



## Environmental Assessments

### 2016 Value-for-Money Audit

#### Why We Did This Audit

- Our Office has received considerable correspondence from the public expressing their concerns on Ontario's environmental assessment processes.
- The *Environmental Assessment Act* was passed 40 years ago and has not been significantly amended since 1996. It applies broadly to many public-sector projects and plans—but generally not to the private sector.
- MiningWatch Canada reports that Ontario ranks first in Canada as having the biggest environmental liability in the mining sector.

#### Why It Matters

- Some projects and plans can have extensive and long-term effects on the environment, wildlife and human populations if carried out without regard for their impact.
- When effectively conducted, environmental assessments can identify and assess stakeholder concerns and measures to prevent or mitigate negative environmental impact before a project or plan proceeds.
- The private sector has taken on more projects that have a significant impact on the environment.

#### What We Found

- Ontario is the only Canadian jurisdiction that does not require environmental assessments for private-sector projects in mining and chemical manufacturing, which have had, and can have extensive long-term impacts. Of the 10 contaminated sites with the largest provincial rehabilitation cost, four are former private-sector mineral extraction sites. The Province is facing a total estimated rehabilitation cost for these sites of \$968 million. The legislation only covers private-sector projects for electricity generation and transmission, and large municipal infrastructure projects. All other private-sector projects are not captured under the *Environmental Assessment Act*.
- Although the *Environmental Assessment Act* applies to government proposals, plans and programs, it does not prescribe the types of plans and programs that must be assessed, and the government has used other legislation to exempt certain plans from assessment. As a result, significant long-term government initiatives have been implemented without an assessment of their full environmental impact. For example, the *Green Energy Act, 2009*, exempts renewable energy projects from environmental assessment requirements. In reaction to this, 92 municipalities have passed resolutions as “unwilling hosts” to wind farm developments.
- The extent of required assessment and public consultation for a particular project is not based on the project's potential environmental impact, but rather on its size, scale and cost.
- Environmental assessments do not consider the cumulative effects of past, present and planned future activities in an area, including both human-initiated activities and natural processes. This can lead to projects proceeding in places that are already subject to significant environmental stress.
- There are no clear criteria to ensure Ministerial decisions about public requests for more rigorous environmental assessment processes are made objectively and for the protection of the environment. In the last five-and-a-half years, all but one of the public's requests to have 177 streamlined assessments bumped up to comprehensive assessments were denied.
- The Ministry provides insufficient information about projects—and sometimes none at all—to enable the public to participate knowledgeably in the environmental assessment process.

#### Conclusions

- The *Environmental Assessment Act* falls short of achieving its intended purpose because of legislative gaps that remain despite a number of amendments since its enactment. Requiring high-risk private-sector projects to undergo environmental assessments warrants significant consideration given the risk of long-term environmental impacts.
- Neither the Ministry nor the public has assurance that the environmental assessment process results in timely, environmentally sound decisions. In addition, the Ministry cannot determine if environmental assessments—which are costly and time-consuming—are effective in preventing and/or mitigating projects' negative environmental impact.