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**Tuesday 24 February 2004**

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des débats  
(Hansard)**

**Mardi 24 février 2004**

**Standing committee on  
public accounts**

2003 Annual Report,  
Provincial Auditor:  
Ministry of the Environment

**Comité permanent des  
comptes publics**

Rapport annuel 2003  
Vérificateur provincial :  
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Chair: Norman W. Sterling  
Clerk: Anne Stokes

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Tuesday 24 February 2004

Mardi 24 février 2004

*The committee met at 1045 in committee room 1, following a closed session.*

2003 ANNUAL REPORT,  
PROVINCIAL AUDITOR  
MINISTRY OF THE ENVIRONMENT

Consideration of section 3.08, Environet.

**The Chair (Mr Norman W. Sterling):** Good morning, Ms West. Welcome to the committee. The microphones will go on automatically by the Hansard reporter. You can shut them off by pushing the button. It's normal for our committee to ask for some opening remarks, and then we allow the committee to ask questions. There are usually enough questions to keep us going until noon time, and then we adjourn until 1 o'clock. Then we come back and normally aim at 3 o'clock for a total adjournment. It has been earlier some days, or slightly later, but that's normally the day as we see it.

I invite you to make some opening remarks.

**Ms Virginia West:** Thank you, Mr Chair. I believe the remarks are also being passed around to you, as I speak.

Thank you for this opportunity to discuss the Ontario Provincial Auditor's report on the Ministry of the Environment's Environet strategy.

The Ministry of the Environment is strongly committed to its mandate to restore, protect and enhance the environment. We welcome the valuable comments provided by the Provincial Auditor in his 2003 annual report.

The ministry agrees that access to accurate, useful and timely information allows for better decision-making to occur. We are pleased to report that improvements continue to be made to our Environet systems. When fully developed, they will increase the speed and access to accurate and current information needed to make important management and operational decisions. We also acknowledge that there is still much work to do to make further progress on a number of the procedural and system shortcomings that have been identified.

Following this summary of the actions we've taken, my staff and I will be pleased to answer any questions that you may have. Several members of the ministry's senior management team are present, including: Joan Andrew, our assistant deputy minister for the integrated environmental planning division, who is sitting here with

me at the table; Allan Gunn, assistant deputy minister, corporate management division; Jim Smith, assistant deputy minister, drinking water management division, a new division created last summer and built through the fall, so it's now well established, and he also carries the title of Ontario's chief drinking water inspector; Michael Williams, assistant deputy minister, operations division; and John Lynch, acting ADM for the environmental sciences and standards division.

I'd now like to look at the auditor's findings and how the ministry is responding to them. First, I will discuss the drinking water information system, or DWIS, a data acquisition and information management tool which supports the compliance side of our comprehensive drinking water program. When the audit was conducted, DWIS had not been fully developed for all of the requirements of our water protection regulations. Consequently, the Provincial Auditor's report was based on our previous business processes. The auditor found that, while significant components of DWIS had been implemented, the system was not complete. The current version of DWIS was released less than two months after the audit, in May 2003. I should also note at this point that we have improved, and are continuing to improve, DWIS, adding new analytical and report-generating capabilities to assist us with our compliance efforts.

A number of our reporting functions identified by the auditor have now been implemented, and others are currently under development. A new updated version of DWIS, called EDWIS, or enhanced drinking water information system, will be released in the summer of this year to support the requirements of regulation 170. I will speak briefly to some of its new features shortly.

The auditor found that the ministry had not completed the registration of all smaller drinking water systems. Since the audit, we have updated our profiles for existing systems and continue to enter new profiles as systems register with us. We are also developing a multifaceted compliance strategy to ensure that the small, non-municipal drinking water systems are aware of their regulatory responsibilities to test drinking water samples and submit results to the ministry.

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Our strategy includes active outreach. For example, during the summer of 2003 we sent out information packages across the province to inform the community of our regulatory requirements. We've also developed a kit

for regulated non-municipal drinking water system owners which provides that regulated community with detailed guidance on how to implement our requirements at their drinking water system.

We are actively following up on any drinking water systems that we have reason to believe should be following our regulatory requirements and are not registered in DWIS. This includes telephone contacts and letters, and we will issue orders and take enforcement action when necessary.

The auditor also found that some records in the DWIS database were inaccurate. We have implemented quality control procedures on drinking water system information to resolve discrepancies or obtain missing data. We also check the profile information for systems that are manually entered into DWIS and follow up with owners and operators to verify the information.

The enhanced DWIS system will allow for further improvements to data accuracy and crosschecks in the maintenance of drinking water system profiles. For example, enhanced DWIS will have smart forms capability to facilitate on-line registration. The smart forms will have a built-in capacity to conduct primary validation of data. For example, drinking water systems owners registering for the first time will be asked a series of questions to determine which category of drinking water system their system falls under according to regulation 170. The smart form will customize the rest of the registration based on that category. Additional features will include help functions, pick lists, auto populated fields and field verification. This will enable the submission of accurate information from users.

The auditor expressed a concern that DWIS is not fully integrated with our inspection work. He said we need to explore ways to use DWIS and its data to generate reports to identify and prioritize inspection candidates and to summarize compliance. We will bring in new tools that will analyze the data and support the development of protocols for inspecting higher-risk systems. That is why the ministry has established as part of the new drinking water management division an assessment and evaluation section to monitor compliance trends and issues and identify priority areas for inspection.

With respect to the submission of water quality test results and minimum sampling requirements, the Provincial Auditor found that DWIS was unable to identify whether all drinking water systems were submitting their test results or the minimum required number of microbiological samples.

DWIS now addresses the problem of drinking water systems that failed to submit any test results. In addition, enhanced DWIS will generate reports on systems that fail to submit the minimum number of samples required, including those for microbiological parameters. The ministry continues its follow-up action for the specific drinking water systems identified by the auditor in his analysis.

The Provincial Auditor also recommended improvements to adverse water quality incident monitoring and

tracking procedures. The ministry takes all adverse water quality incidents very seriously and has systems in place to respond. Where a high-risk problem has been identified, the ministry responds with immediate on-site inspectors who undertake the appropriate response. The ministry has implemented detailed written procedures for handling calls involving adverse water quality incidents.

We have made enhancements to DWIS and the integrated divisional system that allow for better monitoring and tracking of adverse water quality incidents. Further improvements are also being made to enable the ministry to track incident resolution through enhanced DWIS. We also now have a reporting tool that allows us to match adverse water quality incident notifications that have been reported to our Spills Action Centre to the testing data that is subsequently uploaded to DWIS by the laboratory.

The ministry has also addressed another concern of the auditor related to AWQIs and exceedances, in particular, the auditor's concern that DWIS reports did not distinguish between raw and treated water exceedances separately. DWIS does now effectively distinguish between these types of exceedances. In addition, we have implemented a mandatory chain-of-custody process and form that enhances quality control for submitted data. Our mandatory inspection program confirms that these are being used.

A further concern of the auditor, that DWIS was not always updated when amended regulatory water standards came into effect, has been addressed. The existing DWIS has been updated with all the corresponding standards required for monitoring and compliance. A new business process has been put in place to ensure that all new substance concentration limit standards will be entered into DWIS in time to ensure that tests are not assessed against old standards.

DWIS is an integral part of our regime to protect drinking water and we are continuing to improve upon it. If you have other questions in this area, you may address them to Jim Smith, who heads up the drinking water management division and is Ontario's chief drinking water inspector.

I'd now like to turn to the issue of the ability of our Environet systems to support our efforts to track hazardous waste movements within Ontario.

The auditor found that the HWIN, the hazardous waste information network, does not support paper submissions, resulting in minimal use by the regulated community. Less than 1% of manifests were processed through HWIN. We have developed an outreach strategy and it is now being implemented. Ongoing improvements are being made in the capability of HWIN to handle paper manifests. We are also developing a supplemental training package about the HWIN systems for users.

The HWIN program is constantly being examined for opportunities to increase efficiency. In that process, we'll be looking at incentives to promote the adoption of electronic manifests.

The Provincial Auditor also stated that HWIN had few analysis and reporting capabilities. This was true when

HWIN was being implemented. However, it has the capacity to provide any number of reporting and analysis capabilities as required by clients. We have been working with our regional clients to fine-tune those capabilities and will continue to do so. The ministry has addressed this issue. Additional analytical and reporting tools have been added to HWIN since the audit.

Another finding of the auditor is that the majority of generators had failed to register on time and the ministry did not follow up. He also indicated that the system flagged a number of unauthorized waste movements that were not followed up. We have responded to these concerns by sending out reminders on three occasions to generators that have not registered. The annual registration of facilities began in January for this calendar year. Registration status is now checked routinely as part of routine inspections, and inspections by our environmental SWAT team. We will develop plans to follow up on delinquent registrants as part of the compliance strategy for regulation 347.

The auditor also found that carriers and receivers were also moving waste they were not authorized to handle. The ministry has undertaken proactive inspections. To deal with specific compliance issues, the environmental SWAT team has implemented a targeted strategy over the past 18 months. SWAT has conducted widespread inspection sweeps of hazardous waste transfer and processing facilities. The SWAT team has conducted inspections of numerous carriers to verify manifests. We have also developed a comprehensive and integrated monitoring program for investigating waste movement by unregistered generators.

The third area I am going to address is the auditor's findings on our OnAir application. OnAir is designed to provide easy access to air emissions data reported by facilities under regulation 127/01. The auditor found that the ministry did not have a complete inventory of facilities that should have been reporting emissions at the time of the audit. I would point out here that the purpose of regulation 127/01 is to facilitate public access to the annual emissions from industrial, commercial and municipal sources. As with other regulations under the Environmental Protection Act, the onus is on facilities to comply with the regulation and report their emissions.

Strategies are in place to help identify facilities that should be reporting under regulation 127/01. We have outreach initiatives to raise awareness of reporting requirements. We do ongoing strategic inspections to determine if facilities are meeting reporting requirements. Environment Canada's national pollutant release inventory list is also used to identify potential candidates for inspections. We will also crosscheck the OnAir registry with environmental assessment and approvals branch's database regarding certificates of approval to create a list of potential facilities for reporting under regulation 127.

#### 1100

Another finding was that no further follow-up or verification work is conducted when facilities are notified of questionable data. Under regulation 127/01, reporting

facility owners are responsible for the accuracy of their reported emission data. These reports must be signed by senior facility officials. We will be reviewing reports submitted to OnAir as part of quality assurance quality control procedures.

Development of the non-compliance module of OnAir, an important tool to support the ministry's strategies, is well underway and will be operational in June 2004.

The auditor found that many facilities did not submit their information within the time frames required by regulation. Outreach strategies are in place to raise awareness of the regulation and reporting requirements, including the due date of submissions. Along with Environment Canada and other partners, we have hosted workshops and reporting training sessions for representatives of 2,000 facilities.

The ministry keeps track of facilities that do not submit on time. Approximately 700 of the 3,900 facilities did not submit their reports on time for reporting year 2002. The ministry follows up with these facilities by sending compliance letters to remind them of their obligations. We take appropriate follow-up actions on repeat offenders.

The auditor found that minimal analysis had been done on the data collected by the OnAir system to help the government develop future environmental policy. We recognize that minimal analysis has been done, but this is only the first year that the ministry is obtaining a complete suite of reported emission data. No trends are available. Emissions information now has been used in policy development and will be used in the annual Air Quality in Ontario reports.

The final area I am going to address is inspections and information management systems. In his report, the auditor stated that the new policy of annually inspecting all municipal drinking water systems has affected the ministry's ability to cover other sectors. He said that even with SWAT, overall inspection activity has decreased.

I want to point out here that our focus with inspections is changing from the number of inspections to mitigating environmental risk through inspections. The SWAT team targets high-risk companies and sectors, using comprehensive inspections that may take anywhere from one hour to five days, depending on industry and company complexity. District offices conduct comprehensive inspections of facilities by geographical region. They use stringent methods to ensure compliance, including provincial officer orders.

The two approaches, involving the environmental SWAT team and district offices, are complementary. They enable us to identify sector-wide trends while maintaining a regional, community-based presence.

The ministry has also implemented the annual inspection of 100% of municipal water treatment systems that serve over 80% of the population of Ontario. The auditor pointed out that 37 of 231 inspectors were assigned to central region, where five million Ontarians reside. He also said there was no formal analysis to support the

allocation of inspectors by region. Our distribution of resources is based on other factors, of which population is only one. Other factors include size and complexity of the regulated community; environmental significance of the regulated community; geographical dispersion of facilities; and protection of urban versus natural areas. In addition, 30 SWAT inspectors form an important element of our overall inspection capacity and specifically complement district inspection staff by undertaking strategic, sector-based inspections.

The last finding I will address is the inability of inspectors to access the most accurate, complete and timely information, especially compliance history. The ministry uses reports and information generated from across all program areas and databases to set its work planning and priority-setting activities, as well as to ensure that inspectors have the information they need to perform their duties. The integrated divisional system has been developed to provide an integrated approach to regional-district information management.

The ministry also plans to implement the laboratory and waterworks inspection system project. We will integrate the latest Environet systems with IDS to better manage information and environmental risks. The system will apply to all inspections and help manage risks. This strategy will involve redesigning current inspection approaches. We will use new tools, including diagnostics testing, outreach and incentives for the regulated community. Our operations division plans to evaluate the IT systems to identify the next Environet-compatible base systems.

Again, I want to thank the members of the standing committee on public accounts for the opportunity to address the Provincial Auditor's report on our Environet systems. We are taking actions to meet the recommendations contained in the report, but we also recognize that there is much work ahead of us still. We are determined to get the job done because it will improve our ability to deliver on the ministry's mandate to protect human health and the environment.

Mr Chair, those are my opening remarks. I'm pleased to answer any questions with the assistance of staff here.

**The Chair:** Thank you very much. Ms Sandals.

**Mrs Liz Sandals (Guelph-Wellington):** I'd like to begin by looking at the whole area of drinking water quality and tracking that. Certainly, as we talk to the public, that's been a really high level of concern, obviously, around the whole issue of drinking water quality and how we manage that. As I read through the auditor's report, if I can capture this, it struck me that we seem to have had historically a number of silos of data which might or might not be accurate and might or might not be complete, and not necessarily the linkages between that data to enable the inspectors actually to find problems. It seems to me that if you're going to have an information system, the purpose is ultimately not just to have a whole lot of data; the purpose of the data is to allow you to focus on finding problems and correcting problems.

The auditor talks about incomplete data and incomplete data not being flagged. He talks about data

being not cross-referenced, so he mentions that "the system did not have sufficient edit controls to reject obvious conflicting test results...." He talks about, on a number of occasions, I think, some problems in terms of the interaction between the drinking water information system and the adverse water quality area, and says, for example, that the drinking water information system "reports did not distinguish" adverse water quality "from other exceedances." Presumably that's critical, because it's with the adverse water quality that you need to be right on that case immediately.

Generally the theme runs through this of just a general lack of exception reporting, so that when something is missing or an exceedance or something has gone awry, there's been a general lack of exception reporting, which would tell you when to trigger inspections or compliance follow-ups or whatever.

So I guess the question would be, why was it designed that way in the first place? As I say, my observation would be that if you're going to have all this information, the purpose of the information is to find the exceptions. So why was it ever designed that way in the first place? Can you give some assurance and give us a sense of how some of the improvements that you've talked about are going to fit together, so that we can be sure that we go from raw information to actually being able to track problems and make sure that we concentrate on risk?

