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Chair

Mr. John Aldag

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• (1530)

[English]

The Chair (Mr. John Aldag (Cloverdale—Langley City, Lib.)): Good afternoon, everyone.

Welcome back to the commissioner, her team and all of the departmental officials who are here.

The purpose of today's meeting is to hear from the commissioner on her most recent reports. I think there are four of them. We're going to start with a 10-minute opening statement by the commissioner.

Although we had also asked the departments to give opening statements, I think we will skip those and just get right into the questions if there's agreement to do that. We have one hour for this portion of the meeting, so I really would like to get into the interactions and discussion.

With that, Commissioner, we will turn it over to you to hear your opening statement.

Ms. Julie Gelfand (Commissioner of the Environment and Sustainable Development, Office of the Auditor General): Thank you very much.

[Translation]

Mr. Chair, I am pleased to be here today to discuss our spring 2019 reports, which were tabled in the House of Commons in April. I am accompanied by Kimberley Leach, Sharon Clark and Heather Miller. All three are principals, and they were responsible for our audits.

I'm going to talk to you about three audits. Our first audit focused on aquatic invasive species. This includes everything from zebra mussels to Asian carp and green crabs. These species are introduced into Canadian waters by ships, recreational boats and trade. They compete with native species for food and habitat, and they have negative impacts on ecosystems and economic activities like fisheries and tourism. They can damage beaches and docks, build up in water intake pipes and cause problems in hydroelectric facilities.

[English]

We found that, despite long-standing commitments to do so, Fisheries and Oceans Canada and the Canada Border Services Agency have not taken the steps required to prevent invading species from becoming established in Canadian waters.

Fisheries and Oceans Canada didn't know which species or pathways posed the greatest threats to Canada's environment and economy. They didn't know which species or pathways to monitor, and they didn't have an overall picture of which species had become established or where.

Fisheries and Oceans Canada had developed only one plan to respond rapidly to an invasion, and this was for four species of Asian carp, a very important species to be worried about, so we are ready to respond to an invasion of that species.

[Translation]

In addition, Fisheries and Oceans Canada and the Canada Border Services Agency did not adequately enforce the Aquatic Invasive Species Regulations. This was in part because they did not sufficiently support fishery and border services officers.

Let's turn now to our second audit, which focused on the federal government's role in protecting fish and their habitat from waste and effluent released into water at active mine sites.

Environment and Climate Change Canada and Fisheries and Oceans Canada determine whether a natural water body can be used to store waste from mines. We found that the departments adequately reviewed storage options, consulted local and indigenous communities, and did not authorize any deposit unless the mining companies met all the necessary conditions.

Metal mines such as zinc, copper, nickel and now diamond mines are authorized to release certain concentrations of specific harmful substances in their releases of effluent. We found that Environment and Climate Change Canada monitored the environmental effects of this effluent on fish. They provided technical guidance, they collected and verified the information, and they used this data to introduce stricter effluent limits.

• (1535)

[English]

Environment and Climate Change Canada reported high compliance with effluent limits by metal mines; however, we were concerned that the department's reporting was not comprehensive because it did not have complete information for roughly a third of the mines. We also recommended other improvements, including that public reporting about environmental effects provide the location of mines and that measures be considered when environmental monitoring shows that effluent is affecting fish—for example, through changes in growth rates.

We examined the oversight of non-metal mines as well. These include potash, coal and oil sands mines. Environment and Climate Change Canada did not consider the risks of non-metal mines to decide how often and which sites to inspect. We found that non-metal mines were inspected less frequently than metal mines. In our view, inspecting non-metal mines regularly is important, because these mines are not authorized to release any effluent that may be harmful to fish or their habitat.

I will now turn to our last two reports, which focus on subsidies to the fossil fuels sector.

The first deals with tax subsidies, and the second with non-tax subsidies, such as grants or loans at favourable rates. This issue is important because Canada and other countries have committed, through the UN and the G20, to phase out inefficient fossil fuel subsidies.

[*Translation*]

For both Environment and Climate Change Canada and Finance Canada, we found that their definition of “inefficient” was so broad that it could not guide their work.

We found that Finance Canada's assessments of whether tax subsidies were inefficient focused almost exclusively on fiscal and economic considerations—they did not include adequate consideration of social and environmental issues.

[*English*]

On the non-tax subsidies side, we found that Environment and Climate Change Canada's work to identify inefficient fossil fuel subsidies was incomplete. The department considered only 23 of over 200 federal organizations to compile an inventory of potential non-tax subsidies. It did not include all regulatory organizations with mandates in the fossil fuels sector, nor did it include all research granting organizations. It also did not include publicly funded projects that were designed to, for example, increase production of fossil fuels.

These four reports conclude my time as the Commissioner of the Environment and Sustainable Development, as I will be leaving the position in the fall. It has been an incredible honour to serve you in this role.

[*Translation*]

I hope that parliamentarians and Canadians find these reports and recommendations useful and worthy of follow-up, now and in the future.

[*English*]

Mr. Chair, this concludes my opening remarks. We'll be pleased to answer any questions you have.

Thank you very much.

The Chair: Excellent. Thank you so much for that overview of the four reports. With that, we will jump into the questions that we have.

I am sure that the departments will be able to provide some of the responses they would have provided in their prepared statements as we get into the discussion for the next 50 minutes or so.

