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Mercredi 7 mai 2008

**Standing Committee on
Public Accounts**

2007 Annual Report,
Auditor General:
Ministry of the Environment

**Comité permanent des
comptes publics**

Rapport annuel 2007,
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ministère de l'Environnement

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
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STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

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The committee met at 1231 in committee room 1, following a closed session.

2007 ANNUAL REPORT, AUDITOR GENERAL

MINISTRY OF THE ENVIRONMENT

Consideration of section 3.08, hazardous waste management.

The Chair (Mr. Norman W. Sterling): My name is Norman Sterling. I'm the Chair of the public accounts committee. Today we are dealing with section 3.08 of the auditor's report of 2007, which was brought forward in December 2007.

Today we have with us the Deputy Minister of the Environment, Gail Beggs. So I'll turn it over to you, Ms. Beggs. I understand you have some opening remarks, and you will introduce the other people you have brought with you.

Ms. Gail Beggs: I will. Thank you very much, Mr. Chair.

Good afternoon, committee members. I'd like to thank you for the opportunity to discuss the Ministry of the Environment's hazardous waste program. I want to begin by first apologizing to you for any inconvenience that you might have experienced by rescheduling this meeting and to thank you for doing that.

I'm pleased to be here with you this afternoon to provide you with information on our work on the Auditor General's report and to answer any questions you may have. Our ministry welcomes the Auditor General's report as an opportunity to ensure that our hazardous waste program is being administered effectively and that the environment is protected. I want to assure you that we're taking steps to address all of the concerns that the Auditor General has raised.

This afternoon, I am joined by Michael Williams, our assistant deputy minister of operations division. He's on my left, your right. At the end of the table is John Lieou, who is the assistant deputy minister of the integrated environmental planning division, largely responsible for policy in the ministry. Carl Griffith is to my immediate right. Carl is the assistant deputy minister responsible for the environmental sciences and standards division. Behind me is Deb Sikora. Deb, would you raise your hand? Deb is our CAO, the ADM responsible for our corporate management division. She'll substitute for one of

the other ADMs if we have concerns regarding the financial aspects of our program. We also have some staff who are extremely knowledgeable and competent in hazardous waste management sitting behind us to prompt us, or they'll substitute for one of the assistant deputy ministers if your questions get beyond the level of detail that's at the front row here. I'm going to turn now to my remarks.

We can say with confidence that our efforts are ensuring that hazardous waste is properly managed in Ontario and that the environment is protected. Our hazardous waste program is based on five key pillars. The first pillar is a strong regulatory framework. We have a comprehensive suite of legislation, regulations, policies and programs to manage hazardous waste in an environmentally responsible manner.

The second pillar is a detailed monitoring and reporting system. Our hazardous waste information network, fondly known as HWIN, requires hazardous waste generators, carriers and receivers to register their activities with the ministry. It's the first full-scale electronic registration in hazardous waste tracking system in North America.

The third pillar of our hazardous waste management in Ontario is effective regulatory oversight, including inspections and enforcement. We have a strong inspection regime based on risk and performance. If necessary, we prosecute those who don't follow our rules.

The fourth pillar of the program consists of education and outreach. The ministry continues to have discussions with industry to explain our rules and answer their questions. We've also updated our approvals guidelines to help companies comply with our rules. Education and outreach are important compliance tools and are part of the continuum that also includes voluntary compliance, orders and enforcement.

The fifth pillar of our hazardous waste program is continuous improvement. We are always looking for ways to improve both the way hazardous waste is managed in Ontario and the way we deliver our programs. We welcome the Auditor General's recommendations because they help us refine our approaches and improve our effectiveness.

Rather than going into each of the recommendations, I'd like to focus on three key elements of the ministry's work to improve the management of hazardous waste:

our monitoring and inspection regime, the financial aspects of our programs and our policy framework.

In his 2007 annual report, the Auditor General noted that the Ministry of the Environment lacks adequate monitoring and reporting procedures to ensure compliance with hazardous waste rules. I'd like to discuss the improvements that we are making to our procedures and how they will contribute to better compliance.

One problem we were facing is that some unregistered generators made shipments of hazardous waste, while some carriers and receivers received hazardous waste even though they were not authorized to do so. We now follow up on every shipment of waste by an unregistered generator and inspect unregistered companies that repeatedly ship without registering. We also follow up with unauthorized carriers and receivers.

One of the other concerns the Auditor General has noted is discrepancies between waste sent and waste received. The ministry has completed inspections of those facilities that most often had the greatest weight discrepancies and found that waste was being properly handled and managed, posing no risk to the public or the environment. There was no evidence to suggest that waste was being lost or improperly disposed of. Discrepancies were most often the result of differences in estimation of waste amounts by generators as compared to measurements of waste amounts by receivers—so a difference in estimation versus measurement.

