support any credibility?

**Mr. James Fortune:** What we work in is a political system. We're very practical about that. As we're advocating for wetland policies, we're pushing on this: if you must destroy wetlands and take them off the landscape, there has to be mitigation and offsetting.

**Mr. Dennis Bevington:** I want to speak a bit about the project in the oil sands to get a sense of the scope of what happened there. Did they invest in a similar land quantum to what they're taking up in the oil sands?

**Mr. James Fortune:** The project I talked about is just southwest of Calgary, and it's about 6,000 acres in size—very large. It's not in the oil sands landscape.

**Mr. Dennis Bevington:** But it was an oil sands company.

**Mr. James Fortune:** Sure, it's Shell. They work in the oil sands. They work—

**Mr. Dennis Bevington:** It wasn't directed towards a particular—

**Mr. James Fortune:** No.

**Mr. Dennis Bevington:** Okay. Thanks very much.

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

Mr. Toet, please.

**Mr. Lawrence Toet (Elmwood—Transcona, CPC):** Thank you, Mr. Chair. Thank you to our two guests this morning, Mr. Fortune and Mr. Butler.

Mr. Fortune, I want to pick up on the line of questioning from Mr. Bevington in regard to the stick and carrot approach and which one's more effective.

In the work you do at Ducks Unlimited I know you also work on the education factor, starting with our young people. I understand you also do work with those who are on the working landscape, the agricultural community specifically, say in Manitoba and Saskatchewan.

Are you seeing, through that educational aspect, a change in approach, in attitude over time on their desire to be part of the solution on some of these wetland rehabilitations and reclamations?

**Mr. James Fortune:** Yes, I would say so. Overall the whole agriculture sector and the development sector are far more aware of their environmental responsibility and impact. I would say yes, overall there's a growing awareness and greater engagement.

**Mr. Lawrence Toet:** In terms of programs such as ALUS, alternative land use services, and the expansion and growth of those types of programs, do you have the sense that there would be a fairly strong uptake from the agricultural community on those? Would there be strong buy-in? Would they say, yes, we understand we have an obligation but there is also societal good that's being accomplished out of this, there's a twofold purpose behind it? Would they be willing to engage in that?

**Mr. James Fortune:** I'm a farmer myself, also. In the agricultural communities I operate in and work with, there's quite an element of partnership and a long history of partnering with all governments and all kinds of agricultural programs. If there's a well-developed program that has a good scientific basis and has some opportunities for producers and landowners to receive payments that are, I would say, responsible, then yes, I think there would be uptake.

**Mr. Lawrence Toet:** As we see the development of that, you talked about carbon sequestration and the flooding aspect, which I think are all important aspects of the wetlands. Can you also speak to the nutrient loading and the ability for them to absorb nutrients, so that instead of running directly into our lakes such as Lake Winnipeg and the basin there we have the ability to actually absorb those nutrients and stop them from creating our algae blooms and issues we would have in our lakes systems?

**Mr. James Fortune:** Yes, that's another one of the significant ecological benefits of wetlands. We've studied that in Ontario as well as in the watershed around Lake Winnipeg. We have the data that frames just how much nutrient is going in because of the loss of wetlands.

• (0955)

**Mr. Lawrence Toet:** Is that data being provided now and shared with those who are working on lakes systems, like the Lake Winnipeg Basin Initiative?

**Mr. James Fortune:** Yes, and we'll make a point to make it all available to the committee. It's excellent science. Yes, it's been provided, and it all goes into this machine of policy development.

**Mr. Lawrence Toet:** Again, it comes back to this. Mr. McKay made the comment about how, in the flooding in Manitoba, Winnipeg was the most affected. I would argue that point. I would say it's outside Winnipeg that it actually has the most effect, and that is on the working landscape.

Again, in conversations with those who are working on that landscape, who are being affected on an ongoing basis now with overland flooding, is that something you're also seeing uptake on? Are you seeing a growing knowledge of this in the agricultural community, that some of this work on wetland rehabilitation would also be for their benefit, small pieces here and there that would actually save them from major flooding across their fields over the years?