First of all, I have Ms. Dzerowicz for six minutes of questions.

Ms. Julie Dzerowicz (Davenport, Lib.): Mr. Chair, before I get into my questions, could you describe who's around the table so that I can direct my questions, please? I just need to know which departments are here so I can direct my questions.

The Chair: Sure. We have with us Fisheries and Oceans, Environment Canada, Finance and the Canada Border Services Agency.

Those are the four groups represented here today. I don't think I missed anybody, right? Okay.

Ms. Julie Dzerowicz: Thank you. It's just because we have so many people.

I want welcome all of you.

Thank you for the excellent presentation. We are going to miss you this fall. Thank you so much for all of your wonderful work.

In my riding of Davenport, I hold way too many climate action town halls. I will tell you that one of the things that comes up all the time is our fossil fuel subsidies and whether we could be going fast enough. Because I only have six minutes, I'm going to direct my questions to that issue, if that's okay.

I have one question for Ms. Gelfand, and then I think I'd like to direct my questions to Finance after that.

You indicated that “We found that Finance Canada's assessments of whether tax subsidies were inefficient focused almost exclusively on fiscal and economic considerations”, but didn't adequately consider “social and environmental issues”. Can you just explain that to me so that I can better direct my questions after this?

● (1540)

Ms. Julie Gelfand: If you think of sustainable development, you usually think of three legs of a stool. You look at things from an economic perspective, a social one and an environmental one. We were expecting the Department of Finance, when it was reviewing potential fossil fuel subsidies, to be looking at all three parts of that stool. What we found was that the majority of their analysis focused almost exclusively on the economic side, without being able to show us that they had done a social analysis and an environmental analysis of those potential subsidies.

Ms. Julie Dzerowicz: Okay. Thank you.

I quite often ask officials where we're at with fossil fuel subsidies and their elimination. The response I get is that we've eliminated seven out of eight inefficient tax subsidies for fossil fuels. That's seven out of eight. Also, we're trying to define inefficient non-tax fossil fuel subsidies. That is the answer I get.

I've had a panel discussion in my riding. I've asked the panellists, who are experts in the industry—professors and lawyers who work a lot in this area—if we can move faster in eliminating fossil fuel subsidies, and they have said, yes, we can. In particular, we can move faster on fossil fuel subsidies, whether tax or non-tax subsidies, that go directly to supporting increased greenhouse gas emissions. I'm sorry: we can move faster to eliminate fossil fuel subsidies that, yes, are subsidizing greater greenhouse gas emissions.

I guess that's my question. In my riding, they just want to hear that we are 100% of the way there, as opposed to 80% of the way there. I want to be able to respond to them about why we're not able to move faster in eliminating these fossil fuel subsidies.

I don't know who I'm directing this question to. I know we have a lot of people here. Who are the Finance officials here?

Thank you.

Mr. Andrew Marsland (Senior Assistant Deputy Minister, Tax Policy Branch, Department of Finance): Thank you very much for the question. I'll speak to the tax side. Maybe colleagues from Environment will wish to speak to the non-tax side.

Over the past decade, governments have eliminated, phased out or rationalized eight out of nine income tax fossil fuel subsidies.

Ms. Julie Dzerowicz: Right.

Mr. Andrew Marsland: By our assessment, there are nine subsidies. We define a subsidy by reference to whether or not it is a tax expenditure. Every year, we publish a report and table it in Parliament, which deals with all tax expenditures. That identifies those that are specific to the fossil fuel sector. Eight out of nine have been rationalized.

Ms. Julie Dzerowicz: What's the last one that has not been eliminated?

Mr. Andrew Marsland: On the last one, just recall that the commitment to the G20 is to rationalize, to phase out, inefficient fossil fuel subsidies. There is another tax expenditure, which is flow-through shares. It is not exclusive to the fossil fuel industry and essentially provides a mechanism that assists corporations in obtaining financing. That applies to the mining sector and the fossil fuel sector, as well as the clean energy sector.

That's the one remaining tax expenditure that is somewhat specific to the fossil fuel sector. Now, we've continued to look at that to determine whether it's inefficient. There are reasons for that measure across a number of sectors.

Ms. Julie Dzerowicz: When we say “inefficient”, are you saying that it's actually used to expand extraction? Is that what it means?

Mr. Andrew Marsland: Well, it's a question of inefficiency—

Ms. Julie Dzerowicz: I don't want to.... Unfortunately, I have, like, three minutes or three and a half minutes left.

Mr. Andrew Marsland: Yes. Unfortunately, it's not something that's susceptible to a kind of simple definition.

Ms. Julie Dzerowicz: Okay. Yes.

Mr. Andrew Marsland: What we do when we assess an inefficiency or efficiency of a measure is to look at things like the need for policy intervention and whether it's relevant. We look at

whether it's effective in achieving its stated objective. We look at the compliance costs associated with it.

Ms. Julie Dzerowicz: I have 30 seconds left.

I don't know if you can actually submit the answer to this committee, but I'd really like to understand why we're not able to eliminate this last one, and, on the inefficient non-tax fossil fuel subsidies, how come we're not further along in eliminating them?

If you can't respond in the 30 seconds left, could you please submit something to this committee? I have a lot of representatives, a lot of people in my riding, who are demanding answers to this, and I'm not able to get answers to it.