**Ms West:** Thank you very much for the question. I touched a little bit on this in my opening remarks, but I know that Jim Smith will be able to elaborate, and hopefully provide you with that assurance.

**1110**

**Mr Jim Smith:** Good morning. It's a pleasure to be here. As the deputy has introduced me, I am Ontario's new chief drinking water inspector. I'm also the ADM of the new drinking water management division.

I wanted to preface my comments by saying I certainly read the auditor's report and took all the recommendations and findings very seriously. For a new division, I'm focusing on ensuring that Ontario's delivery system for drinking water does provide safety and assurances to the public.

In terms of the specific questions, in the opening remarks we identified that at the time of the audit we hadn't brought DWIS on line. Two months later, in May, the ministry did introduce it and brought it into production. What I wanted to talk about was a few of the concerns that were raised. They were around integration, quality control, and also some specifics around our exceedances and the adverse water quality incidents that the auditor had assessed.

In terms of the first question, for integration, certainly our overall vision is to have our data integrated on drinking water so that we and others, including the public, can be informed and make good decisions. We are on the road toward that. Justice O'Connor's recommendations also focused on that aspect of data and data integration.

In terms of the drinking water information system, it provides a system where analytical data and test data—at

this point in time, as of December, 2,797 systems in the province have registered with us, and analytical test results are being uploaded into the information system in quite a comprehensive way.

We also have made significant improvements since the time of the audit in terms of having our systems interact with each other.

A very important system to the ministry is one where we follow up and plan our work, and that's the integrated division system. That system now communicates with the drinking water information system, so that's a real milestone for us.

As the deputy indicated, we have a very comprehensive inspection program in the province for both municipal treatment systems and laboratories across the province. We're developing a system for the summer that will take all of our inspection findings and also have those in a database that we'll communicate with.

In terms of quality control, that's certainly a very important aspect. If I can take one example, the auditor had identified issues around distinguishing raw water samples from treated water samples. That's a very important area to distinguish. We've introduced, through regulation and now in practice, a chain-of-custody form and process which ensures that drinking water systems are very clear and specific about the types and locations of drinking water samples they must take, and those are entered into their registration profile.

The laboratories would also have that profile. As samples are submitted, they must be matched, and the system will not accept mismatched samples to where they were to be taken. That's an important feature now to help the drinking water systems laboratories differentiate and make sure that well water and treated water don't get mixed up or confused.

In terms of the adverse water quality incidents, that's an area we have put a lot of priority on. What's extremely important is that laboratories and owners notify us immediately when they analyze or find out that they have an adverse water quality exceedance. That information is provided to our 24/7 Spills Action Centre and they enter that information into the drinking water information system. There are a number of system screens and help functions that make sure that information, when it's entered, is properly controlled. That information is now subsequently downloaded to our workflow IDS information system that I spoke about earlier so that there is an action out in terms of those findings.

In terms of that process as well, what I would like to indicate is that we actively track all AWQIs, because they are important. We also follow up in terms of our field response for those adverse water quality incidents that require that attention.

I know I've said a fair amount and I hope that helps answer some of your questions.

**Mrs Sandals:** Thank you very much. You've obviously done a lot of work recently on what were some pretty obvious flaws in the original system. If you haven't got that flow from initial reporting to actually

doing something with the information, it's just a make-work project. It seems to me from what you're telling us that you're now getting a system that will enable you to use that information more effectively. The deputy mentioned that you were generally targeting inspections more toward risk assessment. How will all this information help you to focus on high-risk areas as opposed to some more random form? I understand you have to do all municipalities, but in the non-municipal, how will that help you track the high risk?

**Mr Smith:** As I indicated, one of our primary areas of follow-up is when an adverse water quality incident is notified to the ministry. At that point there are communications with the owner, the operator, the local health unit, the local medical officer of health and our own staff. We have policies in place in terms of the type of response actions we take. In addition, the regulation is quite specific and prescriptive about the actions that need to be taken by the drinking water system operators.

For matters that are of higher risk, such as microbiological reporting, we follow up with a field response for the municipal systems and for the non-municipal as well. We consult with the local health unit to determine the severity of the finding and then we have the appropriate field response.

What we are also doing—and I'm really pleased about this—is that my new division became operational on January 26 of this year. I think that is a significant milestone for us. We have a branch and a section that are dedicated to the analysis and assessment of drinking water information. With DWIS in hand and the millions of test results that are in that system since the ministry started collecting data, we are in a very good position to understand the issues the province is facing in terms of the non-municipal and the municipal.

Our hope and certainly our intention is to use that information to provide us with sufficient understanding and intelligence on where to focus our future efforts. Those efforts would range from compliance promotion—and the deputy pointed out we've done a fair amount there already for the non-municipal smaller systems. I really think the owners and operators will continue to benefit from an understanding of what the requirements are and what sort of problems other system owners are facing out there that we can advise them on. It will also be used to target future field follow-ups and inspection activities.

**Mrs Sandals:** Thank you.

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**Mr Jim Flaherty (Whitby-Ajax):** Thank you for this, this morning. It's certainly good to hear everything you said, because it assuages a lot of the concerns that were in the report. I have a few remaining concerns, really more matters of clarification, I think.

First of all, the overall audit conclusion by the auditor was that, "The ministry's Environet systems did not provide ministry staff with the information needed to support the ministry's responsibilities of ensuring that drinking water meets regulatory standards, that hazardous

waste movements are properly controlled, and that all air emissions are monitored and reported where required.”

Where are we on that now? Are you able to say now, Deputy, that the information systems do provide the information needed to support the ministry’s responsibilities?

**Ms West:** I think certainly the information systems are in a much better stage of being able to provide that support. Jim Smith has certainly related what has happened on the drinking water information system and supports that particular program area and concern of enforcement. Maybe I can ask Joan Andrew just to speak in summary form, I suppose, to both the hazardous waste information network as well as OnAir in terms of some progress that we’ve made there.

**Ms Joan Andrew:** Just to start with, while the Environet systems weren’t and in some cases still aren’t fully functional, we do maintain manual systems to ensure the protection of the environment and human health to support the Environet systems. I just want to make that clear: There are systems in place.

On hazardous waste information, we are doing significant outreach with the hazardous waste community—generators, carriers and receivers—to encourage them to use electronic manifesting. We’ve met with, in particular, the three biggest receiver companies that would allow us to get better tracking. I think the issue of how to move more people into electronic reporting will be the way that we have timely tracking of reports. We process about 2,000 movements of hazardous waste a week, and when they’re largely manual, that’s a time-consuming process.

With OnAir, we are doing significant outreach. The regulation was designed so that emitters were phased in by size. It was only in June of last year that the reports were required. This is after the allotted period of time for a large number of companies to report. So there were 3,900 companies, or emitters—I shouldn’t call them companies, because some of them are municipalities—that have reported as of this year.

On OnAir, we’ve done over 60 outreach sessions with industry organizations to help them outreach to their members, to help them understand their requirement to report. With the OnAir system, regulation 127 is a requirement to report what your emissions are. It’s not the system we use. We have other regulatory systems to limit air emissions, if I can say that. The regulation is about requiring that transparent reporting of emissions in the province.

**Mr Flaherty:** Dealing with some of the specifics, the auditor reported that “inspectors are not currently using the Environet systems to plan or prioritize their work.” I realize this is almost a year ago that the auditor made the report. Has that situation changed? I didn’t understand whether it had or not from your remarks.

**Ms West:** First of all, I think you realize, as we said, that we’re in the stages of improving the Environet system in its various forms and being better able to use it for various purposes. Again, Jim Smith spoke in terms of inspection activity related to drinking water and how that system is being used for those purposes.

With respect to the other components of Environet, yes, it’s being accessed and used for other purposes, including to identify where the high-risk areas are, to help identify those areas and to move on those from an inspection standpoint.

**Mr Flaherty:** Did the inspectors have the data? If you’re in northwestern Ontario, can you use the Environet system to plan or prioritize their work?

**Ms Andrew:** Sorry, I should have followed up on that earlier. Yes, it’s a Web-based system; they can use it. Just to use OnAir as an example for a minute, if I could, we have also received this past year resources for two engineers, who actually do an analysis of the data and are sharing that data more broadly with our operations division. So as of April of last year, we had staff who could analyze some of the data and then share—if I could say this—those that we think require follow-up inspections. For the end of this fiscal year, we’re targeting 200 inspections of the facilities to see about compliance with OnAir data. Michael Williams could tell you more details about the plans for the inspections.

On hazardous waste, over the last 18 months the SWAT team has been doing fairly broad inspections on hazardous waste, but we’re also targeting a more regional-based strategy.

**Mr Flaherty:** As of the auditor’s report, he reported that none—that is none—of the inspectors use the Environet applications or their data. So that would no longer be so, as I understand the responses that I’m hearing this morning. Now all of the inspectors would use the data or some would or a handful?

**Ms West:** Joan has given you a particular example, Mr Flaherty, and perhaps I can ask Michael Williams, who is the assistant deputy minister of the operations division, to speak to that as well.

**Mr Michael Williams:** Good morning. I’ll refer back to the question about an inspector in northwestern or southwestern or central Ontario and what they’re doing right now. I’m pleased to be able to say that in January 2003 we trained 1,000, all of the field staff, in using the integrated divisional system, IDS. We continue to work on making links with it into Environet, but now all of our inspectors, in planning their fieldwork, do have access to the database system that registers, for example, provincial officer orders, registers record of compliance with companies, the approvals. So, we’re now able to say that there is a system in place and all of the staff in the division are trained and able to access that data.

The link that isn’t there yet—which the deputy alluded to; we have a little way to go on that—is to make it fully Environet-compatible, and we are looking at ways to do that. One of the things the system doesn’t do that, for example, our SWAT program has right now is a system called CAMEO, the computer assisted mobile enforcement office. Where we really want to be is to have that CAMEO capability, which is Environet-compatible, right across the province. Currently, we use it in SWAT, but it’s basically a system that lets an inspector, anywhere where they’re doing their duties, call up the kind of



information they need on a facility, and it ultimately gets right through to actually pushing buttons, issuing tickets and orders right then and there. We have part of that capability in the division; we're going to work in the future to try to bring it to the rest of the staff.

**Mr Flaherty:** You mentioned SWAT. This is an aside, but on Saturday I had someone who runs a business complaining to me that the inspector from the SWAT team from the Ministry of the Environment showed up wearing a bulletproof vest. Do they wear bulletproof vests?

**Mr Williams:** Our SWAT staff have full uniforms, sir, and depending on the situation and the industries they are inspecting, a bulletproof vest or a flak jacket is part of that uniform. We have gone into a number of situations when we look at hazardous waste haulers, when we look at things like auto wrecking yards and the types of clientele that we're likely to encounter and some of the risks to the officers—yes, they do wear flak jackets going in to do some of those inspections. It is part of the uniform.

**Mr Flaherty:** Part of the uniform. That means they wear it normally?

**Mr Williams:** Excuse me; I'm just looking to my director of SWAT here.

**Mr Flaherty:** It's an aside, but people were concerned about it.

**Mr Williams:** Sorry about that; I just wanted to check with my director of SWAT. Yes, it's part of the uniform, and any government official who has a uniform is required to wear the uniform. Our SWAT officers wear that with respect to the uniform when they're out there inspecting.

**Mr Flaherty:** A family-owned business that has been in business for a long time has kind of a surprised reaction as good citizens when a government official shows up, who's not a police officer, wearing a flak jacket. It's not about the auditor's report. It was just raised with me on the weekend, and I thought it was kind of strange.

1130

**Mr Williams:** I'd like to respond to that, because I think we share your concern. There have been a number of occasions where folks have spoken to me about it or written to our ministry about it. I don't think there's any issue, going into the sort of midnight dumper arrangement, that the folks are appropriately attired. One of the things I can assure you, even though it's not part of the audit, is that I've asked the director of SWAT to look at when you pull the full uniform out of the locker and on what occasions you want to use that versus when you want to go in and take a look around a facility. I can appreciate how intimidating it is when you move into a company that may be in full regulatory compliance but you're at the front door with their administrative assistants and then call people in. I just want to assure you that we recognize that and we'll deal with that, sir.

**Mr Flaherty:** Back to the main subject, if I may, about inspections. In the auditor's report, he talks about a

1994 audit of water and sewage treatment facilities. The auditor at that time noted that the drinking water facilities with more significant compliance problems were mainly the smaller ones and recommended increased surveillance of them, which I suppose makes sense. First of all, factually, in terms of non-compliance and bad results, are we generally dealing with smaller facilities?

**Ms West:** We're talking about water facilities?

**Mr Flaherty:** I'm talking about water, because I was looking at page 212 of the auditor's report, the third paragraph.

**Ms West:** Jim, are you prepared to respond to that?

**Mr Flaherty:** What I'm getting at here—I'm not trying to be obtuse—is the risk-benefit analysis. In other words, what's the point of inspecting the new water plant in south Ajax if it's always in compliance, if it's state of the art? Shouldn't we be focusing our resources on the trouble, and can we identify the trouble?

**Ms West:** I will invite Jim to respond to that. I don't think I have to say it, but I will say that certainly in terms of the municipal water systems, we do have a 100% inspection protocol. I think that is important in order to guarantee to the 80% of the population of Ontario who rely on it that we do have that level of vigilance. So I think it is an important bar to start with.

**Mr Flaherty:** I'm not sure about that, actually. I'm not sure it is, because do taxpayers want that Ajax plant inspected every year? Is it necessary to inspect it every year if you're getting full compliance reporting from the regional municipality of Durham in a brand new plant?

**Ms West:** I'm not going to respond directly to that, but I will ask Jim to speak to how it fits within the broader regime. In some respects, we have a very robust regime now that we're putting in place, and a good part of it is in place, to assure the people of Ontario of the safety and security of the drinking water. I think that is important. There are a number of components to it. I think the question that we do have to pursue a little bit further as well is those areas of risk, maybe the non-municipal facilities in particular which don't have that current requirement for 100% annual inspection but that we do have to deal with in a risk-based way at the very least to be able to provide to the greatest extent we can further assurances on those facilities. Jim, maybe I can just ask you to elaborate further.

**Mr Smith:** In terms of the municipal and non-municipal systems, as I indicated earlier, we have just under 3,000 systems registered in the province. That registration process is about them meeting our regulatory requirements. Many of those systems would be non-municipal; many of those would be the small systems as well. In the province, we have what I always like to talk about as seven pillars that we use to ensure we have a comprehensive safety net, and that follows in line with where Justice O'Connor was placing his emphasis.

What I wanted to talk about were your concerns about the non-municipal, the smaller facilities, and what's happening. First, they need to test their water and report it to us and, second, notify us of any exceedances. So that

automatically provides us with information on those systems that are having some water quality issues if the notifications are coming in for those exceedances.

At that point we would follow up. As I indicated, there would be a dialogue between ourselves, the owner-operator and the local health unit, and if necessary there would be a field response, at which point we would better assess the situation. We can also make a determination whether an inspection would be needed in the future for that facility from what we see.

The other important part for those systems is that they have to have an engineering evaluation report. That report is undertaken by a professional engineer who has experience in drinking water systems and sanitary engineering to ensure that they are complying with our requirements and our treatment regime as prescribed for that type of system.

So there are certainly three examples of how the smaller systems, the non-municipal systems, are brought within the regulatory process and would ensure that, to the greatest extent possible, safe drinking water is being provided to their consumers.