**Mr. James Fortune:** I would have to say yes, for sure. A great piece of research, which I'll also dig out, done by the University of Saskatchewan, identified the impact of wetland drainage and the additive nature that it contributed to that flooding. What really drives it home is when you see the wetland drainage that goes on. If one landowner does it, it affects another landowner. If in one province it happens a lot, it affects another province—or state. It's local, it's provincial, it's international even, in its scope.

**Mr. Lawrence Toet:** That's why we have the Lake of the Woods basin initiative happening right now too. They're working together, binationally with the United States and Canada, and provincially with Ontario and Manitoba. We're seeing some real progress in the work they're doing there to bring forward a plan. Part of that plan, we would hope, would include some wetland rehabilitation aspects.

Is that something that Ducks Unlimited has also been engaged in?

**Mr. James Fortune:** Most of that work in the Lake of the Woods watershed would be in Minnesota, I believe. I can find out if our sister organization in the U.S. is involved in that.

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

Ms. Leslie, please.

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

Mr. Fortune, we have such a short period of time to ask questions that we try not to use up our time doing other things, but I do really want to congratulate Ducks Unlimited for some of the work you're doing. In particular, I've had a chance to look at the document you put together on climate change and the amount of carbon that's actually sequestered thanks to wetlands. It's a really good calculation of the importance of our wetlands when it comes to combatting climate change. Congratulations on that.

On its website Ducks Unlimited says the North American waterfowl management plan is one of the most successful conservation initiatives in the world, which is a pretty broad statement. I find it interesting because it's one of these situations where you have NGOs, the private sector, and government all working together—under a piece of policy—to make something happen. You're certainly one of the organizations that is working there.

In terms of the success of that plan, would it be possible if one of those stakeholders didn't exist? We're here to talk about private sector and environment groups. Would it be possible if government, if that stakeholder, were not involved?

**Mr. James Fortune:** If government is not involved, no. That program is a very strong partnership between government, the private sector, and conservation organizations, which are also part of the private sector.

**Ms. Megan Leslie:** Why can't it be just private sector and NGOs?

**Mr. James Fortune:** Because the bulk of the funding that's provided through it is through challenge grants. It's legislation in Congress in the United States that makes it available. That is publicly funded money from the U.S. government. The Government of Canada has to be involved in managing the whole program and be engaged in the science and all the background evaluation of it. The program is enabled by the governments of both countries. Then when the challenge grants are in there and the activities line up with

NGOs or private individuals, you have this incentive for everyone to collaborate inside the framework.

**Ms. Megan Leslie:** Okay, thanks.

Mr. Butler, I think about funding. I get the Ecology Action Centre's newsletter *Between the Issues*.; they just renamed it *Ecology & Action*. I try to stay up to date with what the Ecology Action Centre is doing and what kinds of projects are happening, and I do see when the private sector is involved in the EAC's work. I don't know this to be true, but it seems to me that private sector involvement with the Ecology Action Centre is for fun things, the easier things, the things we can see and touch, for example, coastal development. I see less involvement on the stuff that is more behind the scenes, a little tougher, things we can't touch.

I think about the fact that you have all these committees working on different issues. You have a marine committee, a coastal committee, and an energy committee. The energy committee works on everything from renewables to energy efficiency. It appears to me that it's tougher to get the private sector involved with that work. Is it just my interpretation of *Between the Issues*, or am I picking up on something there?

• (1000)

**Mr. Mark Butler:** Generally, I think you're right. For many businesses, even if privately they'll say to you that they think something is deplorable, for them publicly to take on another sector and its practices is perhaps not a good business proposition. So yes, they tend to fund things that don't involve conflict with other business sectors. I would say that for some of our work, then, we don't rely on the private sector for that type of funding. It comes from either our membership or private foundations.

**Ms. Megan Leslie:** I would have expected you to say it's from government funding as well.

**Mr. Mark Butler:** Well, I think that for some of our natural resources work, government funding would be a conflict of interest, or the government is unlikely to fund some of that stuff, so we have to go elsewhere for that funding.

Just to reiterate a theme that I know you're exploring, government is a key partner in all these things and must be, be it in setting a really high bar or creating a level playing field. I've done some work on the green economy, and I keep hearing from other jurisdictions that when government sets strong policy, it doesn't necessarily kill jobs; it can also hasten and create innovation. We've certainly seen that in the energy sector in some of the European jurisdictions.