• (1545)

Ms. Hilary Geller (Assistant Deputy Minister, Strategic Policy Branch, Department of the Environment): I'll try to do this in 30 seconds.

Very quickly, the Department of the Environment has done a very extensive review. We identified 36 programs that could potentially be subsidies and concluded that four of them were, but none of them were inefficient.

I think probably the key thing is that Minister McKenna launched a consultation in early April, just to—I think in her words—ensure that we've got it right. It's a very important exercise, and that consultation will wrap up on June 30.

Ms. Julie Dzerowicz: Okay, but we're still on track to eliminate it all by 2025, or trying to do that earlier?

Ms. Hilary Geller: The leader's commitment is by 2025. That's right.

Ms. Julie Dzerowicz: Thank you.

The Chair: Guests, we do have some new departmental officials who may not have been here before. We use a card system. The yellow card means that you have one minute left. The red card means that you're out of time, but finish your thought and we'll move on to the next person.

With that, Monsieur Godin, you have six minutes.

[Translation]

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Thank you, Mr. Chair.

It isn't a red card like in soccer. Our chair is very flexible.

Madam Commissioner, it is with considerable emotion that I address you today. This is probably the last time we'll have the opportunity to work with you as commissioner. In your presentation, you said that you hope parliamentarians and Canadians will find these reports and recommendations useful and worthy of follow-up, not and in the future.

We met at the Standing Committee on Public Accounts. You have witnessed my outbursts about the fact that accountability, reporting, follow-up and implementation of recommendations are not automatic. I think we need to develop a system to make parliamentarians, public servants and all those involved in the decisions and suggestions you submit to us accountable. I commit before you and everyone else to do this follow-up if I'm still here for the 43rd Parliament. It's been a pleasure to work with you.

I'll now move on to the report on aquatic invasive species. In paragraph 1.44, you talk a little about what has been done since 2015. You mention the Aquatic Invasive Species Regulations, which came into force in 2015. In that paragraph, you state that, "By 2018, [Fisheries and Oceans Canada] had still not arrived at a process for choosing species to include when the Regulations are next revised."

Since my time is limited, I'll jump right to the end of paragraph 1.46, which reads:

At the time of our audit, the Department had developed draft work plans for its Aquatic Invasive Species National Core Program but had not finalized strategic directions for the program to guide its planning and resource allocation.

Madam Commissioner, I have the privilege of representing the riding of Portneuf—Jacques-Cartier. There are many lakes and invasive species. We have to act now. There was a settlement in 2015, but it is 2019 and almost nothing has been done.

I am addressing you, Madam Commissioner, but also the representatives of other departments who may want to round out your answer.

What must be implemented now to reduce the invasion of these species? Installing a cleaning station at the entrance and exit of a lake limits proliferation, but there are other things you can do as well. Can you give us some suggestions for a solution so that we can solve the problem in the next few years?

Ms. Julie Gelfand: In five seconds, I'll tell you that it would involve implementing the recommendations at the end of our report.

Mr. Joël Godin: As always.

Ms. Julie Gelfand: I'll take 10 seconds more to tell you that Fisheries and Oceans Canada needs certain information. However, at present, it has no information on the number of species that pose a threat to us, the pathways of entry and the locations of these species in Canada. The department needs to address these deficiencies and find this information. It must develop action plans to prevent invasions that may occur, but it must also know which species pose a threat to us. We lack information, including risk assessments and a strategic plan. This is the third audit in 20 years that we've done in this area, and there is still a lot of work to be done.

I'll turn things over to the representative for Fisheries and Oceans Canada so that he can round out my answer.

Mr. Joël Godin: Mr. Winfield, you have the floor.

[English]

Mr. Nicholas Winfield (Director General, Ecosystems Management, Department of Fisheries and Oceans): In 2017 the government invested \$43.8 million in the national aquatic invasive species program. It's the first time that we've had a national program.

We are two years in. We achieved our staffing levels this year, and have 20 dedicated staff across the country who are focusing on aquatic invasive species. They're working with the provinces.

I think your question on establishing priorities in addressing invasive species was very important, because the provinces manage the fishery within their jurisdiction, and the federal government is responsible for ensuring, through this regulation, the prevention of the transport, possession and import across borders, between provinces and between states.

The federal role, really, is to support coordination with the provinces, working with the U.S. and the Canada Border Services Agency, to prevent the movement of aquatic invasive species. In 2017, to complement the regulation that came in in 2013, for the first time we had the capacity to start this work.

We received the commissioner's report with open arms, because it aligned very much with the direction we were undertaking. Clearly there was not sufficient evidence when the commissioner was doing her report to demonstrate that all of these measures had been put in place, but we fully accept the recommendations. We do have staff who are now working on these recommendations, and they were very much aligned with our objectives that began in 2017. We stopped work to go through this audit, in order to reconfirm that we were doing the right kind of work.

The key message I want to convey is how important our collaboration with Canada Border Services Agency and with the provinces and territories is. We work with them through national committees, and they are very interested in getting the support from DFO on both the border issues and the science issues, to identify where the threats are.

I do feel that we have an—

● (1550)

[Translation]

Mr. Joël Godin: Excuse me, Mr. Winfield, but I don't have much time left. Thank you for your answer, but I'm not necessarily satisfied. I think you shouldn't have to wait until the Commissioner's audit to do a self-assessment. You should have done it beforehand.