**Mr Flaherty:** I appreciate that. What I'm trying to focus on, perhaps ineptly, is that government has limited resources, and the resources, to the extent possible, should be focused on the bad guys if there are problems out there in terms of water quality, for the sake of talking about water quality.

Are you able to analyze the data that you have; for example, the AWQI data on page 205 of the auditor's report? Are you able to analyze that and say, "OK, we should be focusing more of our efforts on this part of the water population that we deal with as opposed to this other part"? I'm assuming there is not a problem with the water system in the city of Toronto most of the time. I hope you're not spending a lot of time on it, or on the regional municipality of Durham or on the regional municipality of Peel and so on. Anyway, can you do that with the data that you have?

**Mr Smith:** I'll answer that question in two parts.

We are committed, as you understand, to 100% inspection of municipal drinking water treatment systems, and we have a very extensive protocol and extensive data collection on that. We have a number of years of experience. What I see is that over the next year or two we'll have significant capacity to analyze that information and make decisions around, "Can we focus the inspections for a municipal system that is performing well? Our inspections identify that they are meeting all our requirements and they consistently do that. Can we spend somewhat less time there in terms of our inspections?" That's the type of assessment we want to make to assure ourselves that that's something we can do.

For the non-municipal systems, we have a field response. We have policies in place where we focus our time on follow-ups to those facilities that are reporting AWQIs, adverse water quality incidents, particularly on the microbiological side. So we're focusing the resources to go after, or to follow up on, those facilities that are having difficulties with their water quality.

Over time, as we talked about the drinking water information system and, also importantly, about our laboratory and waterworks information system that's coming on-line, we will be able to make good decisions in terms of where to focus our efforts for follow-up.

**Ms West:** Maybe I can just add to that. With respect to the requirement to inspect 100% of municipal systems, that was a specific recommendation of Mr Justice O'Connor, so that's our starting-off point. But I do appreciate Jim's comments as well that as we get more practice at this and more information as a result of it, it will help us to better analyze what is required in the future for appropriate protection of water systems.

**1140**

**Mr Flaherty:** I won't be much longer, Chair. A couple of specific things: You mentioned in your remarks that you would address the problem of drinking water systems that fail to submit any test results. That was one of the major compliance points raised in the auditor's report as I read it. Do you have 100% compliance now in the submission of test results?

**Ms West:** Again, I'm going to ask Jim to speak to that, both with respect to the specific concern that the auditor raised, what we've done to deal with that and what we're doing to provide assurances more broadly on the submissions.

**Mr Smith:** In terms of the auditor's findings with respect to systems that didn't submit any test results or didn't meet the minimum requirements in their submissions, we have followed up, and we've followed up in two specific ways. One is that we have, since the drinking water information system came on-line in May of last year, a reporting capability that allows it to identify for us what systems are not submitting any test results. So that capability is present now.

In terms of systems that have not submitted the minimum number of sampling requirements, that's a function that we're developing, and that will be part of our enhanced drinking water information system that we're bringing on-line in the summer of this year.

**Mr Flaherty:** I'm sorry. I don't mean to be difficult, but how many are there? About 3,000 or so that are supposed to report?

**Mr Smith:** Right now, there are just under 3,000 systems that are reporting.

**Mr Flaherty:** The ADM mentioned you run a manual system.

**Mr Smith:** That's correct.

**Mr Flaherty:** Surely you're telling all of them that they must submit their samples; you're not waiting to develop a system to do this. And you're enforcing it, surely.

**Mr Smith:** What we've done is we've had outreach to that community to ensure that they understand the requirements. We've followed up on the facilities that have not submitted any test results, as identified by the auditor in his report. I can give you a progress report on that.

In terms of those systems, we actually followed up on 315, including the 300 identified by the auditor. Out of

those, 103 were no longer operating or were not subject to the regulatory requirements. They had registered but weren't required to submit test results. Of those systems, 123 have subsequently submitted data to DWIS during the period from the time of the audit to the present. We have contacted the remaining systems as well. Although they were sampling, they did not submit their data to the ministry and have now committed to doing that. We have a field response in terms of follow-up on eight remaining systems that's in progress. So that's the follow-up we've taken on those.

**Mr Flaherty:** I would hope that those you've had difficulty with on the compliance side are the ones you put at the top of the list on the inspection side.

**Mr Smith:** Yes, they're on a watch list in terms of ensuring that they continue with the regulatory responsibilities that they must meet.

**Mr Flaherty:** I'm almost finished with the major things I wanted to raise.

At the bottom of page 199 and the top of page 200 of the auditor's report, he deals with the number of inspections in absolute numbers. He says, at the bottom of page 199: "For example, last year inspectors visited only 54 of the 357 private drinking water treatment plants and 44 of the 1,119 smaller plants and designated facilities."

Why are those numbers so low? I mean, 54 and 44. We're talking 98 inspections in an entire year of private drinking water treatment plants and smaller plants and designated facilities.

**Mr Smith:** In terms of our drinking water program, there are two major types of responses we take for water systems in the province. One is our obligatory inspections. We carry out inspections, as we indicated earlier, for municipal drinking water treatment plants in the province on a yearly basis. Those systems serve over 80% of the population.

We also have a field response. A field response is when we are receiving adverse water quality incident reports, as I indicated. We will visit a system, be it a large or small municipal residential system, a non-municipal residential system, all systems serving a designated facility. We will do a field response and have an inspector follow up when there's an AWQI that involves E coli or fecal coliform. So we do follow up on those facilities. We consult with the local health unit in terms of follow-ups for other facilities. Those field responses don't get recorded as a formal, obligatory inspection.

I do want to highlight that for cases of microbiological contamination, we do have a field response. Our inspectors check out the facility. They also make a decision at that point as to whether that facility should be on our watch list and if it's a candidate for inspections. Again, as we indicated earlier, we make decisions around our mandatory inspections for municipal systems and for non-municipal systems, and there's a balance of those mandatory inspections.

**Mr Flaherty:** So a field response involves an attendance but is not recorded as an inspection?

**Mr Smith:** That's correct. In those numbers, what you are seeing is the formal inspections.

**Mr Flaherty:** My last question is about fraud, like the Walkerton situation, where someone is falsifying test results, as Mr Justice O'Connor found. What mechanisms, if any, are there in the system to try to assess whether fraud is taking place in the submission of water samples?

**Ms Andrew:** Perhaps I can start on this. We now require accreditation of all environmental laboratories that do drinking water testing. They are accredited by the Standards Council of Canada and audited by the Canadian Environmental Analytical—I've got it wrong; it's the environmental lab association, CAEAL. In addition to that, as of October this year we require that all laboratories doing drinking water testing be licensed in Ontario, and we have full inspection of drinking water laboratories.

As I think the deputy mentioned earlier, we have introduced what is known as a chain-of-custody form to ensure that the analysis that's taken at the drinking water treatment plant, sent to the laboratory and followed up with the results submitted to us can be tracked for the specific location it was taken and the specific parameters.

So we now have a fairly comprehensive system that requires that every drinking water treatment plant have a licensed and accredited laboratory. The laboratories are subject both to inspections by our staff for their licence requirements and to audits as to their professional proficiency by the audit component of the Standards Council of Canada. So there have been a number of changes. Also, the reporting requirements of laboratories to the ministry have changed since then. There has been substantial change.

1150

**The Chair:** Ms Churley.

**Ms Marilyn Churley (Toronto-Danforth):** Thank you, Chair. Do we break at noon?

**The Chair:** Yes.

**Ms Churley:** OK. I'll start by asking a question or two and come back later this afternoon.

There are a lot of questions, some of which have been answered or partially answered. I wanted to get back to the new system you're bringing in and the previous system. I'm trying to get a better understanding, in the meantime, before the new system is fully operational, of how you are handling the total inspection regime you have, trying to deal with both systems, because I assume you still are, and not just with hazardous waste but in water inspection as well. The new system is not fully operational yet, is it?

**Ms West:** If you're talking about drinking water—

**Ms Churley:** Yes, drinking water specifically.

**Ms West:** —then you're right. Jim will talk about it. He's noted that, yes, we continue to enhance the system and look for ways to make it even more robust. But there are specific plans currently underway that would have an enhanced system in place by June this year. Maybe Jim can remind us about what those specific improvements are.

In terms of the current system, DWIS, it is being used. I think some of the earlier references were that when DWIS was being established, it related to a different regulatory regime that was amended during that course, and now DWIS relates to the proper regulatory scheme.

**Ms Churley:** So is DWIS fully operational on the drinking water side?

**Mr Smith:** DWIS is operational. It has a range of report functions that it provides.

Just to follow up in terms of the earlier question, it's used around the province by our inspectors and our staff. I use it as well. I've queried the system; it has a number of report-generating capabilities. Some very important ones are the adverse water quality incident reconciliation process, where it can take the data entered by our Spills Action Centre, where we were notified, and then reconcile that with the laboratory data that would be sent to the ministry up to a number of weeks later and uploaded into DWIS and reconciled to make sure there are no exceptions. The system is operational. We are continuing to improve it. My view would be that the system will continue to evolve over time and provide us with enhanced capabilities to assess drinking water systems in the province.

In terms of the next production of DWIS, what we'll see is a seamless improvement. So the system is working well for us. Laboratories are uploading data. There's a lot of data being uploaded across the province. Come the summer, there will be a new production of DWIS. It will be seamless and provide for the smart forms the deputy spoke to. That's really about providing more control about data quality in the entry process that labs and drinking water facilities are entering into DWIS.

The other aspect will be new report functions for us, including the current regulation. The new regulation, 170, has some aspects that we want to build into the new DWIS in terms of differentiating categories of systems and allowing us to do some more analytical follow-up.

The system will also provide even greater ability to check for sampling submissions and frequency of samples. The rules we have for eight categories of drinking water facilities are quite comprehensive. It's our aim to provide even further capability to assess that in the new version. But it's really for us to be able to do that and for the community out there to even further quality check and control the data they are submitting to us. That's what the changes are about.

**Ms Churley:** What can't the system deal with at this point?

**Mr Smith:** In terms of follow-up, part of what it can't do was expressed earlier. For example, as we build Environet compatibility, it doesn't speak to all systems. I should mention that we're also developing, very importantly, our laboratory and waterworks inspection system. That will provide all the data from our inspections. We'll be able to communicate with the drinking water information system. For example, when inspectors do their inspections, they will also do audit samples of the water system. Those would be entered into our new drinking

water system for laboratories and waterworks, for the inspections, and that information and the information that DWIS has that has been uploaded from the system's laboratories can then be used by the inspector to compare results. That's a feature we can't do yet, and it will certainly enhance our ability to move forward.

**Ms Churley:** Does this have anything to do with moving forward with the Gibbons report? Is this any component of that report and those recommendations under the previous government?

**Ms West:** I think you see within the Ministry of the Environment these days the principles that Val Gibbons brought forward in the report. Certainly one of the principles—and it's consistent with what we heard from O'Connor and what we realize ourselves from our practice and our relations—is that the more data we have and the more transparent we make that data to all the players in the field, whether it's governments or the industry or the waterworks or the general public, the better able we all are to look after the concerns of the public, because it's very much an integrated, partnered responsibility. So I think in that respect as we talk about DWIS and we talk about the other components of the environment and the OnAir system that provides public access to very important emissions data, it aids in providing information to all people and players who have a responsibility in the environment field. I would say in that regard it is quite consistent with what the Managing the Environment report brought forward.

**Ms Churley:** Is the ministry proceeding in general with that report, or has that stopped?

**Ms West:** Again, as a matter of broad principle and with some specific suggestions and recommendations coming out of that, yes, the ministry has responded. We did have a particular organizational unit—

**Ms Churley:** I remember.

**Ms West:** —that dealt with that. Then what we've done over the past year is take those components from the organizational unit and try to imbed them into the establishment of the ministry itself. So, yes, as far as I'm concerned, we've tried to move that along and honour those particular principles.

**Ms Churley:** Just one last question before we break, veering into another area. Because the minister is not here, I'm trying to not make this a political question, but perhaps it is. It's following up on a question by Mr Flaherty, and that is why so few inspections have been done over the past year despite the new regulation.

Is there a need for more inspectors? I feel that that is and has been for some time part of the problem. I understand that in your capacity it's a difficult question to answer, but I put it in the context of reading the auditor's report and listening carefully to your remarks today. It seems to me today that the thought is that with this new system in place it will limit—on the one hand, it sounds like you're doing it to be more efficient, more with less and all that kind of thing, but you're still mandated to inspect 100% of municipal waterworks. It seems the thought is that this would make it more effici-

ent somehow, but it just seems to me that there is still a problem with not enough inspectors to do the job.

**Ms West:** Let me respond in somewhat general terms. Obviously, I think anyone in any situation where they're responsible for regulation and have responsibility for assuring compliance would say that you could never have enough inspectors or staff to do that.

**Ms Churley:** There's a threshold.

**Ms West:** And recognizing that there will always be some constraint, we do have to find ways to deal with the broader compliance concern. On the water side, we do know that as a matter of record there have been some substantial resources allocated to the ministry over the past year to help us deal with the new inspection needs for the water program.

Within another few weeks, we will have two years of practice in the proactive annual inspections for municipal waterworks, and it helps to inform in terms of our ability to do that and what resources are required to actually accomplish that. As Jim has noted, in terms of the other areas of waterworks, the non-municipal and the smaller ones, we recognize that we need to look at the resources we have and the manner in which we can provide better assurance and compliance in that area without having the specific regulatory requirement that we have the same level of annual inspections.

I think in some respects it's somewhat early to determine how effective the resources we have on the water side are yet. As I said, we do have just less than two years of experience with that. I think we're seeing some significant results, but we will be taking into account those results and our experience as we advise government under various processes, like our current budget decision-making process that's underway now.

**Ms Churley:** In terms of the number of inspectors—

**The Chair:** I'm going to ask you to ask the question after lunch. OK, thank you. One o'clock.

*The committee recessed from 1201 to 1306.*

**The Chair:** I guess we'll begin again. I had an interesting lunch with one of the mayors of a small town which I represent. I hesitate to give you the name, but he attended a session at ROMA yesterday with Dianne Saxe, who is perhaps one of the most renowned environmental lawyers in Ontario. She is the daughter of Mortie Shulman, who was a member of the Legislature in the 1970s and who has since passed away. One of the things she said, which we might want to keep in context today, was that the Ministry of the Environment is not the friend of municipalities. This is a lawyer speaking. She said to the group—and put it on a slide, which I hope to get a copy of—that these records which will be kept will be the bane of the municipalities because they will be used against them in terms of future lawsuits. The lawyers will have a field day with these records. So notwithstanding what we're trying to do today, that's the context of yesterday with regard to perhaps one of the most renowned environmental lawyers in the province of Ontario, how she is presenting this case to municipalities across the province of Ontario.

Marilyn?

**Ms Churley:** I presume you'd like me to ask a follow-up question on that, Mr Chair, since you—

**The Chair:** I was astounded that this was the case and it was in writing and that kind of thing.

**Ms Churley:** I've been asked if I would give a little of my time to have a correction made to the record from this morning, if that's OK with the rest of the committee.

**The Chair:** Sure.

**Ms West:** Mr Chair, at the lunch break, Joan realized that she misstated herself with respect to a reference to a number. I think it's inconsequential in the context, even in the one that you've presented to us, but just for the record, Joan?