Also, we hear sometimes from industry that they would like to do something but they worry that their competitors won't, which will give them competitive advantage at least in terms of cost, so they don't do it. So yes, there's a role for government in setting some strong standards.

Am I answering your question?

**Ms. Megan Leslie:** Yes, thanks.

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

Mr. Carrie, please.

**Mr. Colin Carrie (Oshawa, CPC):** Thank you very much, Mr. Chair.

Mr. Fortune, we're talking about partnerships. I was wondering if you could elaborate a little more on some of the partnerships that your organization is involved in. I believe you've done one with Irving Oil. Could you elaborate a little more on some of these?

**Mr. James Fortune:** Sure.

Irving Oil is a significant energy company based in New Brunswick, right there in Saint John. They have a very large refinery. I believe it processes 300,000 barrels a day. It's a significant refinery. As you go into the refinery, there's a beautiful restored wetland there in the tidal area. It's our Red Head project and has been on the ground there for about 20 years, I believe. It's an on-site kind of mitigation offsetting exercise that was undertaken. That's an example.

When you partner with corporations like the Irving Oil group, you work with these companies around their values and your values. One of the values of Mr. Arthur Irving, who was one of our presidents at Ducks Unlimited Canada for a while, is education and research in the future, so Irving Oil, Ducks Unlimited, and Acadia University have established a research station in Beaubassin, New Brunswick. It's a beautiful area on the edge of the Bay of Fundy. Irving Oil supported the re-establishment of that facility, and they also provide some funding support, as we do, for students who are conducting research there on salt marsh restoration and the impacts of natural habitats in mitigating high tides, and how that's contributing to carbon sequestration and habitat—all the same functions that Mr. Butler was talking about—as well as naturalizing shorelines. That's a second example.

Also, for any other projects or initiatives that we're working on, the Irvings can be relied upon to support us financially on smaller-scale projects.

•(1005)

**Mr. Colin Carrie:** We've heard from other witnesses that sometimes businesses don't tend to be really proactive in reaching out to organizations such as yours. Do you find that to be true at your organization? Or do you have a lot of people coming to you?

**Mr. James Fortune:** Organizations are all different. There's the scale. You have the Ecology Action Centre in Nova Scotia, while we're a very large not-for-profit so we have a brand that's very visible, and that creates a different value proposition for a corporation to come to us.

We wish there were more corporations that would come forward and want to be involved in real, impactful, on-the-ground conservation activities, and certainly we have more room to bring them in to do more work. We have a lot of opportunities, but I would always say that we would welcome a lot more.

**Mr. Colin Carrie:** What other help could benefit the coming together of businesses and not-for-profits? How do you think we could get the message out to companies about the benefits for these partnerships, the benefits for social licences? How do you think we could format government action so that we could get governments or businesses to be more proactive?

**Mr. James Fortune:** As has been mentioned here, there are carrots and sticks in this area, and you need both. A foundation of legislation is the first step. You have to have a threshold. After that, you need to create these challenge grants and fund resources like that, so that when the government values an outcome, puts the science behind it, and makes a public commitment to it, you can then challenge landowners, the public and private sectors, provinces, and others to come forward and access those funds.

You have to realize that it takes money to enact, and get the job done. But, those instruments, those approaches, are quite successful.

**Mr. Colin Carrie:** You mentioned the national conservation plan. You talked a little bit, too, about different parts of it being oversubscribed. I see that in many ways as being good news. What would be your opinion on a program like this then? Is it something the government should be a little bit more aggressive with, or what would you say?

**Mr. James Fortune:** Oh, indeed. Let's put more resources into the wetland conservation fund and other pools there, because there's demand out here and partnerships to utilize it and to have real, meaningful, long-term, on-the-ground impact.

**Mr. Colin Carrie:** In that, do you have numbers on economic impact?

**Mr. James Fortune:** We've done some research on the economics of our specific projects and we'll provide it to the committee. There's not just an ecological outcome but also an economic impact.