My next question is for the people from the Department of the Environment.

I'd like to know who's responsible for the Tata Steel dump in Quebec. There's red water there. The news showed a bear drinking there.

Is it Quebec's responsibility or Canada's? It is a joint responsibility? I think that place is polluted.

[English]

The Chair: Could we get just a very, very brief answer? We are out of time.

Ms. Heather McCready (Deputy Chief Enforcement Officer, Department of the Environment): Hi. It's Heather McCready from Environment and Climate Change Canada. I am the Deputy Chief Enforcement Officer. As with many things having to do with water, the jurisdiction is shared between the province and the federal government.

[Translation]

So, both are responsible.

[English]

The Chair: Thank you.

Mr. Stetski, we go over to you now for your six minutes of questions.

Mr. Wayne Stetski (Kootenay—Columbia, NDP): Thank you, Commissioner. It's good to see you—unfortunately, perhaps for the last time. I'll direct my questions to you, and you can redirect them appropriately.

My riding is Kootenay—Columbia, located in southeastern British Columbia. My question is for Fisheries and Oceans. I was regional manager with the B.C. Ministry of the Environment, responsible for fish and wildlife, from 2002 to 2009. In the first two years, one of my tasks, unfortunately, was to cut 27% of my staff. I had to make decisions on whether to keep fish biologists or wildlife biologists. At that point Fisheries and Oceans Canada had staff in the Kootenays. They had five staff. I sat down with the manager at the time. He showed me their organization chart. They were going to have six biologists and six fisheries enforcement officers in the Kootenays, and so I cut a fish biologist and kept a wildlife biologist as one step.

Fast-forward to today, there are no fisheries officers left in the Kootenays. I'm wondering whether that may have contributed to the fact that these invasive species have not been properly identified, and whether there's an opportunity to fix that going forward and to get some staff back in the Kootenays.

Ms. Julie Gelfand: It's probably best to ask the department.

Mr. Nicholas Winfield: In last year's budget, \$284 million was announced for a reinvestment in restoring lost protections, which included the staffing of new biologists and new fishery officers. So we are staffing up in B.C. under the modernization agenda. Within this \$43.8 million investment over five years, we are also increasing our staff by six new fishery officers. Granted, that's across the country. Those fishery officers will be focusing on areas where there is a high threat of invasive species entry—so primarily in Quebec and Ontario, but B.C. is also increasingly of concern with respect to sea lampreys moving in from the U.S. and from the east moving west.

Specifically in the Kootenays, I would say that, no, there will be no new individuals, but with respect to staff in the Pacific region, we are retaining our existing office structure—Kamloops is the nearest office—and those staff will be working in the east Kootenays as well as on the Fraser.

• (1555)

Mr. Wayne Stetski: We'll certainly continue to push to have them brought back to the Kootenays, because they were very important for freshwater protection.

Related to that, the Province of B.C. now has check stations when you come into the province, where they pull over all vessels of any kind. It could be a canoe. It could be boats. I stopped last year and checked with them to see what they'd found over the course of the summer. At that point, they had found three or four boats with mussels on them, and they were all from Ontario.

What happens, of course, is that they are sealed and the owners are told that they are not allowed to put their boats in the water. They've towed their boats all the way from Ontario and, absolutely, I don't want them in the water, but how does a boat get all the way from Ontario to British Columbia before they find out they're carrying mussels? Do no other provinces have check stations across the country? Should they not have something in place, potentially in conjunction with the federal government?

Mr. Nicholas Winfield: Definitely, I think the key issue is to identify the modes of transmission. We do recognize that Ontario is the source for zebra mussels going west, and in every direction. Your point is well taken: We should indeed be beefing up at the provincial borders for these species.

Ms. Julie Gelfand: In our audit, we didn't actually look at the transport between provinces. We were looking at it between borders, so the U.S.-Canada border. We did find generally that both CBSA and fisheries officers were not being provided with enough training and materials to know what to look for and how to deal with it if they did find it. For the staff who are there, the CBSA staff in particular, they need to have more support. The fisheries officers also need more support. Both of them need more support for when they do find that coming up from the south. We didn't look at interprovincial....

Mr. Wayne Stetski: I just felt badly for the boat owners who hauled their boats all the way from Ontario and weren't allowed to put them in the water in British Columbia when they got there. That needs to change going forward.

I have a question quickly on oil and gas subsidies. I know that the Department of Finance apparently disagreed with one of the recommendations, but in your view what percentage of subsidies, if you're even able to take a guess, are actually being reported currently? We hear anything from one billion to two billion dollars' worth of subsidies. Do we have any idea what the subsidy actually is for the oil and gas industry?

Ms. Julie Gelfand: That's a great question. We didn't actually look at that in particular. You have to remember that the federal government's commitment is to reduce inefficient fossil fuel subsidies, so if a fossil fuel subsidy is considered and deemed to be efficient, there's no commitment to reduce that. It's only if they're deemed to be inefficient. Our colleague was telling you some of the things they considered in the definition of "inefficient", which at least from my perspective, I looked at and thought in the case of both departments, didn't seem like a really solid definition of what inefficient fossil fuel subsidies were. It was a series of considerations, as opposed to a definition. Canada still hasn't defined what, from my perspective, "inefficient" means.