**Ms Andrew:** Earlier today I was asked about the number of manifests we process for the hazardous waste information system, and I said 2,000 a week; it's 2,000 a day. Sorry. If the transcripts could reflect that. Thanks.

**Ms Churley:** Just coming back to—actually, before I come back to that, I promised I'd take this opportunity to ask you about the Boblo water situation. I think you know the background to that. I'm wondering if there's somebody here who can respond to their concerns about their water not being safe to drink and a slowdown within the Ministry of the Environment. Do people need a little bit of background on this?

**Ms West:** From our standpoint, we're just bringing someone in who can help us with that.

**Ms Churley:** OK. So I'll move on to other things here.

We talked a little bit about staffing. It's my view, based on the last several years of being here under the former government, and it was the Liberals' point of view at the time as well, that you needed a lot more resources to do your job. I received your answer, of course, and I thank you for that, but I still want to say for the record that from my information and observing what's been happening over the past several years, I would still submit that that is the case.

I want to thank the Legislative Assembly and Mr Ray McLellan, who is here, for preparing such good notes for the committee today. It makes it easy to refer to some of the pertinent information here. I don't know if you have those notes, but you have the information, anyway.

I mentioned this morning—I referred to it anyway—that total inspection activity is currently, at the time the auditor's report was written, at 73% of the 1995-96 levels. Inspectors are averaging fewer inspections annually. For example, last year inspectors visited only 54 of the 357 private drinking water treatment plants and 44 of the 1,119 smaller plants and designated facilities. Then it goes a little further—and I am getting to my question because I'm connecting these two. The auditor identified samples with high concentration of levels of regulated substances and, of those, 3,181 were adverse water quality incidents, which are more serious exceedances that can affect human health.

So my question, in a roundabout way, is just looking at these two. In a way, improving the system allows you to see even more effectively where the problems are. So

in one sense it can actually increase your workload in a positive way, because you're seeing where all of these adverse water quality incidents are happening. My question is, how are you going to reconcile that and making sure that you have the number of staff people to do all those inspections, given the shortfalls in previous years?

**Ms West:** Maybe I can just start off in response, and then I'm going to ask Michael Williams, who is our assistant deputy minister of operations, to speak to that.

You used in some of your examples the water inspection, and Jim Smith did comment and discuss particularly how he sees being able to address both the municipal and non-municipal in the upcoming years. So I'm going to suggest that Michael talk a bit about the broader compliance program that we have, how inspections fit within that and how he sees us being able to deal with our current resource levels or whatever else the government may want to provide to us.

**Mr Williams:** Basically what I'd like to convey to the committee is that inspections are just one particular tool in our toolkit to ensure effective regulatory compliance. I think it's important that there's an understanding that inspections, the way in which we do them, are like an audit function.

There was mention earlier this morning that there are a number of incident reports that come in. I can tell you that they've been ever-increasing over the past few years in the ministry to the point that there are over 40,000 pollution incident reports a year that come in. We respond to those. We don't count that response as an inspection. We issue over 8,000 environmental approvals that require industries and facilities to be regulated and meet effective regulatory performance. One of the things that we're doing—and I'll answer the question about resourcing but I think it's important to understand that the full spectrum of compliance depends on people doing what they're supposed to do, people being informed of it.

Our policy ADM this morning talked about her staff's work with stakeholder communities and groups when we go about to design a regulation or a piece of legislation, and then my staff from the field come in at the tail end of it. But we also work with those groups and associations as we go out and we do our inspection work. That often means that we have meetings with the industry associations. It means that we work with the parent organizations for those facilities to promote better compliance. I would suggest that there's a full range of things that get better compliance, beyond an absolute numerical count of inspections.

One of the things I'd also like to share with you is the deterrence factor. When you have very tough fines, and the fines have been increasing over the past few years; when you have staff who have an ability to issue what we call provincial officer orders; when we have directors in the ministry who can issue director orders—there's a wide range of tools available at our disposal to get regulatory compliance.

One of the things, just to give you a practical example of that, is the auto body sector. Somebody said to me

once, "How can you possibly go out there and inspect every auto body shop in the province?" Of course, the answer is, we can't. But I can tell you that before we started a program with the environmental SWAT team, we were getting about five applications a week for auto body shops for its environmental approvals. We sent SWAT in there to target that sector. SWAT went back and worked with the industry associations. We got 50 a day coming from the industry associations once we went out and helped educate them as to what their regulatory responsibilities were. That's just another means of bringing them into compliance.

You heard about putting information on Web sites and publicly reporting. We need a partnership with the public out there and we've found that one of the most effective tools is to have the results from the facilities posted in a public arena. The public cause some of our incident reports that I spoke about. That's why we've gone from about 20,000 a few years ago up to 40,000 now, because people phone us and say, "We think this is the kind of performance that should be happening out there," and our officers, our staff and our directors have to work on that. So there's a full range and a full suite of tools, and a full range of activities that are undertaken by a variety of staff, both in my division and in Jim Smith's division.

We have had resources come to the ministry for drinking water, as I think everybody is aware, and we continue to use those resources, in Jim's division to get the regulatory compliance that's needed with the water community, and in my division to get all of the other compliance that's needed for the other types of facilities across the province.

One of the other things that we're doing now, and it was alluded to earlier this morning, is the concept of risk-based inspections. It's very important, I think, that we don't just go by the number of inspections. The auditor was quite helpful in pointing out, and I'm sure it's in the notes, as it is in the auditor's report, that our coverage is declining. I believe the figure that's quoted in the report is it's about 73% of what it used to be, if memory serves me correctly.

Let me tell you the reasons why it declines. It declines because our inspections are becoming far more comprehensive these days. Years ago, an inspector used to spend, on average, about five hours in a facility. The average that my division now spends in a facility is 15½ hours. That's a threefold increase of going in there. I know from the days when, for example, my division had drinking water responsibilities assigned to it that the staff would take one, two or, in some cases, three weeks to get ready to do the inspection, because the protocol is so stringent and strict to go in and make sure there is no stone left unturned in terms of what they look at. So our planning time for doing inspections is increasing too. What I think that means at the end of the day is we have to have our resources appropriately apportioned to where the highest risk is. So we asked our director of the environmental SWAT team to prepare a risk-based assessment program for our overall inspections, and we're going to roll that out this year, in April.

The net result of that may be, with all the extra time we take to prepare, the extra time we take to do the inspection, focusing on risk, that we may see actual numbers drop a little bit more, because we're going to target those facilities that matter most. We're going to put our resources where we need to put them, on those that have the greatest potential to cause significant risk to the environment and to the public.

It's kind of a long-winded answer. I'm sorry; I don't mean to steal a lot of your time.

**Ms Churley:** You're doing better than most politicians here.

**Mr Williams:** I just wanted to tell you that while there have been resources come into the ministry, it's important that we look at the whole picture all across the ministry on what we do to get effective environmental compliance.

**Ms Churley:** Following up, you were here when Mr Flaherty was asking questions this morning around what you inspect and what you don't, and talking about the emphasis having to be more on those out of compliance or at risk and the smaller ones. I think there is some misunderstanding that you have to, under the new regulation—and let's clarify this. Under the new regulation, is it in your mandate to actually inspect every single municipal waterway, or not? How many did we say there were in the province? I think there is some confusion over that matter. Or can you do it on the basis of this risk management and other qualities that you look at within the water system?

**Mr Williams:** At the risk of stealing some time from our chief water inspector, I'm going to try to answer that question, and he can yell at me from the back row if I'm wrong. The short answer is no, we won't inspect every one. There has been a commitment made that we will inspect every municipal water facility across the province.

**Ms Churley:** Remind me how many of those there are again. I know I wrote it down somewhere.

**Mr Williams:** I don't know—

**Ms Churley:** I see you're in trouble already.

**Mr Williams:** There are over 650, I think.

**Ms Churley:** So those you will inspect, every single one.

**Mr Williams:** Those we will inspect, absolutely, on an annual basis. What I suspect we will find over time, in reference also to this morning's comment, is we're going to focus on the ones that we continue to experience some challenges and problems with. With some of the other ones, maybe we don't need to go in for days of inspection. Maybe we can go there and do a less stringent inspection, where we have effective regulatory performance.

**Ms Churley:** You've got a number. I probably have it written down somewhere, too.

**Mr Williams:** We've done 644 this year. That's the number I'm being handed.

**Ms Churley:** That's 644 this year.

Do I have—

**The Chair:** No, you're out of time.

1320

**Ms Churley:** OK, but I have more questions for later. There is somebody coming to answer a specific question, and when that person arrives, can we just have a quick answer on that?

**The Chair:** OK. Who's coming?

**Mr Williams:** Just give me a second. I'll see if we've got somebody for Boblo.

**Ms Churley:** We can proceed.

**The Chair:** Mr Fonseca.

**Mr Peter Fonseca (Mississauga East):** Thank you, Deputy, for the report this morning. In the report, it was mentioned that the auditor found that the hazardous waste information network does not support paper submissions, resulting in minimal use by the regulated community. Less than 1% of manifests were processed through the hazardous waste information network.

What plan is in place, and are you looking for an increase up to 100%?

**Ms West:** Not right now.

**Mr Fonseca:** What's the timeline to that plan?

**Ms West:** I'm going to pass it right over to Joan Andrew to speak to that. I did reference it briefly in my remarks, but I think she can elaborate further.

**Ms Andrew:** We've got a number of things underway. One is that we're doing outreach to the hazardous waste receiving community to get them on board. In order for a manifest to be processed electronically, it has to be initiated by the generator, carried out by the carrier and also by the receiver. So all three parties in the transaction have to use the electronic system for it to work. We know the generators are using electronic systems because they register with us electronically, and about 70% of the industry in Ontario I think is covered by three major receivers. So we're working with those three major receivers to get them on board. That would substantially increase the amount of tracking we do electronically. We think we can get it up, over the course of this year, to about two thirds.

In addition, we are redesigning the HWIN system to accommodate paper manifesting so that we don't have to use our old system that isn't going to last much longer. So we're doing two things. One is redesigning the existing system to accommodate paper transactions. But we do want to move up the electronic reporting significantly, because that gives us real-time tracking and monitoring of the movement of hazardous waste in Ontario. From an environmental point of view, electronic submission is preferable, but we know we're not going to move to 100% unless it is regulated, and I don't think that's in the short term.

**Mr Fonseca:** So what percentage will you get to, ballpark?

**Ms Andrew:** Our aim over the course of this year is to get to two thirds.

**Mr Fonseca:** That would be at the end of this year, you said?

**Ms Andrew:** I'm sorry, the end of 2004-05. The end of the next fiscal year. I've been doing too much next-year planning.

**Mr Fonseca:** This may have been brought up with Ms Churley's question. It was brought up that in developing a multifaceted compliance strategy to ensure that small non-municipal drinking water systems are aware of their regulatory responsibilities to test drinking water samples and submit results to the ministry, a number of other things have been put in place, in terms of your inspection, SWAT etc. Is there a whistle-blower program in place?

**Mr Williams:** I'll try and answer that. If by whistle-blower you mean, is there a way that somebody can make us aware of things that happen?

**Mr Fonseca:** Anonymously.

**Mr Williams:** We have a pollution hotline, a 1-800 number that's handled by our Spills Action Centre. Anyone can phone at any time, 24/7, 365. They can report it. That's one of the reasons why some of the numbers that I referred to earlier we're seeing go up so high, from 20,000 a few years ago up to in excess of 40,000 now. Every one of those is followed up on.

**Ms Andrew:** Just from a legislative or regulatory point of view, the Environmental Protection Act specifically covers three acts, maybe more—the Ontario Water Resources Act, the Safe Drinking Water Act, the Pesticides Act and the Environmental Assessment Act—to say that if an employee in a company reports untoward activity to us, we can actually, if they are disciplined in any way by their employer, charge that employer. So there is, if you want to call it that, a whistle-blowing provision in the Environmental Protection Act.

Also under the Environmental Bill of Rights, which covers a broader number of acts that go beyond our ministry, there's a provision that should anybody be disciplined for reporting to the EBR, or bringing something to the attention of the Environmental Bill of Rights registry, they can appeal to the Ontario Labour Relations Board.

**Mr Fonseca:** So it doesn't come in as an anonymous call? Would you follow up on an anonymous call also?

**Mr Williams:** Absolutely we would, and we would take whatever steps are necessary to substantiate the information that's presented to us. They would all be treated seriously.

**Mr Fonseca:** There's an awareness campaign in place for people who work at different facilities, that they would be aware of this 1-800 number?

**Mr Williams:** I would say a large number of people who work in facilities that have the potential for environmental impacts and have environmental approvals from us are well aware of the Spills Action Centre and its number. They have legislated responsibilities to deal with spills or environmental events. We did publicize the pollution hotline so that people would know, and we put that 1-800 number in place, and it's on our ministry Web site. So anybody who's interested in perhaps anonymously coming in with some tips to the ministry would be able to find it on the Web or through other avenues also, sir.

**Mr Fonseca:** I see that since 1995 many of the environmental laws and regulations were weakened. Some-

thing like hazardous waste, I know it quadrupled since 1995. Has that caused many constraints on your ministry?

**Ms West:** Maybe you can just help me with that question. I'm not sure I understand the question.

**Mr Fonseca:** I'm just asking in terms of your human resources. Has that been difficult to manage?

**Ms West:** Understandably, as we have had a fairly aggressive policy program over the past little while, I think what we've been able to do is shift the capacity as the regulatory emphasis shifts itself. It has been a little hectic, I must say, over the past year or so, but we've been able to manage it and phase in approaches to it to meet expectations.

**Ms Deborah Matthews (London North Centre):** I want to focus in on the hazardous waste part of the report, especially as it relates to the registration. Can you explain to me, please, who registers, who doesn't register, who's voluntary, who's mandated? Can you just walk us through that, talking about the producers, the carriers and the receivers?

**Ms Andrew:** The people who have to register every year are the generators of hazardous waste. Until the regulation was introduced in late 2001 or early 2002—I've forgotten, to be honest, whether it was December 2001 or January 2002—there was no annual registration. So we had a database, if I can say that, of anybody who had ever registered as a hazardous waste producer in Ontario over 40 or 50 years. We introduced an annual registration component, and the first year it was in effect was 2002. The technical date for registration is February 15. There's a six-week period from January 1 to mid-February every year. With the first-year registration, by the end of that year there were about 23,000 generators registered, but by the mid-February date, there were far fewer, maybe 6,000 or 7,000.

**Ms Matthews:** So when were there 23,000?

**Ms Andrew:** By December 2002. Then last year, in 2003, we had about 8,000 registered by mid-February, and about 21,000 registered by the end of the year.

This year, in order to increase the on-time registrations, we started writing to everybody who was registered last year to remind them to re-register. By mid-February of this year, we were up at over 13,000 registrations, which is a significant increase over the two previous years. We have now, this past week, written to everybody who didn't re-register to remind them they may be out of compliance. But it would be fair to say that some people are not frequent shippers of hazardous waste. They may just do it once or twice a year, and, to be honest, they register just before they ship. So there will be, over the course of the year, a growing number of people who register.

**1330**

I'll just use this as an example: Most universities that have any kind of science or engineering facility will ship a tiny amount of hazardous waste because their science labs generate some of it. But they're not shipping bulk quantities every week somewhere, so they'll probably



register, say, toward the end of the term when they're cleaning up their labs and stuff like that. I'm not trying to dismiss their noncompliance, but I want to put it in perspective.

