The return-to-office energy crisis

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Scrapping gas taxes does nothing to reduce the underlying energy demand that drives high prices, and it comes at a direct cost to public finances — and the environment. Photo by Shutterstock

As of March 2026, average gasoline prices in Canada have risen to roughly $1.74 per litre, marking a sharp increase from $1.28 a month earlier. Driven by the ongoing Russia-Ukraine war and renewed conflicts in the Middle East, oil watchers have predicted that even if the wars were to end today, the supply disruptions could take years to end.

Spain, Ireland, Italy and Portugal have all introduced temporary tax-relief measures, while Slovenia recently became the first European Union country to introduce fuel rationing. Several hard-hit Asian economies are temporarily closing schools and requiring segments of its public sector to work from home as part of national conservation plans.

While an oil-producing nation like Canada is unlikely to experience similar supply constraints, the oil shock is exacerbating a growing cost-of-living crisis made worse by inflexible return-to-office mandates. This affects all workers, whether you work in an office or not. This is because energy demand is embedded in our daily routines. Road transport alone represents roughly 45 per cent of global oil demand, with office occupancy and business travel increasing this number. When millions of people drive to work every day, demand is effectively locked in, regardless of price volatility or supply disruptions.

Yet not all proposed "solutions" are created equal. Too often, the instinct is to focus on supply: increase production, secure imports and stabilize markets. Those responses matter, but they are slow, uncertain and often constrained by global forces beyond any single jurisdiction's control. In an unusual alignment, both the Canadian Taxpayers Federation and certain provincial NDP representatives are advocating for reducing or eliminating fuel taxes, presenting it as an urgent measure to ease the strain of high gas prices on households.

On the surface, it sounds politically appealing: If you lower gas taxes, you lower the price at the pump and commuters feel immediate relief. In effect, however, it's a case of robbing Peter to pay Paul — only here, Peter represents everyday workers and commuters, while Paul is the energy industry enjoying a surge in profits. Serious solutions should focus on reducing consumption, not subsidizing it.

Even the International Energy Agency has cautioned against waiting for production to recover, stating that lowering oil demand can ease pressure and bring prices down much more quickly. They suggest minimizing road and air travel, working from home where possible, increasing carpooling and expanding public transit use.

Scrapping gas taxes does nothing to reduce the underlying energy demand that drives high prices, and it comes at a direct cost to public finances. These revenues fund roads, transit and critical public services, all of which are already suffering from neglect. If enacted, consumers end up losing twice — first through barely noticeable savings at the pump and then through the further erosion of public services such as healthcare, transit and education — all while industry profits remain untouched. Although five European countries recently urged a windfall tax on energy firms to address spiking fuel prices.

If the aim is to truly and immediately ease pressure on workers and families, there is an imperative to rethink where and how we work. In Ontario, roughly 80 per cent of all workers travel by vehicle, most of them driving alone. This locks in a high baseline of fuel demand every working day. If just a quarter of the province's workforce, around 2 million people, avoided commuting one day a week, that's 4 million fewer litres of gasoline, 52 million fewer kilometres travelled, 1.8 million fewer hours spent driving and more than $7 million saved per week — money that stays in commuters' pockets to be spent in their local communities.

This also indirectly benefits those who are unable to work from home. Fewer cars on the road mean less idling, more efficient travel for those who must commute and use public transit and a measurable drop in system-wide energy consumption. Whether you boost the share of people working from home or scale this across all provinces and territories, even simple back-of-the-envelope calculations show meaningful savings and lower energy demand.

There is a parallel effect on buildings.

Office towers are energy-intensive, designed to operate at full occupancy with constant heating, cooling, lighting and ventilation. When attendance is reduced, so too is the need to run these systems at maximum capacity. A distributed work model shifts energy use, but often toward smaller, more efficient residential spaces, especially when paired with modern efficiency measures such as high-efficiency air-source heat pumps, smart thermostats and energy recovery ventilation.

Despite ample evidence demonstrating that remote work maintains and frequently enhances productivity, many large corporations and governments — chief among them Ontario and Alberta — insist on dragging workers back to a 20th-century, office-only model. Several provinces, including Manitoba, British Columbia and New Brunswick, retain more flexible hybrid work rules. Over the past several years, the return-to-office shift has added roughly 1.5 million additional daily commuters to Canada, resulting in about 1.94 million litres of extra gasoline consumed each day and approximately $3.4 million in daily fuel costs borne directly by workers. These figures do not account for the increased vehicle depreciation, extended commute times or the corresponding declines in productivity — estimated to cost Ontarians $13 billion in 2024 alone — that consistently accompany enforced in-person attendance.

In the midst of an energy and climate crisis, building structural flexibility in our workplaces is more important than ever. In-person work will not disappear anytime soon, nor should it. There are real advantages to spontaneous conversations, face-to-face collaboration, hallway conversations and the kind of unplanned problem-solving that only happens when people share space.

But preserving those benefits doesn’t require abandoning flexibility; rather, it calls for a more intentional balance that preserves these strengths without sacrificing the adaptability workers now depend on. Addressing this through more flexible work is one of the fastest, most practical ways to address the energy and cost-of-living crisis. This is not a matter of sweeping public policy reform or ideological ambition, but of embracing pragmatic choices already proven to work.

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