In terms of the non-tax side, Environment Canada only looked at 23 of 200 federal organizations. It didn't look at a whole series of organizations that we thought they could have looked at. On the tax side, there are still some benchmark tax measures that need to be looked at. There are 12 benchmark tax measures. They've reviewed two of them, so there are still 10 more to review; at least at the time of our audit, that's what we found. They may have been completed since then, but when our audit finished, they still had that to do.

Therefore, I can't give you a number and the numbers vary by which organization.... Sorry, I can't give you a number.

The Chair: We're out of time on this one, but our representative from Finance would like to make a brief comment, so I'll give him the floor for a minute.

• (1600)

Mr. Andrew Marsland: Yes, I just wanted to clarify, and I think the commissioner did clarify it at the end. As of the time of the audit in June 2018, we had looked at two of the benchmark measures. Our commitment was to look at them by the end of 2018 and we met that commitment.

The Chair: Thank you.

Mr. Fisher, you have six minutes.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you very much.

Julie, I'm sorry to see you go. This is our last time together, but thank you for the last three and a half years.... Well, it's been three and a half for me.

Ms. Julie Gelfand: It's three and a half for you, yes. For those guys, I was around as well.

Voices: Oh, oh!

Mr. Darren Fisher: Tunicates are a big problem in Nova Scotia. Minister Bernadette Jordan's riding of South Shore—St. Margarets is home to very popular and pre-eminent mussel farms. Mussel farms on the South Shore have been dealing with invasive tunicates attaching themselves to the mussels, and hurting and destroying the businesses. The socio-economic risks seem very, very high.

I was concerned to read in your report that DFO "did not implement adequate measures to prevent invasive species from becoming established" in our waters. I'm not sure if you want to comment on that, or should I go directly to Mr. Winfield? Do you have a comment on that portion of your report?

Ms. Julie Gelfand: No, I think you've read it exactly as it is, so I would go to the department.

Mr. Darren Fisher: Thank you.

Mr. Winfield, you talked about some of the things you're going to do. I'm glad you've taken the recommendations of the commissioner. Looking ahead, specifically for tunicates, what are the next steps for this particular invasive species and how it's impacting mussel farms in Nova Scotia?

Mr. Nicholas Winfield: I would say that tunicates are one of the more challenging species to manage because they are coming in by various ways on vessels. We have seen barges and boats coming in

with tunicates attached to them, so it's just a very challenging species to manage.

That being said, it is one of the priority species, and the recommendation of the commissioner was to identify those priorities. We will be looking at how we control tunicates and what options are available to us. The regulations allow that to take place, so we have the authority and the tools. I think the question is one of methodology and how not to harm other commercially or ecologically valued species. That's the best I can give you at the moment.

Mr. Darren Fisher: Thank you.

I will move to Environment and Climate Change Canada.

Some 23 of over 200 federal organizations were considered during the report on the non-tax subsidies. I think the commissioner may have touched on this, but how do you pick and choose which organizations are reviewed?

Ms. Hilary Geller: We focused on departments and agencies that had the highest likelihood of having programs that could potentially involve fossil fuel subsidies. If you look at the entire list of 201 departments and agencies, there are many, many that clearly would have nothing to do with fossil fuel subsidies: the Bank of Canada Museum, the Canadian Judicial Council, and various museums and dairy commissions and things like that. We really started by trying to focus on the departments and agencies that would likely have programs. I think that's another important point: we weren't looking for one-off payments that might have happened at some point in the past. We were looking for programs that could be ongoing. We feel that we would have caught the vast, vast majority that would meet that definition.

Mr. Darren Fisher: So that's going to allow us to meet our commitments to the G20?

Ms. Hilary Geller: Yes, that's our belief.

Mr. Darren Fisher: Okay. Do you feel confident there's not going to be 88% of them out there that might have a few in there?

Ms. Hilary Geller: This comes back to the announcement that Minister McKenna made regarding the public consultation that's going on until the end of June. Because it is an important issue, it was to give the public a chance to have a look at our approach, have a look at our framework, have a look at our findings, and comment.

Potentially points will be raised that could lead to a reconsideration.

Mr. Darren Fisher: Okay.

I'll go back to the commissioner for a second.

We were supposed to be seeing you on April 8, but of course that was changed to today.

There's been a little bit of time for people to ruminate on your reports. What has the response been from all of the departments now that the reports are public, within the two months since they were released?

Ms. Julie Gelfand: I haven't received any directly to me, so—

Mr. Darren Fisher: That's other than the one the Department of Finance disagreed with.

Ms. Julie Gelfand: Well, I just heard that they've completed some of it, so that's great. I was aware of some of the announcements by Minister McKenna, for example, on the consultation, but I haven't received any specific information.

We did get a phone call from somebody who said that one of the ones that were missing was from the National Energy Board, for example, which was through their accounting system. It was the charge they were putting on the oil that was going through the pipes. It was, in their view, a subsidy and potentially inefficient. That's an example of the kinds of things that might get caught with the public consultation.

•(1605)

Mr. Darren Fisher: Have you seen any concrete action on any of the recommendations from any of the departments in this room yet?

Ms. Julie Gelfand: We don't assess that. We haven't assessed that.

Mr. Darren Fisher: Okay.

Ms. Julie Gelfand: You guys can; that's your job.

Mr. Darren Fisher: As the outgoing commissioner, do you feel that we're moving in the right direction with the recommendations you've made over the past five years?