In the two full years since we've had this, we've started out each year at between 6,000 and 8,000 registered by February, and between 21,000 and 23,000 registered by the end of the year. Once they've registered, they pay a flat registration fee and then pay fees for the type and quantity of waste and what's shipped over the course of the year. When I talked about manifests, that's a bill, if you can call it, for each shipment. We have about 2,000 of those we process a day.

**Ms Matthews:** I'm going to stop there, but we're going to go back and talk about the carriers and the receivers.

How do you know, can you know, who is producing or generating hazardous waste and is not registered?

**Ms Andrew:** I may have to call on someone else to do this, but we know, if I could say it this way, all the major generators of hazardous waste. We know the industries they come from. We've had a semblance of a registry for a number of years in Ontario. The other thing is that if there were significant amounts of hazardous waste—we may be missing one or two; I'm not saying we're at 100%—we would know if there were significant shipments or dumping of hazardous waste in Ontario, because you would see it. That's part of it.

**Ms Matthews:** How would you see it?

**Ms Andrew:** It would be in landfill sites or at the edge of roads.

Michael does the compliance side.

**Mr Williams:** One of the things that I could tell you is that our district inspectors have gone out and done 432 inspections thus far this year of waste generators to make sure that things are going on properly. I can tell you that a large number of them, almost 300 of them, passed the inspection. Some did not for failing to comply with the approval that was issued. There were some waste infractions, and there were manifest or bill-of-lading errors.

We also sent the SWAT team out in a sweep of the sector to conduct 500 vehicle inspections, just to see what was in those vehicles and what was supposed to be in them, and where their origin and destination was. We've undertaken that in the past year.

We have a program that's been designed to respond to the issue of compliance with HWIN this year. Basically there are three things that we're going to do. We're going to continue to target those shipments that we have some concern with, and we're going to give the priority to those generators who did not register or didn't register for the appropriate waste classes. We're also going to put the environmental SWAT team back on that.

The second thing we're going to do is go after where the annual re-registration requirement has never been completed. We think there are about 1,300 sites that fall into that category, so we're going to put resources to it. We're going to post the list of delinquent operators on the HWIN Web site, and then that will come back to our

MOE district offices for further abatement action. The generators that are in arrears will receive a little visit and a chat from us on that front also.

For the generators who have missed the February 15 deadline the ministry will also have an outreach strategy as well as a follow-up strategy, and that will be done by the field officers.

**Ms Matthews:** So what is the biggest hammer you have when someone isn't complying? You send letters.

**Mr Williams:** Complying with?

**Ms Matthews:** Who isn't registering.

**Mr Williams:** If we encounter someone who's not complying administratively with the regulation, then the officer who discovers that can issue a provincial officer's order to require it to be brought into compliance. That order can be appealed by the person who we catch, so to speak, to the director. The director has further measures that he or she could take.

If there's no co-operation and no compliance, at one point in time in the process we'll make a decision on whether we're going to give that to a ministry investigator. There is a hand-off from the point of seeking voluntary compliance, to moving through orders, to "Let's take it into the courts."

We can also issue Provincial Offences Act tickets on the spot for some of the more minor infractions. So there's a full suite of regulatory tools, and we will go as far as we need to go to bring compliance.

**Ms Matthews:** But there's no licence that can be revoked? A fine is the worst you can do?

**Mr Williams:** Excuse me for a moment. I'm sorry, I need my director of enforcement here to give me the absolute legislative route on this. My understanding is that if they don't have a manifest and they're not registered, they don't have a licence. So they have to go through the process of, "Let's take them to court and get a fine," if we follow through with that.

If they do have a licence, I think that we would be examining the severity of the offence and taking a look at what possible action there would be. I'm unsure at this time of exactly whether we have revoked licences, but we do have the regulatory authority because they would have a document from us known as a certificate of approval. That governs the carriers, and we could make a determination that we want to pull that certificate of approval.

**Ms Matthews:** So now we're talking about the carriers?

**Mr Williams:** That would be for the carriers, the certificate of approval.

**Ms Matthews:** The registration of carriers is voluntary?

**Ms Andrew:** The carriers have the certificate of approval to be a hazardous waste carrier.

**Ms Matthews:** Somewhere in my notes here, I saw something about voluntary registration of carriers. Maybe I misread that.

**Ms Andrew:** Generators of waste, under the regulation, have to register every year. What's voluntary, I

guess, is the use of the electronic manifesting system by all three parties. But there's no annual registration for carriers; they have a certificate of approval to be a hazardous waste carrier.

**Mr Williams:** It is not voluntary to get that government approval, that certificate of approval. It's a legislated requirement to get that. As a carrier, to use HWIN is voluntary, I'm informed.

**Ms Matthews:** I'm sorry, to use—

**Ms Andrew:** To use the electronic version. They have to submit the manifest.

**Ms Matthews:** The receivers of the hazardous waste are also licensed?

**Mr Williams:** The receivers of the waste are licensed with the government approval, called a certificate of approval.

**Ms Matthews:** I live in London and we drive on the 401 a lot. We drive past trucks, and we assume that the province is looking after any hazardous waste that's on the road, from generation to disposal. So that's a safe assumption. People can assume that you're looking after that.

**Ms Andrew:** Yes. The generators have to have certificates of approval. Then they have to be registered. The carriers have to have certificates of approval, and the receivers have to have certificates of approval. I think even in the auditor's report, the percentage of manifests that were processed for generators that didn't have a licence was less than 1%, and for those that were for the wrong class of waste it was less than 2%. So it is a very complete system in terms of compliance.

1340

**Ms Matthews:** You're comfortable with the monitoring of it?

**Ms Andrew:** I'm sure we can always look to do more. The reason we're targeting the goal of getting increased electronic monitoring is so we can have real-time monitoring and tracking of the waste, as opposed to something that is sometimes, say, two weeks after it happened. That's why, in answer to the earlier question, we've set this goal of trying to have two thirds of the system electronic, because it will give us greater ability to track in real time the movement of hazardous waste. I'm not saying we don't have improvements to make, but we do have a good, strong system in place.

**Ms Matthews:** I commented to my colleagues earlier that a registered letter or a courier package can be tracked. You can know exactly where it is at any point in time. It seems to me we should have the same ability for things that could be very dangerous to our health.

**Mr Williams:** That's our goal, and that's what our district and SWAT team will be following up with: the generators, the carriers and the receivers on that.

**Ms Matthews:** Thank you very much.

**The Chair:** That's 20 minutes in total. I think there was an answer to—

*Interjection.*

**The Chair:** How long are you going to be, Mr Berardinetti?

**Mr Lorenzo Berardinetti (Scarborough Southwest):** Perhaps five minutes.

**The Chair:** That's fine. You go ahead then.

**Mr Berardinetti:** Just a few questions on the water issue. I guess that was what I was most concerned about.

What I wanted to ask is on the whole issue of Walkerton again. Can you come and say that we are safer today than we were a few years ago with regard to Walkerton? What safeguards have been put in place to ensure that?

**Mr Smith:** Thank you for that question. Certainly as Ontario's new chief drinking water inspector that's a matter that's top of mind for me, and what I'd like to do is share with the committee my thoughts on where we are today. I mentioned the seven pillars that I see that Ontario has in place and I'd like to speak to that.

Certainly the ministry has in place a comprehensive framework that ensures the regulated community delivers safe drinking water to the people of Ontario. Because we are talking about Walkerton, I'd also like to quote Justice O'Connor as well in terms of what guided him in terms of his 121 recommendations that we're implementing.

He said: "... the recommendations' overall goal is to ensure that Ontario's drinking water systems deliver water with a level of risk so negligible that a reasonable and informed person would feel safe drinking the water.

"The risks of unsafe drinking water can be reduced to a negligible level by simultaneously introducing a number of measures: by placing multiple barriers aimed at preventing contaminants from reaching consumers, by adopting a cautious approach to making decisions that affect drinking water safety, by ensuring that water providers apply sound quality management and operating systems, and by providing for effective provincial government regulation and oversight."

In terms of Ontario's approach, what I'd like to highlight is what we have in place, what I believe are the seven pillars.

One is a comprehensive regulatory framework. We have the Safe Drinking Water Act, 2002. We have the drinking water system regulation 170 that we certainly discussed this morning in terms of providing strict water quality standards, regular sampling and testing, microbiological and chemical testing to be done by accredited laboratories, minimum standards for treatment, and clear notification requirements.

It also includes public reporting, tough penalties, as we just discussed for non-compliance, and introduced a whole range—we talked about eight categories of drinking water systems, and nearly 3,000 have registered. In the future, the regulation will have provisions for many more.

We also have compliance promotion. I spoke to that this morning. It's really important that the systems across Ontario understand what the regulatory obligations are. For the smaller systems, it's important for them to understand how they can fulfill those recommendations and requirements in plain language text.

I myself participated in a number of workshops in the fall and I met nearly 900 operators and owners of water

treatment plants, predominantly from the municipal sector. Certainly what I saw was a positive response, in terms of their regulatory responsibilities. Yes, there were many questions, but I think that community has jelled, and also sees Justice O'Connor's recommendations as their goal for meeting those.

We have standards for treatment in place. Ontario has 161 chemical, physical, microbiological and radiological parameters. That's a very comprehensive suite of parameters for testing. We have stringent treatment requirements for surface water and groundwater.

The second pillar is really the operational side: timely and reliable testing with the accredited labs in place, the requirements of sampling, testing, reporting to the ministry. I believe that's a good foundation for that area.

The third, and very important, is immediate notification of adverse water quality incidents. I believe that's well in hand. That is something that certainly the people of Walkerton didn't have at the time that worked well for them. I believe it works well now for the people of Ontario.

We have mandatory approvals in licensing of drinking water systems. We're working toward a regime for the future for licensing that will require a permit to take water, an operating plan, a financial plan, an accredited operating authority and a drinking water permit. So it's a future requirement that we're working toward.

We also have for the smaller municipal plants, as I mentioned this morning, engineering evaluations. A licensed engineer would need to inspect their system and ensure that it's meeting our regulatory treatment requirements.

The fifth pillar we've talked about extensively this morning is our expanded and enhanced inspections program for drinking water. We have a thorough inspection protocol, and we've fulfilled all of Justice O'Connor's recommendations in his reports on the thoroughness of those.

The sixth pillar I see is integrated data acquisition and information management. We've gone a long way since Walkerton in terms of the information that we collect, that we can assess and act upon. We will continue to move forward in terms of integrated systems and future capability for our assessment.

Lastly—it was spoken to, and a question was about that as well—we have rigorous enforcement of regulations. That drives our compliance and inspection protocols, in terms of what we're looking at. As Michael Williams had mentioned, it also acts as a deterrent. It's a signal to others that they must meet their regulatory obligations.

Those are the seven areas that we've made substantive progress on. They all are in fulfillment of certainly Justice O'Connor's recommendations. I believe we've gone a long way since Walkerton.

**Mr Berardinetti:** Thank you. I think that uses up my five minutes, Mr Chair. I thank you for your answer.

**The Chair:** Mrs Munro.

**Mrs Julia Munro (York North):** Thank you very much.

**Ms Churley:** Do you mind [*inaudible*] come especially to answer a question, and might want to go back to work.

**The Chair:** That would be a good idea.

**Ms Churley:** Thank you for your indulgence. You can take it off my time later, if you want.

I had asked—I'm sorry, I don't know your name.

**Mr Jim O'Mara:** My name is Jim O'Mara. I'm director of environmental assessment and approvals.

**Ms Churley:** Thank you very much for coming. I wanted to ask you, as we were talking about water this morning, about a particular issue, and that is the Boblo Island water plant.

Speaking of Walkerton, I've been receiving letters from people from that community in Amherstburg who say that you need to move on the new plant to avoid another Walkerton. They are very, very concerned that approvals have not been given yet to go ahead. They've sent me all kinds of horrible pictures of the existing water system they have, which is about 100 years old, and outlined many of the problems.

According to them—some people in the town—they are saying that the minister had promised town officials that the Ministry of the Environment would hold itself accountable to the 66-day timetable for a request for, I guess, an EA. That hasn't been done yet. The reason why people are coming to me at this point is to see if I can help move it along or find out what the problem is, because they are very concerned about the safety of their drinking water. I'm just wondering if you can give us an update on that.

**1350**

**Mr O'Mara:** Thank you very much for your question. The town of Amherstburg is undertaking a number of projects related to its long-term supply, the servicing of Boblo Island and the implementation of it and management strategy. During the course of the development of their project, under the municipal engineer's class EA, two bump-up requests, or part II order requests, were received. We have processed those requests, and we have denied those requests. The town has been notified that it can proceed with construction. They were notified last week.

**Ms Churley:** I just heard from somebody today on this.

**Mr O'Mara:** We sent the information to the town by fax last week.

**Ms Churley:** OK, that must have been late last week, but it has been done. This is good news. They can now proceed.

**Mr O'Mara:** Absolutely.

**Ms Churley:** All right. Thank you for that information.

**Mrs Munro:** Thank you for joining us today. I'd like to turn our conversation just slightly to what I consider to be the next step. Obviously, for reasons I understand, the auditor has spent much of his report on the efforts you have made over the past little while with regard to collection of data and the importance of its integration

and the importance of being up-to-date and so forth. I think we need to just spend a moment or two looking at the outcome, what all the data is for. It would be my suggestion, as I understand it, that basically we're looking at compliance and, where appropriate, mitigation. I wonder if you could comment either on your perception on what the ultimate outcomes are that you see in this process and whether or not the two I've suggested fit in with your vision.

**Ms West:** Yes, I would say absolutely. The two that you mentioned are very much an important consequence of our being able to improve our information collection, analysis and management systems. I think we've talked a fair amount about compliance today—certainly on the water side—and Mike Williams also talked about it in the other activities with respect to inspection and the broader compliance program. I think that broader compliance program, and again, Michael Williams spoke to that, also includes the notion of mitigation to try to get, for example, an understanding of problems in a particular sector, to be able to get to the industry in advance to help to educate them so they can take some ownership and responsibility and ensure their members understand their requirements to comply and can start to build their capacity and their response to it. So that's an important part of the continuum.

However, I think there are other areas, and if you look at the areas of OnAir, for example, there are other opportunities for use of that information. I think as we have a better understanding of emissions and an understanding of the trends, it does help us in terms of policy analysis and development in support of government; in regulation, it helps us in terms of our partnerships with private stakeholders, companies and other levels of government in identifying programs or approaches to try to reduce the harm of pollution in our environment.

I think there are lots of opportunities and uses for the information that we collect. We need to have a better way of analyzing that, and we're starting to do that. I think we need to feed that into our earlier considerations, whether it's on policy development or program design, to help to deal with that mitigation factor you mentioned.

**Mrs Munro:** Thank you. We've heard quite a bit about the issues around compliance, particularly with water, but I just wondered if you could give us some other specific examples in terms of where you find yourself employing the carrot and where you find yourself employing the stick. I think things like sending letters, the issue around voluntary compliance, some of those things tend to give people the feeling that we need to be more aggressive in some areas. On the other hand, there are going to be circumstances where you have to educate before you can expect to have any changes made. People have to understand, then, and own the problem, obviously. But we can't put them all out of business.

So I guess my question is, how do you find a balance between the carrot on the one hand and the stick on the other, and can you provide us with some specific examples other than the ones you've mentioned?

