



## Environmental Approvals

### 2016 Value-for-Money Audit

#### Why We Did This Audit

- The Ministry of the Environment and Climate Change (Ministry) is increasingly using a polluter self-regulatory model.
- In the last five years, over 7,900 higher-risk emitters have applied for and received over 8,600 Environmental Compliance Approvals from the Ministry; in the same period 4,300 lower-risk emitters have self-registered their activities.
- In 2013, southern Ontario ranked among the highest in Canada for emissions of sulphur dioxide and fine particulate matter—contaminants that are known to cause respiratory problems.
- Environment Canada has indicated that water quality in 22% of freshwater rivers in Ontario was rated as poor or marginal quality—worse than the national average of 14%. In 2013, Ontario released the largest amount of mercury and lead into its water compared to other provinces.

#### Why It Matters

- The Environmental Approvals Program is intended to safeguard the environment and protect public health by regulating polluting activities from solids, liquids, gases, odours, heat, sound, vibrations and radiation (for example, by placing limits on entities that release contaminants into the environment).
- Ontarians must place their trust in the Ministry for the protection of the environment and pollution control.
- An August 2016 report by CancerCare Ontario and Public Health Ontario stated that exposure to fine particulate matter is a significant health concern in Ontario.

#### What We Found

- There are potentially many emitters across Ontario operating without proper approvals and with minimal Ministry oversight. Instead of proactively identifying these emitters, the Ministry relies largely on public complaints to identify emitters operating without environmental approvals.
- The Ministry does not monitor over 200,000 approvals issued more than 15 years ago; nor have these approvals been updated to meet current environmental standards or to reflect emitters' current operations. As well, the Ministry does not know how many of these emitters are still operating.
- About 80% of the 32,500 emitters that received approvals in the last 15 years have never been inspected. Ministry inspections of the other 20% of emitters over the last five years found that, on average, between 20% and 47% violated the conditions of their approvals—thus indicating a need for more frequent inspections.
- Penalties issued by the Ministry for violations of the conditions of their approval often did not deter repeat offenders. One-third of the emitters that were issued penalties over the last seven years were issued penalties for more than three violations.
- Although its goal was to achieve full cost recovery from polluters by the spring of 2014, the Ministry currently only recovers 20% of its cost of administering the environmental approval process from them. This is even less when the costs of enforcement and compliance expenditures are taken into account.
- Financial security for future clean-ups of contamination and environmental damage caused by emitters is not required from many emitters involved in such high-risk activities as transporting hazardous waste and operating industrial sewage systems. The Ministry does not assess how much it could cost to eventually clean up contamination caused by such emitters.
- The publicly-accessible emitter database is not user-friendly and does not provide the public with relevant information about all emitters and their activities.
- The Ministry does not receive emissions information from many emitters. When it does receive such information, the Ministry does not assess the environmental and health impact of those emissions in various regions of the province.

#### Conclusions

- The Environmental Approvals Program is not effectively managing the risks to the environment and human health from polluting activities and more targeted oversight is needed because of the increasing reliance on polluters self-monitoring.
- The government has put a greater emphasis on the polluter-pays principle, but taxpayers are still paying for 80% of program costs and remain at risk of having to pay for much of the clean-up costs of contamination and environmental damage caused by emitters.
- The Ministry does not have reliable or complete information on whether the program is effectively regulating polluting activities; nor does it know how much impact such activities have on the environment and human health.
- More outreach is needed to polluters and more information is needed for the public on emitters and their activities.