Ms. Julie Gelfand: That's a very broad question.

Mr. Darren Fisher: I have only 30 seconds.

Ms. Julie Gelfand: What I would say—and I've said this in the chapter zero that I write—is that, for example, today we're spending one hour on four reports. If this were in front of the public accounts committee, which is where the Auditor General's reports go, they would discuss each report for two hours and we could get into the nitty-gritty details.

One of my big recommendations was that the report should continue to come here, but both the former Auditor General and I believe that the report should also go to the public accounts committee where they would do a very deep dive. The problem is that it isn't this committee's job just to hear my reports, while at public accounts, that's all they do.

Mr. Darren Fisher: Got it. Thank you.

The Chair: Mr. Fast, you have six minutes.

Hon. Ed Fast (Abbotsford, CPC): Thank you, Commissioner. It's great to see you here again. I wish you well in the next season of your life, wherever that will take you.

Ms. Julie Gelfand: Thank you.

Hon. Ed Fast: What I have appreciated about you is your willingness to be frank. You don't pull any punches. I do note that you're surrounded by departmental officials and you're still pretty brutally honest in your comments.

Voices: Oh, oh!

Hon. Ed Fast: I do want to get into that.

The first issue I want to touch on is invasive species. This is not a new issue in Canada. We've had this issue for decades, yet from what I see in your report, on the face of it, if you look at your statement, it's pretty damning.

DFO and CBSA “had not taken the steps required to prevent” invading “species...from becoming established in” Canadian “waters”. I mean, seriously? It's not like this is a new problem. Also, they didn't know “which species and pathways posed the greatest threats to Canada's environment”. Honestly, folks, that's a pretty shocking statement.

I didn't hear a *mea culpa* from our DFO folks here. I'm concerned. Is it an issue of resources? Were you able to identify what's driving these shortcomings?

Ms. Julie Gelfand: Interestingly enough, when the Auditor General audits departments in performance audits, we don't actually look at that too much. We don't look at the financial side; that's what our financial people do. I think the best person to answer that question would be the officials.

Hon. Ed Fast: That's what I will do, then, because there's also an issue here of not enforcing, right? There's a lot of meat here—things that the department's going to have to fix, and fix quickly. I did hear the department suggest that they're just now getting to a point where they have the resources to get this done.

On the west coast, where I'm from, I have also heard that our enforcement resources over the last few years have been completely depleted, and I mean completely. We don't even have enforcement officers to go to court to provide testimony when we're going after scofflaws.

For the departmental officials, can you assure us that the required resources are being deployed to make sure that the shortcomings identified in the commissioner's report are going to be addressed?

Mr. Nicholas Winfield: I can't speak to the parliamentary allocation of resources to the department, but I can speak to the fact that in 2017 it was the first time we had dedicated resources for aquatic invasive species. We have a permanent resource space. This is not five-year funding. This is permanent.

I think that the report.... We accepted all of the recommendations because we see the need, but I think it's creating the impression that the department is not doing anything on invasive species, which is not true. The report itself was narrow in scope and only looked at the management and control actions for priority species.

We have had a sea lamprey control program in Ontario since 1955. We have had the program for Asian carp for five years and it has now been renewed permanently. We have a ballast water control program on the St. Lawrence River to prevent species from coming in through ballast water in ships.

The primary vectors for invasive species are through marine traffic and through the recreational boating sector. We have science reports that show where the vectors are and what the threats are. I think the commissioner's observation was that this hasn't been formalized, standardized and incorporated into the DNA of the department, if you will, and that's where we're at now. It's to recognize that in a world of climate change, changing species and the movement of these species with increasing trade, we have to control the borders and to control the movement of vessels. We know all of this stuff, and we now have staff that are thinking about this full time.

I can only speak to how we allocate our current resources. Your points are extremely well taken in terms of the level of public concern and the increasing rate of change that's occurring with respect to invasive species, and our collaboration with the provinces and CBSA is absolutely essential, but from a resource capacity, this is managing threats, and we're making a prediction about how quickly they can come.

We're doing the best with what we have, and if it's believed that more should be done, then we will do more, for sure.

• (1610)

Hon. Ed Fast: All right.

Ms. Gelfand, you have heard that they have accepted all of the recommendations. As far as you know, are they actually following through on the recommendations?

Ms. Julie Gelfand: There are two ways of doing that. One is for you as parliamentarians to ask them to come to you with an action plan and to come in front of you as you are doing now. The second way is by doing another audit on this topic, which we won't do right away, but we could do in the next four to five years.

Hon. Ed Fast: But you won't be around to do it.

Ms. Julie Gelfand: It will be somebody else, but you guys will be here...some of you.

Hon. Ed Fast: I'm glad you're confident.

I have one last question and it has to do with the subsidies, both the tax and non-tax fossil fuel subsidies. When I go door to door, I don't hear questions about this, quite frankly. It may be different in Julie's riding, but in my riding it's not.... However, it is an important issue because we've made commitments to the G20 and UN and Canada should be living by its commitments.

I want to get back to the issue of "inefficient". I will go to Mr. Marsland, again. How do you define "inefficient"? It's pretty clear that there is some confusion over whether we're actually addressing the issue in accordance with the commitments we've made internationally.