**Ms West:** I appreciate that opportunity, because I think too often we go to the stick as our measure or the tool that's available to us for ensuring compliance on the environment. I think there are other measures earlier on in that continuance that we have to be paying better attention to, and we are, in working with industry and working in partnerships with NGOs such as Pollution Probe to find ways to both educate the public and deal with specific industries and specific companies in seeing how we can in advance deal with prevention as opposed to dealing with the outcomes.

I'm going to ask Joan Andrew to speak briefly to compliance assistance and co-operative agreements, and then I'll ask Michael Williams to just speak briefly about SWAT, which occupies both ends of the continuum.

**Ms Andrew:** We've started a couple of pilot programs, one we call "co-operative agreements," which is really a program for environmental leaders who are always and regularly in compliance with our programs, trying to look at how you could work with them to incent even better behaviour, if I could call it that, so they go beyond the minimum. We've looked at a program for those people who have been in compliance to agree to further reductions of substances that are of importance to us—nitrous oxide, sulphur dioxide, those kinds of things—to take even further cuts. In exchange, we do things like maybe preferential treatment in the timing for the processing of their certificates of approval, we post their names on our Web site. We do those kinds of things. There's no financial incentive, but it's looking at how we could partner with industry leaders to go beyond compliance. So that's the co-operative agreements program.

The other one, which we call "compliance assistance," is working largely with industry sectors made up of small employers which need assistance in plain-language versions of our regulations, may need some resources to do outreach to their own members. It's better that they do it rather than having us do it. So it's looking with the auto body sector and those kinds of things at how you can do outreach.

We also have some programs where we've contracted with Seneca College, I believe it is, to provide training for dry cleaner operators so they understand some of the solvents they're using. We've done a program with Sir Sandford Fleming for well drillers to make sure they're up-to-date.

So we have a variety of different partnerships to try to address key shortcomings in some industries, particularly industries where there are a lot of individual owner-operators or they're small employers, and understanding our regulations is not always easy.

**Mr Williams:** One of the things I would add to that is that when we look at SWAT it isn't totally the image that was presented this morning of our officers out there in flak jackets. I want to tell you what we do after that also. SWAT targets repeat violators, repeat offenders. SWAT looks at the compliance records and history and factors in deliberate non-compliance, and then we go in and we do

a very thorough review of the sector. What's really important about it is not so much going in at the front end but it's what we can get in terms of driving environmental improvements at the tail end.

I can tell you that one of the features of SWAT is the diagnostic stuff that I spoke to earlier that we really want to get to right across the province, because in the example where it's done, when we take a snapshot up front of the non-compliance, we go back a year or two later, after we've worked with the industry associations, after the SWAT team has come in and said, "We think we may need some regulatory change, better policies, things explained better," and we take a look at the improvement in performance and find that, although SWAT is sort of the big stick, to use the vernacular, going in at the front end, there's lots of times when the uniforms are off and we're actually looking at, what is the legislative change? Can we get out there? We go to weekend conferences, for example. We have the director go to conferences also and work in speaking engagements. We try to drive all that industry association to take some responsibility for its members to get better compliance at the end of the day. That's an example where the big stick comes out in front, but we keep driving it all the way through the cycle to get better performance.

1400

**Mrs Munro:** Another area that has been brought to my attention is a situation where we have the Ministry of the Environment laying charges against a municipality, and essentially what we have is the situation where one level of government is paying a fine to another level of government. I just wondered whether you have looked at the efficacy of that. Perhaps it doesn't happen very often, but certainly I think from the point of view of the taxpayer it seems like a very strange situation, where the imposition of a fine is really something the taxpayer is paying for. Does it really impact on the behaviours of the people who are responsible for creating the conditions for the fine being laid in the first place?

**Ms West:** Maybe I can just comment in response. Obviously, in terms of the dynamic, of course the municipalities find themselves to be part of the regulated community. Mr Sterling referenced that earlier as well. That's understandable and it's necessary as they operate or are responsible for waterworks or other things.

I am going to ask Michael Williams to comment, because in terms of trying to deal with compliance at that level, obviously fines are another tool or are a result of a prosecution, for the most part, over which we have some level of control. But it also goes into another stream, in terms of appearances before a tribunal or before the court itself.

Michael, maybe you have some comments in terms of the efficacy.

**Mr Williams:** We have a number of regional directors across the province. There are five of them, actually. One of their key roles is to liaise and work very hard with municipalities—with all levels of government, whether it happens to be a township, a rural area, a city in an urban

area or an upper-tier level of government such as a county or region. They generally have very good relationships in terms of the co-operative contact we have with them explaining the rules, legislation etc.

Our approach—and I'm mindful of the Chair's comments earlier—is that the municipalities in many ways are our partners in environmental protection. In some cases, we naturally prefer to start at one end of the spectrum in that tool kit that we explained earlier. We work very hard through voluntary works. We work very hard through educating. We work very hard counting on the professional working relationships that our staff have along with the various staff and departments of municipalities.

It's a move that, at the end of the day, when the results don't appear to be there in the way in which we'd like them to be there, we go in the direction that you've alluded to. I would like to think that we don't go there very often, but we do have the laws of the province to enforce and we have to take that step.

**Mrs Munro:** A question related to that: I wondered if you could explain any difference, if there is any, between the manner—I'm not talking necessarily of a difference in fine, a raw number—in which compliance would be proposed between the two sectors, the private sector and the public sector.

You were obviously just speaking about the municipality. I think I could give you an example that might explain where my question is coming from, and that is an experience I am aware of where, when there was pressure brought on a private sector individual with regard to compliance, his response was simply to lock the door and move away. So I just wondered whether or not, when you're dealing around the issue of compliance, you are mindful of the difference between the dynamics of this kind of situation with the public sector and the private sector.

**Mr Williams:** When we look at the whole issue of compliance, we don't take lightly that large stick or the move into the enforcement arena. We do it thoughtfully, carefully, we well consider our action on that, and we look at the environmental infraction. Our role is to defend and protect the environment and the public interest, so there are some times where there's just absolutely no question. We don't care who it is; that's it.

I think it's very important that the committee knows that the environment comes first. That's the role for our ministry, that's what drives us out there. But we have a couple of tools that take us there in steps, and I mentioned a little bit earlier about the orders that provincial officers or a director could issue. Particularly in dealing with some of our clients, we will use the order route. We will ask, we will tell, through an order—and there are rights of appeals through those orders, but we will use provincial officer orders or director orders before we get to the final thing, which is calling in the investigators and moving through to prosecution.

I just want you to be aware that there's a range. It's discretion and it's judgment that's applied to the situation

and we pick the tool that is most appropriate to be able to ensure that the environment is protected.

**Mrs Munro:** My final question: I wondered if you could comment on, in the areas that we've discussed just now, the position of Ontario vis-à-vis other Canadian jurisdictions and any examples of non-Canadian jurisdictions that you might be familiar with, where we are in the tally in terms of the whole issue around dealing with the issues in the areas the auditor has brought forward.

**Ms West:** Maybe I can start off at least by giving you some of my experience. I've been in this position for just over a year and have had the opportunity to meet with a number of my colleagues from other provinces within Canada. Certainly, as I've talked to them about some of the initiatives, if you will, that Ontario has underway, whether we talk about SWAT or co-operative agreements or a risk-based assessment, the diagnostic tools that we have and certainly the whole response to drinking water, that whole regime or the seven pillars that Jim Smith referred to, I can say, in my discussions with them, they are nowhere near us. They have other areas in which they have taken initiative and that we want to learn from, but certainly in terms of some of the approaches that we have underway, they do learn from us.

That doesn't mean that we should that we've gone as far as we can go in terms of innovation and in looking for appropriate partnerships and in looking for the widest range of methodologies and approaches to ensure the best protection of the environment. From my experience over that short period of time, I think Ontario is very well positioned. I would invite Joan and Michael to speak as well in terms of their understanding, particularly with other jurisdictions.

**Ms Andrew:** Just to use it as an example, regulation 127, which was the regulation on air contaminant discharge monitoring and reporting for OnAir, we were the first jurisdiction in the world to require full monitoring and reporting on the full suite of greenhouse gas emissions. In fact, after we introduced regulation 127, the federal government amended their reporting structure to include greenhouse gases on their reports, but until that date they hadn't required reporting on greenhouse gases. So those are the kinds of examples of what we're doing.

The HWIN system, I think, was the first electronic hazardous waste reporting system in North America. Part of what we're struggling with is bringing the North American industry up to modern business methods of using electronic or e-business processes. So I think in those cases—maybe on HWIN we got out ahead of the sector but in the others, not only has what we brought in allowed for better environment monitoring in Ontario but it's actually changed the behaviour of some of the other folks we work with.

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**Mr Williams:** On the enforcement front, the innovations and pioneering that have gone on with respect to risk-based approaches to compliance with the environmental SWAT team and indeed some of the work we do regionally have been recognized in North America. Our

directors and staff have been asked to speak at enforcement conferences to demonstrate the innovation that's being shown in Ontario by how our folks are delivering those programs.

**The Chair:** Do you have some questions?

**Ms Churley:** I do.

**The Chair:** I didn't see your hand.

**Ms Churley:** Sorry. I thought we were doing rotation. I do have some questions, and I appreciate your giving me the opportunity.

One of the issues I have raised frequently over the past couple of years—I think it was last May I raised it with the then Minister of the Environment, Mr Stockwell. I know, Deputy Minister, you've only been in your position for a year, but there was about \$200 million that had been allocated from the ministry to sewer and water upgrades, and that money had not been flowed, the last time I asked about it, to a sewer and water plant that desperately needed upgrading. This relates to some extent to the previous question around some municipalities getting fined for being out of compliance. This is a double-edged sword, because in some cases—and this is an ongoing concern and problem; I think we all agreed, when we were having lots of disagreements about many things, that this is an issue of great concern—some of these smaller municipalities need to upgrade their systems, but they don't have the funds to do it. The question is, has that money now been flowed, and what other plans are there to help these smaller municipalities reach compliance?

**Ms West:** I may have only been in my position for just over a year; Joan just moved to her new assistant deputy minister position a few weeks ago. Previously she was the ADM responsible for that area, so, happily, she'll be able to give us a response.

**Ms Andrew:** The OSTAR program—

**Ms Churley:** Ah, yes, OSTAR.

**Ms Andrew:** There are probably three different government funding initiatives that are still ongoing in terms of money that goes to municipalities for the support of water and sewer infrastructure. Just so we're clear, the ministry has a role in reviewing applications and providing recommendations, but the money is actually provided by the Ministries of Municipal Affairs and Public Infrastructure Renewal.

**Ms Churley:** Is that system still in existence with the new regime, the new Liberal government in power, or is there any change afoot so that the Ministry of the Environment actually has more of a say? That is something I've been promoting for some time.

**Ms Andrew:** We still do all the technical reviews related to water, sewer and waste and make the recommendations as to the funding. We provide that service to both the Ministries of Municipal Affairs and Public Infrastructure Renewal for the OSTAR program, the millennium program and all loans given out under the Ontario Municipal Economic Infrastructure Financing Authority. So we do that review.

On OSTAR, which was aimed mostly at small rural communities, initially there was some problem flowing

the money. Then the government made a decision at that time to flow 50% of what Ontario's share would be upfront, to assist with some cash flow difficulties in municipalities. But the rest of the money is flowed as construction takes place and bills are submitted and invoices done, so the work actually going on is paid for.

**Ms Churley:** So I could find out more about where that money has gone through the Ministry of Municipal Affairs?

**Ms Andrew:** Yes.

**Ms Churley:** OK, I will do that.

The second question is on SWAT, which has been mentioned numerous times. It sounds like they have quite a job. There are a lot of activities they need to respond to. First of all, how many officers are there now, and what kind of backlog do they have in terms of keeping up with all the requirements? Third—maybe I should leave the third part until after your answer, because it's a little different.

**Mr Williams:** In the environmental SWAT team we have 30 officers dedicated to environmental compliance. They are a highly mobile force that we disperse across the province on any given issue. I'm going to separate those numbers, because there are also 24 staff who deal with smog patrol, the vehicle emissions unit. So we'll keep them apart, because I suspect we're going to talk—

**Ms Churley:** Because that's all they do, right? They don't do the other.

**Mr Williams:** Yes, that's correct.

**Mr Flaherty:** Do they have bulletproof vests?

**Mr Williams:** They have full uniforms. They're on the sides of the roads.

**Mrs Sandals:** They have gas masks.

**Ms Churley:** But they have gas masks; they don't need bulletproof vests.

**Mr Williams:** I have homework from this committee: to go back and look at the uniforms of my staff.

With respect to them, they have a number of sectors that they target. It's done on an annual planning basis, on, as I've said before, a risk assessment basis. We also keep some capacity of the SWAT team when we need to deploy them on to specific issues. I can give you an example of that. You've probably seen that we've been down in southwestern Ontario recently, in the Sarnia area. We want to move in there in a big way to be able to take a look at whether we can get a little bit better improvements vis-à-vis some of the chemical industries that are down there. So basically, the director of SWAT has a program that's laid out, and we work on a fiscal year with respect to what we tackle. SWAT complements the district work. As I think folks know, there are district staff, district abatement officers who are out there doing what I would characterize as our regular abatement program with the industries and facilities that are in their area of jurisdiction.

We move SWAT around. We target sectors that we don't normally deal with in the district abatement perspective. When we move SWAT around like that, we need to balance priorities on the program areas. For

example, we didn't have an ability to predict that we needed to be in Sarnia with a couple of recent events there. So I've had a discussion with the director, and we've moved folks into Sarnia for a period of weeks. That will necessitate our realigning some priorities with other projects. We were going to look into metal foundries, for example, so we will delay that. We will delay that until we get our work there finished. So it's a question of setting priorities, pushing some things back a little bit and refocusing efforts, depending on what the issue is, where we need them to get at it right away.

**Ms Churley:** What do the 24 smog control staff do during the winter months?

**Mr Williams:** That's a good question. I'm going to get my director of SWAT up here to answer that. This is John Stager. He's the director of the environmental SWAT team, and he can help me with that.

**Mr Flaherty:** Where's your bulletproof vest?

**Ms Churley:** Where's your bulletproof vest, on behalf of Mr Flaherty?

**Mr Williams:** He left his full regalia, his uniform, in the locker back at work because I didn't think it was appropriate for this crowd.

**Ms Churley:** Hey, maybe it was for this crowd.

**Mr John Stager:** Good afternoon. I'll speak to the on-road enforcement part of the environmental SWAT team. As you know, there is an on-road enforcement group within the environmental SWAT team composed of two groups. One is a heavy-duty group that focuses on heavy-duty vehicles, primarily trucks and buses, that kind of thing. The second group is a light-duty vehicle group that focuses on basically cars.

The work continues, actually, 12 months of the—

**The Chair:** Did you say cars or carbs?

**Mr Stager:** Cars. Automobiles.

The work basically continues 12 months of the year. There are two facets to the work they do. The first facet is visible emissions. Obviously, what they're looking for are the grossly polluting vehicles. As you all know, and I think it has been said before, grossly polluting vehicles emit as much as 20 times the pollutants of a regular vehicle. So their first job is to stop those vehicles and obviously ensure that they aren't emitting those levels of pollutants.

The second area they look at with vehicles is the emissions control equipment itself. Part of their responsibility is to actually open the hood of the vehicle and ensure that the originally installed pollution control equipment is still there. That work does continue, again, throughout the year. So the basic mandate of their work is consistent 12 months of the year.

