



# Management of Aggregate Resources

## 2023 Value-for-Money Audit

### Why we did this audit

- The Ministry of Natural Resources and Forestry (Ministry) is responsible for administering the *Aggregate Resources Act* (Act). This responsibility involves competing roles: to facilitate the extraction of aggregate resources to meet demand, as well as to regulate aggregate operations, minimize environmental impacts and require rehabilitation of lands used for aggregate extraction.
- There is significant public opposition to new aggregate development in the province, particularly to pits and quarries operating near residential areas. Several municipalities and community groups have called for a moratorium on new aggregate sites.
- Proper and thorough oversight of aggregate operations by the Ministry is critical for ensuring that the purposes of the Act are being met.

### Why it matters

- Aggregates—sand, gravel, clay, stone and rock—are essential for building much of Ontario's infrastructure, including highways, hospitals, schools and houses.
- However, when these natural materials are extracted from the earth's surface, they can fundamentally transform landscapes, temporarily or permanently altering features such as woodlands, wetlands and farmland.
- Operation of these pits and quarries, as well as the transport of aggregate materials, can also impact local communities through noise, vibration and air pollution.

### What we found

#### Ministry's Lack of Experienced Aggregate Inspectors Means Operations Are Rarely Visited

- Despite the important role that inspectors are expected to play as the Ministry's eyes-on-the-ground, there are few experienced staff who perform this function.
  - As of May 2023, there were only 34 designated inspectors across the entire province, with nine of the 18 districts having either one inspector or none.
  - Almost half (41%) of the 34 inspectors had held their designation for less than one year. Further, while there were 22 inspectors in 2022, only 16 conducted any field inspections that year.
- The Ministry infrequently inspected operations; only 35% of the sites our Office reviewed had been inspected within the previous five years.

#### RECOMMENDATIONS 1, 2 and 6

#### Despite High Rates of Non-Compliance, Ministry Rarely Pursues Charges

- The aggregate sector has high rates of non-compliance.
  - From 2018 to 2022, Ministry inspectors deemed only 36%–52% of sites visited to be compliant. Over the five-year period, inspectors filed 1,750 reports that identified non-compliances.
- Inspectors rarely refer cases of non-compliance for further enforcement. For example, Ministry policy dictates that where operators significantly exceed their allowable extraction limits charges should be pursued. Yet, we found instances where operators had exceeded extraction limits by over 1,000%, but the Ministry did not investigate or charge.

#### RECOMMENDATION 4

**Self-Reporting Requirements Are Not Enforced**

- The Ministry did not enforce penalties for aggregate operators who failed to submit a self-compliance report on time or at all.
  - Aggregate operators are required by law to annually inspect their operations to assess compliance with all operating and progressive rehabilitation requirements, and report to the Ministry by September 30.
  - Failure to submit a report by this date is supposed to result in an automatic suspension to operate.
  - We found that 25% of operators we examined failed to submit a 2022 report more than seven months after the due date. Yet, the Ministry did not take steps (apart from sending letters) to enforce the suspensions.
  - Of the 80 sites we reviewed across four districts, we found 11 continued operating and producing aggregate in 2021, despite not submitting a self-compliance report the previous year.

**RECOMMENDATION 5**

**Ministry Does Not Have Processes to Ensure Sites Are Rehabilitated After Extraction Is Complete**

- We identified some aggregate sites in the province that may have finished extraction, but are avoiding rehabilitation efforts.
  - The Provincial Policy Statement states that aggregate pits and quarries must be rehabilitated to allow future land use.
  - We found that 1,524 sites have sat dormant for at least 10 years; of these, 257 reported no aggregate extraction for over 25 years.
  - Allowing sites to remain dormant for extended periods without final rehabilitation violates the intention of the Provincial Policy Statement that aggregate extraction be an interim land use.

**RECOMMENDATION 7**

**Ministry Needs Better Information on the Supply of Aggregates and Should Disseminate it to the Public**

- While the Ministry has commissioned studies on the provincial supply of aggregates, it does not verify the accuracy of the data, or make all data it has publicly available. Having an accurate understanding of demand trends and the availability of unextracted supply is critical to making informed decisions on managing aggregate resources.

**RECOMMENDATION 10**

**Conclusions**

- The Ministry does not have effective systems and processes in place to ensure compliance with the *Aggregate Resources Act* and aggregate-related regulations, policies and approvals, or to oversee aggregate development and operations in a manner that minimizes adverse impacts on the environment.
- The limited number of experienced inspectors who play a frontline compliance role, and the infrequency with which aggregate operations are inspected, raises significant concerns that non-permissible activities will remain unchecked—perhaps for years on end.

Read the report at [www.auditor.on.ca](http://www.auditor.on.ca)