Mr. Andrew Marsland: Quite frankly, unfortunately, I don't think it's a concept that's susceptible to a simple, singular definition. The department's approach—and we document this approach—is to look at a broad spectrum of considerations and weigh those considerations.

As I mentioned, they deal with effectiveness and relevance. They deal with whether an alternative delivery mechanism to achieve the same objective would be better. They deal with the cost. We look at gender considerations and so on. We have a whole list of

considerations, some of which are going to be more relevant in certain circumstances than others, but it's a question of identifying all of the relevant considerations that go towards efficiency and bringing forward an assessment of those to determine whether it's inefficient or not inefficient.

That's a continuum. You can't do a binary assessment of that because it just requires a complex analysis of a range of considerations.

Hon. Ed Fast: Every country will be different. They will be analyzing inefficiency differently.

Mr. Andrew Marsland: But I think it is important to have clarity around the scope of considerations—

Hon. Ed Fast: I agree.

Mr. Andrew Marsland: —and that's what we attempt to do.

The Chair: We're over the time.

We're going to go to Mr. Peschisolido for his six minutes of questions.

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): Mr. Chair, thank you.

I would like to follow up on both Mr. Fast and Ms. Dzerowicz's discussion of efficient tax subsidies. Something's efficient if you produce more with less, but you have two goals here. You have the goal of expanding the economy in certain sectors, which will actually be inefficient in a sense that it's going to produce more pollution.

How do you then deal with the contradiction? If a subsidy is efficient in the oil and gas sector, it means you produce more oil and gas with less, but for environmental purposes, something that is efficient is actually inefficient because you want to produce less of that stuff. Am I being too simple and too binary?

• (1615)

Mr. Andrew Marsland: I don't think so. I think any intervention leads to a distortion. That might be a distortion you're trying to achieve. For example, the government decided in budget 2019 that it wanted to encourage businesses to acquire zero-emission vehicles, so it allowed an immediate writeoff. There's a clear objective there. We can measure the reduction in the cost of acquiring those. We look at that and there are efficiencies and inefficiencies in it, but on balance we consider it to be an efficient tax measure to achieve a very clear objective, which was to encourage the purchase of zero-emission vehicles by businesses.

When we look at the fossil fuel subsidies, we have to measure all of the costs and benefits associated with them and, on balance, whether those are efficient or inefficient in achieving the objective.

Mr. Joe Peschisolido: I will move over to Madam Commissioner. It's great to see you again, and I, too, echo the sentiments of everyone by saying good luck in your next endeavour. I'm sure you won't need that luck.

The question I have for you is on the issue of the subsidies. Do you think that the various departments are using the same variables and are they using the correct variables in defining what is efficient or not efficient?

Ms. Julie Gelfand: From my recollection—I'll just look at Heather—I believe that the considerations are very similar in the definition of “inefficient”. Personally, when I looked at the definition of inefficient, I found this list of considerations to be so broad—

Mr. Joe Peschisolido: That it's meaningless.

Ms. Julie Gelfand: Right. Our colleague said that it sounds right to them, except that, if you're.... It depends on what you're looking at. Are you looking only at fiscal and economic efficiency, or, as you asked the question, are you looking at environmental and social inefficiency?

We find the definition to be, from our perspective.... It's on page 3 of one of the reports. I read it and think, “I don't know how this is a definition of inefficient. It's so broad, I don't know how it helps you do your work.” Hopefully, they can do it.

That's the part on inefficiency. As to the second part of your question—

Mr. Joe Peschisolido: You actually dealt with it.

Ms. Julie Gelfand: I answered it? Okay.

Mr. Joe Peschisolido: I'd like to move back to you, Mr. Winfield. Like Mr. Fast, I am a member of Parliament from a riding in B.C. We had a situation with invasive species in Steveston that was quite dangerous. The concern I have about the department's action or inaction is that.... You mentioned something that I think is key, and that's collaboration with other stakeholders, with the province and, in the case I was going to talk about, the municipality. But it took three or four months to get your officials in B.C. involved. Everyone seemed to not want to get involved; they were saying that it was not their jurisdiction, for a variety of reasons.

Is there a managerial directive or something that can be done to make sure that doesn't happen? I'm assuming that the situation in Steveston isn't the only case where you'd be dealing with a municipality and a province.

Mr. Nicholas Winfield: What was the species, if I may ask?

Mr. Joe Peschisolido: It was a species from Brazil. I apologize; I don't remember the—

Mr. Nicholas Winfield: It was an invasive aquatic species?

Mr. Joe Peschisolido: It was invasive, correct; it had gotten loose in the ponds off Garry Point Park in Steveston. If action hadn't been taken, it could have moved pretty quickly.

Mr. Nicholas Winfield: Right.

Mr. Joe Peschisolido: My frustration and the frustration of the local folks there is that no one wanted to get involved. We were pushing, and finally, working through someone in the minister's office, we were able to get the officials on the ground involved. Our view, echoing a bit of what the commissioner has written in some of the reports, is that the role of the department is to oversee and bring folks together.

• (1620)

Mr. Nicholas Winfield: I completely agree. I won't get into the specifics of that case, but I would say that the whole role of coordination with the provinces is in order to do rapid response. One of the key issues with an invasive species is to be able to move into

immediate action—to assess the threat, look at the risk of it actually colonizing an area or reproducing, and then to take action.