**Mr. Colin Carrie:** Excellent.

**The Chair:** I'm just going to take one minute, if I can, committee members, for a question to Mr. Butler.

You mentioned the Colin Stewart Forest Forum area, and the partnership between environmental NGOs and the four largest forestry partners. I loved your statement, "The industry was looking for more certainty around wood supply and the environmental groups for more certainty around land protection. It worked."

Are you familiar with, or are you partnering with, the Canadian Boreal Forest Agreement group? Are you familiar with them? Can you just give me a short answer to that?

**Mr. Mark Butler:** I'm familiar, but we're not part of them, because we have very little boreal in Nova Scotia.

It's a similar model.

**The Chair:** I just became aware of their model recently. I'm hoping that we can encourage more private industry groups to be involved in NGOs and groups like this that are actually trying to find cooperative solutions.

Mr. Sopuck.

**Mr. Robert Sopuck:** Mr. Fortune, I'll just follow up on the line of questioning of my colleague Mr. Toet. The major issue on the privately owned landscape, quite frankly, is that these wetlands on the privately owned landscape deliver public goods, but those public goods are at a private cost. That's essentially the conundrum, isn't it, the policy nut that we have to crack?

**Mr. James Fortune:** That's one way to frame it.

The producers and agriculturalists are trying to make a living, and they're accessing all the land they can to do that.

• (1010)

**Mr. Robert Sopuck:** There is an important qualification to what I said. We can't lump all types of agriculture together the way I just did. I find that cattle ranchers, for instance, actually prefer having wetlands on their lands, and so I find in many cases the anti-beef rhetoric quite disturbing. Quite frankly, extensive cattle ranching is probably the most ecologically sound form of agriculture that there is.

Would you agree with that?

**Mr. James Fortune:** That would be second only to maple syrup production.

**Voices:** Oh, oh!

**Mr. Robert Sopuck:** That's fair enough, but would you not say that?

**Mr. James Fortune:** Sorry. I have an old-growth maple forest.

**The Chair:** Just to take advantage of my position as chair, I'll say that the world's largest one-day maple syrup festival is in my riding, in the town of Elmira.

**Mr. Robert Sopuck:** I apologize to the committee for bringing it up.

**Voices:** Oh, oh!

**Mr. Robert Sopuck:** Mr. Fortune, again, I want to follow Mr. McKay's lines of questioning, which were very interesting, with regard to the fact that this landscape conservation work, which government funds and you people do, simply does not get the credit in terms of carbon offsets.

Can you talk about the carbon sequestration ability of the grasslands that Ducks Unlimited conserves?

**Mr. James Fortune:** I can in general. Grasslands sequester carbon by the nature of the fact that they exist. When they're converted to other uses, that carbon is released. In our conservation programs, generally for every one acre of wetlands that we secure, we get at least three acres of grassland. There's a nice complex leveraging nature in conservation issues like that.

**Mr. Robert Sopuck:** You said as well that the issue, especially on the prairie landscape that I'm familiar with, is largely one of scale. We know it needs to be done out there; it's the kind of programming that would be super effective on a large-scale watershed basis.

We haven't got the scale yet. Is that a fair comment?

**Mr. James Fortune:** There are a couple of things.

If you want to go community supported, engaging producers and getting everyone on board, there is not a program that runs right across the whole prairie landscape.

If we wanted to protect everything that's there, that becomes a regulatory approach through the provincial governments. That kind of thing can be implemented, at scale, by regulation and policies.

**Mr. Robert Sopuck:** Mr. Butler, in terms of the region you come from, what is your assessment of the state of the environmental quality there, and could you provide some quantifiable environ-

mental indicators? I don't need exact numbers, but be as quantitative as you can in terms of the state of the environment in your region.

**Mr. Mark Butler:** That's a big question, and I don't know if I can provide numbers off the top of my head.

In terms of European settlements, Atlantic Canada is one of the earliest settled areas, and we've been fishing and farming and cutting down trees for a long time out here. We don't have a lot of the pristine wilderness that exists in B.C. or some of the northern areas. Most of our forest has been cut over; you know what's happened to our fishery, etc.

At the same time—and I really don't know how this is going to play out—we're seeing a lot of rural depopulation, which I find concerning. I don't know what that's going to mean for the environment overall. Of course, when it comes to birds, and ducks would be included in this—or many fish species—they're migratory. A lot of our birds spend the winter in Mexico and other smart places like that, or our fish move into U.S. waters during the winter months.