**Ms Churley:** OK. Thank you. That's good to hear.

I think I'll just have one final question, in the interests of moving on, and I thank you for the time today. Given all of the information and given the comments from the auditor, what would you say—and I say to the acting auditor that we have veered all over the place today, but using his report as a very good backdrop for that—is your biggest challenge that you have to face now, given

the kinds of questions we asked today and the challenges in front of you?

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**Ms West:** In going back to the focus of the Provincial Auditor's report, I think it is a challenge, and that is, trying to move on those various information technology systems, on environment in particular, to make them as robust and as effective as they can be to provide us with the information we need, both to deal with our issues of compliance and, as I referred to before, assisting us in terms of good policies or direction, as well as providing the transparency and information to the public that I think is required to allow them to understand the dilemma ahead of us in terms of dealing with concerns of the environment, pollution in particular, and allowing them to provide whatever sort of advocacy or action that's appropriate for them as well.

We've talked about how far we've come since the Provincial Auditor's report, and how much we appreciate the advice and information that that has given us to allow us to improve the systems from where they were even then to where they are now. But I think there's lots of room for us to go. We've got a good fundamental basis, but there are some exciting directions we can take on, and the challenge is to get there from here. Resources will be an issue or an input to that, but it's also ensuring we've identified the right direction and taken the right course to get there.

**Mrs Sandals:** Just a couple of follow-up questions first, and then I wanted to go back to the hazardous waste issue. Mr Flaherty mentioned the whole issue of a tremendous amount, when we look at the auditor's report, of what appears to be non-compliance in terms of tracking water samples and various things like that.

I was wondering, has the ministry hired any staff, temporary or otherwise, to deal with some of that backlog of processing records?

**Ms West:** Jim, I think you can respond to that, please.

**Mr Smith:** In terms of the backlog that the auditor identified, we did assign additional staff to that task. We did, as I and the deputy indicated, deal with the outstanding registrations at the time, and obviously continue to register the new facilities that submitted the information to us. We track that on a weekly basis, in terms of systems that are registering, and our status on those. So that's a business process we have in place now.

**Mrs Sandals:** So then, while there had been a backlog built up of dealing with you since our government came in, you have in fact been able to assign additional staff to deal with that backlog.

**Mr Smith:** We have dealt with the backlog. We are also in the process of recruiting some additional staff. There was a commitment made, and we're following up on that, on 33 compliance staff for the drinking water program area, where we're currently in the process of recruiting.

**Mrs Sandals:** So that would be in response to Ms Churley's question around compliance staff and inspectors, that in fact there have been, or you're in the process,

as you say, of 30 additional staff being hired to deal with compliance and inspection issues in the area of drinking water?

**Mr Smith:** That's correct.

**Mrs Sandals:** Thank you very much. That's very good news, and I do appreciate your attention to that.

If we could turn to the hazardous waste issue, first of all, what might be a dumb question on my part. When I see this, this seems to be very specifically about hazardous waste. When I speak to the emergency measures planning people in my municipality and ask them, "What do you consider to be the greatest risk?" they point out the back window of city hall and point at the train track that's 20 feet away and say, "Hazardous materials." When I talk to my fire department in the rural area of the municipality that the 401 cuts through and say, "What do you think is the biggest risk in Puslinch?" they say, "Hazardous materials."

I take it there's a distinction between hazardous waste and hazardous materials, which may or may not be waste. They may deliberately be things that we're just trucking from one place to another for a purpose. Where do hazardous materials get handled in all of this? I don't want you to dwell there for a long time because I realize that's veering outside the report, but I'm just curious.

**Ms Andrew:** Lots of materials that are used in day-to-day processes are hazardous in certain concentrations and volumes. So even, say, chlorine, which is absolutely essential to ensuring safe drinking water, is also, if you poured a whole bunch of it into a small amount of water—

**Mrs Sandals:** If you had a tanker full of it, it's quite lethal.

**Ms Andrew:** If you had a tanker full of it, it could blow up. We actually have a specific definition of hazardous waste which we use in our regulation for waste. But I think a lay definition of hazardous materials falls more, if I could say it, under things like labour legislation, like workplace hazardous materials information—WHMIS—training that we do. We have standards about how you use different chemicals in different industries. We have all sorts of air emission standards and those kinds of things for different emissions, but the issue of how hazardous materials are handled is also regulated by the Ministry of Labour.

**Ms West:** And your specific example, which would be the transportation of hazardous materials, is regulated at the federal level.

**Mrs Sandals:** OK. This is very specifically, then, hazardous waste. I just wanted to clear that up in my own mind.

Looking at hazardous waste, when we look at the information the auditor has given us, and we've talked about that previously, there's the whole issue around tracking it from the generator to the carrier to the receiver, presumably for the purpose of making sure that it has been properly disposed of. It would appear from the information we've been given that the electronic system really hasn't clicked in because the carriers, if



nothing else, aren't equipped to deal with the electronic reporting part of it. I thought I heard one of you say that in order for the electronic system to work, all three of those have to be hooked into the electronic system.

Just listening to what you've been talking about, it seems relatively apparent that the generators would have the capacity to be hooked in fairly easily, perhaps the receivers, but the carriers are a different sort of cat altogether. Have we considered some sort of linking of the paper system and the electronic system so that somehow you get an electronic report at the beginning and you can then get either paper or electronic follow-up on the carry-through? Because it seems to me that if we're going to track this from start to finish, it's going to be very difficult to move to everybody being electronic. So where are we going with that interaction between electronic and paper?

**Ms Andrew:** Just a couple of things. One is we've also adapted the electronic system so you can key into it by telephone, just to make it easier for the carriers if they don't have an onboard computer. Lots of trucks do have onboard computers, but you can just dial a phone or you can actually use the computer when you deliver the material to the receiver. So we have done a number of modifications.

We're in a series of discussions now, if I can call them that, both encouraging people, offering new training to people, but also getting input on what would make compliance for them with an electronic system easier. We're looking at a wide range of options. We hope to have all the options tied down in the next month or two and then move forward with an action plan. I'm not saying exactly what all the options will be, but we're open to a wide variety of options that will increase the electronic reporting. So it may be a mix of paper and electronic.

**Mrs Sandals:** So this could be as simple as a Touch-Tone telephone?

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**Ms Andrew:** Yes.

**Mrs Sandals:** Because when I see "electronic," I'm thinking you have to have the software to be hooked into the system or Web access to be hooked into something. But this is low-tech electronic as opposed to high-tech electronic. OK, that gives me some relief, because when listening to all this it seemed like it was possibly undoable.

**Ms Andrew:** No. We recognized that early on. We knew we had to have, if I can call it that, low-tech solutions, especially if you are leaving something in the middle of the night at a rural transfer station because you've shifted this far and somebody else is picking it up there. There's not going to be a readily available computer.

**Mrs Sandals:** Which brings up the next interesting question then, which is the rural site which is the end of the line and which is not a proper site. I think Mr Flaherty talked about that as midnight dumping. In rural areas that is a genuine concern. How do we pick up on that and how do we enforce that?

**Ms Andrew:** There's a variety of ways you have to pick up on it, but on enforcement we mostly, to be honest, rely on the enforcement work that SWAT has been doing or that the regional offices have been doing.

**Ms West:** And ultimately, if we have the HWIN system as functional as we want to get it, then that provides a significant amount of oversight, when you know the waste has been generated, when it's leaving a particular location and who the carrier is to deliver it. It does provide a significant amount of information to allow for that type of better compliance and enforcement.

**Ms Andrew:** One of the reasons we make sure all three parties have to be on the manifest is actually for compliance purposes. It's much harder—if I could say it this way—to have collusion amongst three parties, which is what you'd have to do to have the waste get lost; you'd have the generator, the receiver and the shipper.

**Mrs Sandals:** And it's the getting lost in the middle that's the issue.

**Ms West:** We have a fairly effective tracking system, but it would be much more effective the more we can get HWIN and the electronic approach fully implemented.

**Mrs Sandals:** Thank you very much.

**Mr David Zimmer (Willowdale):** I apologize if some of these points have been covered. Just tell me, and I'll back off.

I'm very interested in this whole question of how large institutions, be they public sector or private sector, manage their information technology needs. I preface my question by saying that we've been here now about three weeks hearing from various ministries. Typically, what we hear is that a ministry recognized the need for a technology information review; they committed to doing that; they spent a significant amount of money doing that—in your case \$17 million. The project gets underway, they get well into it, and it quickly develops in the ministry or the private sector institution, whatever, that that investment came to naught, that is, whatever the investment produced didn't match the need, didn't get the job done.

My question is, how are you going to deal with this black hole of technology needs? It seems to me that in the next few years, all the projects you have to tackle, the things you're going to do and are committed to doing, are so tied in with technology information systems. What sort of budgets have you set aside for the next couple of years to tackle this? What are the time frames you've got in mind to get your technology systems up to speed? And the third question: How confident are you that you can really get the technology challenge dealt with so you can deliver on the substantive commitments?

**Ms West:** Let me start off by saying that I also have seen some very large IT systems that start off with good intentions. People think they have thought it through. When you get into the implementation, you discover that it's not as well thought through and in fact there are some difficulties about actually realizing upon the investment that you make for that system.

As I've looked at what's happened within the Ministry of the Environment with respect to these particular

systems, I think the ministry, even in the context of the criticisms and the recommendations from the Provincial Auditor, has been getting very good value for the money and the investment. I think that's because the approach that has been used has been a very rational and logical approach. That is, there is a framework—there's the Environet framework that's Web-based—that one wants to try to adhere to and use so that you can get communication between the various components of the system, but that for each component of the system there's a very focused review and identification of the needs, and then working through those needs to try to make them as practical and real for the situation and the investment available.

We haven't talked about CAMEO as a particular system, but I think certainly the Provincial Auditor noted its very great success. As we look at OnAir or HWIN or DWIS and the other components of DWIS, currently they are getting great value for their investment. HWIN has some difficulties because of a particular assumption about how many of the players would actually use the electronic system, but there are ways to manage that as well.

So I would just start off by saying that I think we do have a suite of systems that have significant compatibility and great potential for the future. As we start to build upon what we have in place, I think the approach will continue to be thoughtful about what the needs are, be practical about what's required first, and tested to make sure that we're getting what we expected to get.

I have a significant amount of confidence that we've got a lot right now and we can get a lot depending upon the investment that's approved for us in the future. So with respect to the next few years, as you can appreciate, I don't know what the budgets will be. Obviously we have our ideas and plans as to what's needed to be able to advance systems in a particular way. We do have within our base, if you will—if we can assume upon the base some assumptions about what's needed to continue some of the enhancements that you've heard described to the current systems, I'm confident that will occur.

With respect to time frames, again I think that's an area in which we have to be quite careful. We have the enhancements to DWIS. I can't remember, Mr Zimmer, if you were here for some of the discussion around that, but we've referenced a few enhancements to the drinking water information system. Those are very specific, those are very doable, those are very affordable, and they'll have real value. I'm quite confident that that will occur within a time frame—summer 2004 was what was described.

So time frames—again, it depends. It depends upon how the need is identified, how large we go and what continues to evolve, both on the technology side and on the program side or the information needs side, as we look to what's needed. So I wouldn't want to presume, and I think this is the trouble that some systems get into.

**Mr Zimmer:** Sorry, I didn't hear.

**Ms West:** I wouldn't want to presume that you know right now what you want in two years' time or what can

be built in two years' time, because a lot of things happen between now and two years out. I wouldn't want to go that far. I think you have to have a general view and then build the systems in a more practical, logical, immediate way, relying upon investments that you can rely upon.

**Mr Zimmer:** How does the ministry go about managing that uncertainty? That's the challenge.

**Ms West:** It is a challenge. I think we start off by making sure that we have taken the time in the immediate with all the right people involved—that's on the IT side as well as the policy and program operational side—to make sure that we've given proper thought to what the requirements are, that we've tried to be as innovative as possible and look for other partners that we can align with or share information with, and to make sure that we've thought that through well.

In terms of the uncertainty, as long as we have our plans, based upon current understanding, in place, those uncertainties around investment and technology are uncertainties that we've been dealing with over the past few years. Again, I think we're being quite measured in our approach, we're being quite focused in our approach, and I think our chances of success on the systems has been historically true and that we can rely upon that over the next few years. But we're not going to go to some grand, large system eventually, because I think that's where you get into trouble.

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**Mr Zimmer:** How much of the planning and managing the uncertainty and getting the pieces in place do you do in-house, as opposed to outsourcing it?

**Ms West:** I may have to ask Mr Gunn to help me with that. Obviously, there are some areas in which we do look for, and on the technology side one traditionally does look for, some support in terms of systems development externally. We do have a number of contracts underway. Allan Gunn is our assistant deputy minister of the corporate management division. Allan maybe can help respond to that.

**Mr Allan Gunn:** In terms of looking forward, in terms of the day-to-day maintenance, by and large that's done by ministry staff. So we have a core number of ministry staff who look after the boxes, the wires and keeping the system going on an integrated basis.

One of the platforms of Environet was to lay the foundation pieces as a building house or as building blocks, so Environet has set up data definitions, has set up parameters, has set up frameworks upon which to build additional models. You use what's already there—like using a set of Lego—to build upon that, to grow forward. The planning and development and the maintenance of that is done by in-house ministry staff.

When we look at developing a module where we need expertise at the time to look at business user requirements, to get the operational needs and bring them together, that's when we look to the marketplace to see who has the expertise out there, who can take the current technology we have in place—the Lego set I talked about—and help us quickly scale and build upon that.

Over the past couple of years, we have used consultant services to develop all of these systems. At the same time, an important component of using those outside resources is to transition that knowledge to the core set of staff we have within the ministry.

In addition to that, the resources within our ministry are clustered in what's called the land and resources cluster, so we have a chief information officer who has responsibility for the public policy area for natural resources, for environment, for agriculture and for northern resources. We all work together in a cluster under the chief information officer so we can also use the expertise of other OPS staff, to bring them and have swing space to move staff between one project and another project as you are building the systems and as the work is going on.

At this particular point in time, there's not as huge an investment in development as there was, say, immediately post-Walkerton, where we had something that had to be done immediately and you needed the people there to design and build it. Now it's more building on the observations and the outcomes of the Provincial Auditor's report. On all the systems that have been identified, it's to streamline them, take efficiencies of the current technology and build on the foundation of Environet that's been set.

**Mr Zimmer:** For the past fiscal, what was your information technology budget? Then what is it for the coming fiscal?

**Mr Gunn:** We don't have a budget for next year yet; we're just in the process of building that from the base up. But our expenditures for 2002-03 were around \$10 million, about \$9.9 million.

**Mr Zimmer:** Of that, how much was spent in-house and how much outsourced, as a percentage?

**Mr Gunn:** I may have some of that here, if you can just bear with me for a second. It looks like around \$3.6 million was used in 2002-03. Approximately \$3.6 million was used for expenditures on IT consultants.

**Mr Zimmer:** Outsourced?

**Mr Gunn:** Yes. IT consultants. Now, there are other services that are bought for other programs, but these particular IT consultants were working on various projects within the Environet system.

**Mr Zimmer:** Going into the next year, I know you haven't set the budget, but have you got any idea how much you are going to spend on managing the information technology?

**Mr Gunn:** The core expenditures—the core staff is in place and the systems aren't going to get any smaller or less complex, so I anticipate it would not be any lower than the current levels of expenditure that we incurred in 2002-03. What I can't build into that is what might happen, what may need to be done. There may be a need, typically, to relook at resources and reprioritize if something happens that we need to respond and get some of the swing space in it. But the other flexibility that we have, being part of a cluster, is working with our other colleagues in natural resources or OMAF to be able to swing resources between the ministries to deal with the pressures of the day.