We have a very good working relationships with the Province of B.C., but your points are well taken and we will take them back in terms of the speed of action that's required.

Mr. Joe Peschisolido: Thank you.

The Chair: Mr. Godin, it's over to you.

[*Translation*]

Mr. Joël Godin: Thank you, Mr. Chair.

My question is for the representative for the Department of Fisheries and Oceans.

You mentioned to my colleague Darren Fisher that you had the authority and tools needed to meet the needs. You also stated earlier that you received \$43.8 million in 2017 to establish a team responsible for aquatic invasive species. That's what I understood from your remarks.

The problem concerns the distribution of government responsibilities. Various departments report that they need additional funding to add to their workload, such as priority processing of aquatic invasive species, because the resources they have at their disposal are not sufficient. However, it must be understood that these phenomena are constantly evolving. I think our departments and our government should be able to adapt to the situation in a timely manner. Twenty years ago, the phenomenon of aquatic invasive species already existed, but to a lesser extent. Today, however, these species have become more invasive, and action is a priority.

I was in the private sector before I became a member of Parliament in 2015, and there may be things I don't understand. However, in my opinion, if we are faced with a priority file, we must leave aside a less pressing element that has already been put on track and reassign staff to the priority file. My question is simple: are aquatic invasive species currently a priority? My reading of the report tabled by the Commissioner does not give me that impression.

[*English*]

Mr. Nicholas Winfield: Invasive species are indeed a priority in the specific areas where they exist. Our focus has been on Asian carp, zebra and quagga mussels, European green crab, sea lamprey, tunicates and smallmouth bass. These have been identified as the priority species that we are working on at the moment.

[*Translation*]

Mr. Joël Godin: Was it the \$43.8 million that made this file a priority? Have you reassigned work teams or have you simply added the new funds to your budget? Do you have the opportunity in the department to reassign teams or modules to one priority file over another?

[English]

Mr. Nicholas Winfield: I think the answer is both. We have augmented funding. The new funding has allowed us to have full capacity to do the work, using our internal and existing capacity in science, fisheries management, conservation and protection to get action when it comes to the prevention of transfer and eradication of species.

[Translation]

Mr. Joël Godin: Paragraph 1.52 of the report states that “By 2018, [Fisheries and Oceans Canada] had still not arrived at a process for choosing species to include when the Regulations are next revisited.”

You tell me that you have reacted on both levels: you have reassigned teams to this file, and you have added \$43.8 million to your budget. A year and a half later, however, I understand that you are not yet operational. Is that correct?

Mr. Nicholas Winfield: No, not at all.

The Aquatic Invasive Species Regulations exist and contain a list of several species. The Commissioner mentioned the existence of a process for adding species to the list. We have begun discussions with the provinces to ensure that we can list new species.

Mr. Joël Godin: Which means that—

Mr. Nicholas Winfield: At the moment, the list is substantial

Mr. Joël Godin: It evolves; that's what I understood from it.

Mr. Nicholas Winfield: Yes.

Mr. Joël Godin: Okay. I'm only half satisfied with that, but I understand your answer.

I'll continue with the third report, which concerns tax subsidies on fossil fuels. Again, I have an existential question. I haven't been an MP for long, which allows me to keep my faith and trust since I'm an eternal optimist.

When it comes to the international standards that Canada signed onto, why not focus on effective subsidies rather than ineffective ones? I propose reversing the concept and focusing our efforts on effective subsidies, which could be simple. This would also immediately eliminate inefficient subsidies. What do you think of that? What I'm proposing is existential and very simplistic, but it may be more effective than we think.

Would one of you like to try to answer my question?

• (1625)

[English]

Mr. Andrew Marsland: As officials, we live with what we're given in the commitment. It's a commitment, so we live with that.

I think the question was that if it's efficient, we should get rid of it, because then it's effective at producing more production, I guess. That goes to the challenge of applying an inefficiency test, and I think we've had a discussion about what that challenge is in terms of assessing that. We live with the collective commitment that was made at the G20. It is a collective commitment and we have made significant progress on the tax side.

[Translation]

Mr. Joël Godin: I just saw the red card. I had another question, but my time is up.

Thank you very much.

[English]

The Chair: We're not going to have time for another full set of questions, so I'm inclined to stop here. We are going in camera next and it always takes a few minutes to clear the room.

With that, I would like to thank the commissioner and her team for being here. As was said many times, Commissioner, you've been fantastic to deal with. We are going to miss you tremendously. I'm sure you'll find lots of productive things to do in whatever you take on next.

Thank you to all of the departmental officials for being here. It's always a pleasure having you and hearing from you. Thank you so much for joining us.

Ms. Julie Gelfand: May I just say a word?

One thing I wanted to say to this committee was that the fact that this committee acted almost like a public accounts committee and was not particularly partisan, the whole time I was here, was wonderful to see. The questions you asked were good questions on all sides, and we really appreciated that. That is how it should operate when you're dealing with our audits. It was perfect.

Thank you.

The Chair: Thank you again, and all the best in the future.

I'm sure that we'll see members of your team back in the next Parliament.

Ms. Julie Gelfand: No flowers?

Voices: Oh, oh!

The Chair: You got the flowers last time.

Voices: Oh, oh!

The Chair: Thank you so much.

With that, we're going to suspend and will come back in a few minutes once we've cleared the room.

[Proceedings continue in camera]

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