I'm sorry; I can't give you numbers.

**Mr. Robert Sopuck:** That's fine. Thank you very much.

**The Chair:** Mr. McKay, please.

**Hon. John McKay:** Well I have to say that those migratory birds are a lot smarter than MPs.

I think if you sought it, Chair, we might have unanimous consent to decamp the committee to Mexico, for February and March at least. We need to do a study.

**An hon. member:** We could do a video conference.

**Hon. John McKay:** Following up on Mr. Sopuck's and Mr. Toet's conversations, we have wetlands giving ecological benefits and carbon sequestration, nutrient runoff, as Mr. Toet pointed out, runoff generally—all that sort of stuff. We have the rural communities providing urban and near urban communities, and possibly other rural communities, with a significant benefit for which nobody is getting paid. That's going to carry on for the foreseeable future.

Absent a carbon pricing regime, be it at the federal level or provincial level, how do you propose that those communities or individual landowners—assuming there was a will—be paid for their significant benefit, other than if you will through the goodwill of corporations? Everybody does everything for a variety of motivations, maybe even greenwash and things of that nature. Outside of a carbon pricing regime, how do you price that benefit?

• (1015)

**Mr. James Fortune:** It's challenging.

There are some examples of attempts, or I think programs and policies that support it. There are managed land and conservation land tax incentive programs in many provinces. Those are provided to farmers, rural landowners. If you retain these habitats on your landscape, you don't pay property tax on them. That's an incentive. That's a recognition of the public benefit that's accruing and coming off the property, the fact that now, since it's not a productive part of my farm landscape, I'm not paying taxes on it. That's the current mechanism that's in place.

**Hon. John McKay:** I guess that kind of loads it on the taxpayer there, as opposed to loading it on the broader society, those who are using carbon or getting the benefit of not having their homes flooded and things of that nature, which is one public policy response, I suppose. Do you have any other suggestions?

**Mr. James Fortune:** I can't separate the taxpayers from everybody, basically, except there's some age...like we don't start paying until we start consuming, but you know, it's all there if the marketplace is there, if there's recognition.... Carbon pricing is an example, and for water licensing and pricing and other landscapes, there are some issues around those. If there's no market for it, then it becomes this public good and you're into a situation where the community, Canada, would have to think about this and ask, "Are we willing to pay for this?"

**Hon. John McKay:** Then it comes out of general revenues, basically, as opposed to specifically generated revenues.

**Mr. James Fortune:** Right.

**Hon. John McKay:** I have a final question. I'll direct this first to Mr. Butler.

The CRA has had some enthusiasm, shall we say, for auditing environmental groups in particular but other charitable groups as well. I'm wondering whether your group has had any particular notice from the CRA, and whether you have adjusted any of your

behaviours or activities with respect to the advocacy component of what you do.

**Mr. Mark Butler:** The answer to the first question is yes. We were audited by the CRA. It began in I think the fall of 2011. Two years later, we successfully completed that audit. There are some I guess minor changes we have to make, particularly around tracking.

We don't mind being audited. The opportunity to be a charity comes with a certain responsibility. However, if we feel that the audits are being targeted or that there's some unfairness in the application of the law, I think that is discouraging and disturbing, because we feel that protecting nature and the work we do is important and of value to Canadians.

As a result, we still want to do the work we do. If we can't speak out for nature, then we have to ask ourselves why we exist. We're still trying to do that, but as a result of the audit, it is taking up more of our resources.

**Hon. John McKay:** In terms of—

• (1020)

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

**Hon. John McKay:** I'd dearly love to ask how many resources.

**The Chair:** Okay. I don't have any other speakers on the list, unless the committee wants to go another round. I'm open to that.

**Hon. John McKay:** I'm all for it.

**The Chair:** I don't see any others raising their hands, so I want to thank Mr. Fortune and Mr. Butler very much for being with us today.

Thank you for the input and, more importantly, thank you for the ongoing work you do day in and day out to preserve our environmental resources. We really do appreciate it. Thank you.

With that, the meeting is adjourned.









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