**Mr Zimmer:** My last question, for my historical record: How did it develop there? How did that come about that we spent \$17.1 million developing various applications and then at the end of the day the auditor says that it didn't do the job? How did it come off the rails?

**Ms West:** Within the context of the auditor's report, I'm not sure it's wholly off the rails. As I've noted earlier myself, I think we've gotten a lot of value—

**Mr Zimmer:** My language may be a bit strong.

**Ms West:** OK. There are some particular shortcomings in the implementation of the systems that the Provincial Auditor noted, some of which, as we have discussed during the day, have been because at the time the auditor did his report these systems were still in development and in implementation, but some of which were a recognition that there was not absolute perfection with the implementation of the systems. So I would say that in terms of some of the specifics that the Provincial Auditor noted, they were things that we had started to work on. Others were areas in which he brought them to our attention and we realized they needed work. Others were in the course of our continuing evolution of the systems.

That would be my summary comment, that these systems the Provincial Auditor reviewed for us and for you were in development and were under transition and implementation, so they weren't completed as of yet. They had the benefit of his recommendations for ensuring their ultimate improvement, but I certainly would say that the value for the investment made is there and we're getting the results.

**Mr Zimmer:** I don't know if this is the right question to you; perhaps the auditor can help me with this. Could I get a list of the \$3.6 million in outsourced consultant expenditures, or is that somewhere in an appendix to the report?

**Mr Jim McCarter:** I'm not sure we have that in the file. We could look. We may have to go back and get that from the ministry, too, the details of each specific consultant.

**Mr Zimmer:** Just of the \$3.6 million.

**Mr McCarter:** Yes.

**Ms West:** We can follow up on that through the Provincial Auditor or the committee clerk.

**The Vice-Chair (Mrs Julia Munro):** I am cognizant of the time. We do have one member of each caucus left, so I'm going to watch the time very carefully. We'll start with Mr Berardinetti.

**Mr Berardinetti:** My question was related to an issue that came up today in the Hamilton Spectator. They reported a fraudulent lab that was fined \$5 million. I don't know if you're familiar with this. I'm sorry I don't have copies to distribute, but I just got this off the Internet, and it seems quite astounding that a company and its sister company were able to operate—it's called Fine Analysis Laboratories Ltd—and basically falsify records to such a large extent.

This seemed to have been stopped, or at least a stick was applied, through the court system. What can we do from the government perspective to (a) prevent this from happening and (b) when it does happen, make sure it doesn't happen again or that those who are involved are properly punished for it?

**Ms West:** I'm going to again ask Joan Andrew to speak to this, because she was in a particular role when this came about. But I think you'll discover that the ministry did have a role in terms of addressing this particular problem as well.

1450

**Ms Andrew:** We initially had an employee of Fine Analysis Laboratories come to us in early 2001, and we are the people who brought the case to the attention of the Hamilton police. The charges were laid after their investigation, in early 2002.

Let me just back up a bit. From the fall of 2000 the ministry required laboratories that test for drinking water to be accredited. That was initiated in August 2000, and laboratories had until late fall—I believe November 2000—to comply with the accreditation.

There were problems with how Fine's accreditation was being handled by the standards council, and that came to our attention. Then there was this disgruntled employee. We are actually the people who brought it to the attention of the police.

From the time we knew about it, in January or February 2001, we actually determined that they were not doing any drinking water testing for municipalities in Ontario. We knew that. We couldn't go public because of the police investigation. Since the charges were laid in 2002, it would be fair to say that over two full-time-equivalent ministry staff were probably used, working with the Hamilton police to bring the case to trial. There had been laboratory staff, investigators—one investigator involved full-time, and another support investigator and probably four laboratory staff who each worked 10 to 12 weeks with the Hamilton police.

Since February 2002, when the charges were laid that took it broader than drinking water, because at the time we only knew about drinking water—Fine Analysis was doing lots of work for Health Canada, testing vitamins and medicine. But when the charges were laid and the police went in to search, we obtained from Fine Analysis a copy of their entire client list, and I wrote a letter that was copied to about 30,000 organizations in Ontario saying we wouldn't accept any analysis done by Fine for any request to the ministry for a certificate of approval or a site-specific risk assessment or drinking water testing or anything, and that if any work that had been done had used Fine, they had to get the tests redone and resubmit them. Since that time, we haven't accepted any form of analysis from Fine, and from a year previous we know they weren't testing for municipal drinking water systems.

We also prosecuted them, and it's mentioned in the article, related to their falsification of records at Boblo Island earlier. So there have been a number of over-

lapping cases. Our investigators, our lawyers and our lab staff have been working in close cooperation with the Hamilton police.

**Mr Berardinetti:** So very briefly, I guess the best remedy is to ensure that heavy fines—and in this case there's even some sort of prison sentence, although it seems to be house arrest, applied here to some of the executives involved. Do you think that's the best way to prevent others who would get into this line of work from potentially falsifying their records?

**Ms Andrew:** If I could say this from an environmental point of view, I think we have a much more robust accreditation system, in that we now require laboratory licensing and we inspect laboratories. You have to understand that at the time we caught Fine, our accreditation system was no more than two or three months old.

**Mr Berardinetti:** I understand.

**Ms Andrew:** Just to be clear about that, it would be—

**Mr Berardinetti:** It would be caught now.

**Ms Andrew:** It would be caught way earlier.

**The Vice-Chair:** We'll move on to Mr Sterling.

**Mr Norman W. Sterling (Lanark-Carleton):** I'm glad to see so many of the people who were at the ministry when I was the minister still with you—very skilled and professional people. I'm glad to see that a few of them have become ADMs, directors etc. I would have recommended them all.

It's totally off subject, Madam Deputy Minister, but I would like you to deal with the bump-up on Highway 7. I'm losing lives on that road. Your new minister has had it on her desk or in the ministry for over four months. I will not accept any longer delay in terms of dealing with that. I know how fast a minister can deal with those bump-up requests. I cannot stall construction of the four lanes of Highway 7 from Ottawa to Carleton Place any longer. I'd ask you to respond in writing.

**Ms West:** I'll follow up; I will.

**Mr Sterling:** Thank you.

With regard to your Environet, or whatever you call it, I believe it's very important for the ministry to have better information systems. Getting timely, accurate information was constantly a problem, and I think \$17 million is not a lot to spend on the system. I hope it will not only produce the kinds of results we have talked about in the committee today, but will also produce other statistics to show accurately where we as a province stand with regard to air quality, water quality, earth quality, discharge quantities and those kinds of things, so that a minister can stand up and defend what our province has done in the past and what we're doing presently to deal with all those issues. It was forever a frustration of mine that you were never comparing apples and apples and that kind of thing.

One of the concerns I've had with the ministry recently, of course, has been the fact that you are tending to go toward more fines enforcement. I understand the reaction: That's what the environmental groups want, that's what the opposition wants. But that doesn't solve environmental problems.

I guess it was never more painful to me than when I was at ROMA yesterday. I went with three delegations to the minister of infrastructure for this government and was told, “No,” with regard to water plants, to upgrading sewage plants, to installing water and sewage plants, to improving a water plant with a certificate of approval change—the requirements of the C of A for the water plant in Carleton Place changed after they had spent \$1.5 million, and now it’s changed to something else.

Justice O’Connor came forward with a lot of recommendations. Nobody has taken him on in public, but I can tell you that a lot of people walking around the Royal York yesterday and today have a lot of questions about what Justice O’Connor recommended.

The problem here is that the ministry goes in and fines Smiths Falls \$18,000 for some kind of offence. Smiths Falls is a town that has shrunk by about 300 people, from about 9,300 to 9,000 people over the last 13 years. They don’t have the wherewithal to deal with the problem. They apply to the provincial government for help; there’s no help. So what do they do?

It’s fine to have this new accountability system, it’s fine to have the statistics, it’s fine to have all of that, but if they’re trying their level best to deal with the problem and you’re coming with a big stick, that doesn’t solve the problem for the people of Smiths Falls or for their representatives who are trying to grapple with financing a new water plant. They’re willing to go ahead. They’re willing to put in their part of it—perhaps more than they can afford—but the province isn’t there.

Some people have estimated that in order to fulfill Justice O’Connor’s recommendations, it would cost the province something like \$30 billion when all added together. I don’t know whether that’s a practical number or not, or whether all the requirements Justice O’Connor put forward are in fact necessary. Not many politicians will say that, because they all want to be motherhood with Justice O’Connor on that.

What unfortunately happened out of Justice O’Connor is that nobody knows who is supposed to mind the store. Is it the province, or is it the municipality? Who’s in charge? We have lofty regulations, we have more regulations and we have changing regulations, and we have municipalities of various means and various water supplies and those kinds of things trying to deal with this. We have a whole mix across Ontario as to how water is handled. In Toronto, for instance, I think they test their own water. They have their own testing facilities, as do a number of other large municipalities.

**1500**

I guess my question to you is, would we not be better, in terms of our provincial responsibility, to lay it clearly on the line, at least to the larger municipalities: “You are responsible to live up to this particular standard. If you get caught, we’re going to fine you and we’re going to nail you”? We’d do some inspection, but relatively minor, because they’re sophisticated enough to handle their problems, but we’d deal with those municipalities that have real trouble, in terms of dealing with their problems. To me, with almost 3,000 people in this business,

private and municipal, we should not be wasting our time, or you shouldn’t be wasting your time, trying to understand who’s running the plant or who’s involved with the plant. I don’t understand how the province of Ontario can be responsible, or your ministry can be responsible, for how a plant is run on a day-to-day basis unless you have somebody in there all the time. I just don’t understand how you can be responsible for it.

So that’s one question I have of you: Do you not think it would be more practical for there to be a division, a clear outlining of responsibility, where your responsibility stops as a regulator? With the bigger municipalities, you say, “It’s your baby. You are responsible to your people. A water problem? You are the people who are going to be sued with regard to this. We will set the standards, because we have that ability, but from there on it’s your baby.”

**Ms West:** Certainly the current legislation does identify a variety of accountabilities. I think it was part of the intention of Mr Justice O’Connor and the regulatory regime that was brought forward that accountability does rest with the province at one level—municipalities, operators, labs etc. So I recognize there is that variety of accountability and responsibility in terms of specific actions under the regulations.

With respect to your specific question about the city of Toronto, for example, and is there a different approach to inspection, just referencing back, we have both the O’Connor recommendation about annual inspection of all municipal water plants and we have the legislation that requires that to happen as well. I think you heard Jim Smith note that we do have a very robust protocol of annual inspections that we apply across the board. We’re just into our second year of experience with that protocol and the second year of seeing the results from it.

As we see those results and as we look at where there may be problems, if they’re as diverse as larger municipalities versus smaller municipalities or rural versus urban, I think that does help inform us as to that particular protocol and if we need the same robust protocol across the board. My expectation would be—and Jim Smith noted as well—that we would take that review seriously and see what makes sense, recognizing, as you’ve noted, that we have limited resources to deal with water inspection, let alone any other inspections, across the province.

**Mr Sterling:** One last question, because I know we’re out of time: With regard to funding for smaller municipalities, as Miss Churley was relating to before, although I don’t know whether Boblo Island or Amherstburg has a problem—

**Ms Churley:** It’s been fixed. That wasn’t about money, though. It was about getting—

**Mr Sterling:** I know it wasn’t about money. I’m not sure they have a money problem there, because I’ve been on Boblo Island.

**Ms Churley:** No, it wasn’t about money.

**Mr Sterling:** But I tell you, they do have a problem with money in Lanark village, where the household family income is less than \$34,000 a year. They’re going

to have to come in with a system of \$10 million to \$20 million to put water and sewers in. They don't have potable water in that town right now.

If you come forward with a system—and I don't think you, as the Ministry of the Environment, can duck away from all the financial answers. Your minister, in my view, has to go forward very strongly to her cabinet and say, "We have to deal with these problems, and we've got to be involved in the financial solution." It doesn't do any good for Lanark village to come up with a plan that's going to be \$10 million to \$20 million when they probably can only contribute something like 5% to 7% of the capital cost of it and probably are going to have very much difficulty in funding the operation of it as well when it gets in place, because there are only 450 houses in the town.

I want your minister to impress on her other cabinet colleagues that something like a simple one-third, one-third, one-third formula will not work in the province of Ontario. There are municipalities that cannot provide clean water and have proper sewage facilities and soak up even a third of the cost of it. They are normally shrinking in population. They are older municipalities. They just don't have the financial wherewithal.

I would ask you to look back to a time when I was there, when we had the Ontario water protection fund—\$200 million—where we had sliding scales of anywhere from, I think, a low of 7% to a high of 90% or 92% in terms of funding. Have your minister very much involved in how the structure is set up, because if she's not, what traditionally happens when you have an uncomplicated, simple formula like a third, a third, a third is that those municipalities that don't have financial problems get the advantage of the program.

We've got to get these programs going. If you're sending your people in saying, "You've got to fix this. You've got to fix that," some of these fixes are more than the annual budgets of these municipalities. We've got to get at this. Either that or we've got to change the system of what we're demanding of them. But at some time some municipality is going to come to you with the keys to the door, and that's not too far down the road. I don't think that should happen. I think they want to be part of the solution, and they will be part of the solution. I just ask you to get involved in how this is going to be financed, because if your minister isn't at the table pounding on it, then there are a lot of people who are going to go without clean water in this province.

**Ms West:** Thank you.

**The Vice-Chair:** We are past 3 o'clock, but Ms Churley, I understand you have one quick question?

**Ms Churley:** Yes. It is in a sense a comment, but perhaps leads to a question. It is in direct response. I did raise that same issue about the smaller municipalities.

Mrs Sandals earlier responded to my question about staffing and mentioned the 33, I believe it is, who are right now being hired. I just want to say that this whole conversation today and examination of this actual tiny part of the whole Ministry of the Environment—and we've wandered around a bit—a very, very complex ministry with a lot of complex jobs to do. What we're talking about is almost surreal in the sense that the context in which we're talking about it is after the cut to the ministry, under the previous government, of one third of the staff. There are a lot of different figures going around around how much your budget has been cut, but Jim Bradley said that if you count both the capital budget and the operating budget, you have as much as a 60% cut in the Ministry of the Environment.

So I will urge the members, particularly from the Liberal Party, and especially newer members, to look back on all the reports that were done over the years and have a look at how, when you're fighting for things to come into the next budget that is going to be announced soon, you advocate very hard on more than the 33 staff and the small amount being put back in that ministry, because it and the Ministry of Natural Resources were drastically cut. There was report after report after report, from outside and inside the ministry, over the years saying that the ministry cannot do what it's mandated to do with the existing budget. I know Mr Sterling might argue with me about that, but that is the reality as many people see it, that these 33 new members are just not going to cut it. You probably don't want to comment on that, do you?

**Ms West:** No, thank you.

**The Vice-Chair:** With that, I would just say thank you very much, all of you, for coming here today. We certainly appreciate the expertise that you've brought to the table for us in our discussions.

We will close off the public session and the members will stay back for a few moments to discuss any key issues.

*The committee continued in closed session at 1510.*



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### Also taking part / Autres participants et participantes

Mr Jim McCarter, assistant Provincial Auditor

### Clerk / Greffière

Ms Anne Stokes

### Staff / Personnel

Mr Ray McLellan, research officer,  
Research and Information Services