We've also improved our efforts in following up with companies that have been refused a certificate of approval to ensure that they are not operating illegally. This is being addressed by improvements we have made to our information systems. District offices are now notified when approval applications are refused or returned to applicants for further information. This enables our staff to conduct appropriate follow-up with companies to ensure they are operating within the law.

We've also aligned our sector compliance branch inspections with district inspections, and we've updated the risk analysis framework for these inspections. The branch and our districts are co-ordinating inspection plans to ensure the high-risk facilities and underperforming facilities receive our attention.

Our planned inspection program helps to ensure that hazardous waste in the province is managed in a safe and responsible manner. We take strong action to identify and follow up with generators, carriers and receivers who are out of compliance.

Turning to the financial aspects of the ministry's hazardous waste program, the Auditor General focused on two prime concerns: inadequate recovery of costs to administer our program, as well as issues with our financial assurance requirements.

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Our ministry understands that without solid financial foundations, our hazardous waste program will not be viable in the long term. As the Auditor General has noted, the hazardous waste program has a goal to fully recover the costs of administering the program, including

the costs associated with policy development, monitoring, compliance, enforcement and information systems.

We have a fee structure in place that is intended to cover the costs of administering the program. We know that it's not doing so now and we are reviewing our hazardous waste cost recovery program.

Our review will include discussion with the government and affected stakeholders. Once the review is completed, a draft of any proposed changes will be posted on the Environmental Registry for public consultation.

Financial assurance is another area where we recognize the need for improvement. We see financial assurance as an important tool for reducing the risk that the taxpayers will be on the hook for cleaning up contaminated sites.

We have reviewed and are now updating financial assurance requirements for all existing facilities. To ensure that financial assurance amounts are being re-assessed on a regular basis, all certificates of approval requiring financial assurance now include a standard condition for re-evaluating financial assurance amounts.

I'd like to conclude by talking about some of the policy work we have been doing to give you a sense of where the Ministry of the Environment is moving with respect to hazardous waste management. One significant new program for our ministry is the municipal hazardous or special waste program, MHSW, which is now being administered by Waste Diversion Ontario.

The MHSW program is an industry-led strategy to reduce the effects of household hazardous waste on the environment by providing more convenient management options for common household products such as paints, solvents, batteries and oil filters. The MHSW program is significant because it makes companies that manufacture and import these materials responsible for their proper management. It is the major step toward extended producer responsibility, a principle embraced by leading waste management jurisdictions, which should be a key feature of waste management in Ontario.

Following on a commitment that our ministry made in December 2007, we are also reviewing existing biomedical waste guidelines. We completed consultations with a number of key stakeholders in February and March 2008. The ministry is now revising the guideline to take into account the comments received. An updated guideline will help ensure that best practices are being used to manage biomedical waste in Ontario.

We are planning to post a proposal notice on the Environmental Bill of Rights registry in the summer of 2008 for further public consultation on this topic.

In conclusion, I want to again thank the members of the standing committee for the opportunity to discuss the audit of our hazardous waste management program. We know that the Auditor General has found shortcomings in our program delivery, but I also think we've made good progress in addressing the recommendations. We recognize that the work of the Auditor General and this standing committee play an important role in contributing to our success. We're pleased to answer your questions.

The Chair (Mr. Norman W. Sterling): Thank you very much. Mr. Barrett, do you have questions?

Mr. Toby Barrett: Yes. Thank you for the presentation. You do address the discrepancies, as did the Auditor General, with respect to the amount of waste shipped out by generators versus the amount of waste received or not received.

I used to work in a fertilizer warehouse. Trucks would come in and trucks would go out. We knew exactly the numbers of bags that came in; we knew the tonnage that came in; we knew the tonnage that came out. Farmers would get a form and they would get a bill. If you didn't know, somebody wasn't being paid or somebody came off short.

You have an add-on system; I think it's a ministry system, both paper-driven and an attempt at electronic. But is there no way the Ontario government can access the records, the actual bill of lading, the bills that people receive, the cheques that are written back and forth, the money that's transferred in payment for this product?

Ms. Gail Beggs: Maybe I can start out, Mr. Barrett, and then I may ask my ADMs to step in a little bit. I appreciate your experience in the fertilizer industry.

In doing some of the follow-up on where we found the largest discrepancies, we've learned that some of the largest discrepancies are in the biomedical sector, particularly with Ontario hospitals. We're currently working with the Ontario Hospital Association to see if we can problem-solve around the issue of estimation of weight versus measurement of weight. We can give you a bit more detail of our investigations into this and the kinds of discrepancies we've found. So we are working with the association on that.

As well, our hazardous waste information system has been looking for opportunities for continuous improvement. At the current state of time, we have about 95% of waste generators registering electronically, but the manifest information we receive is manual. We know that there are best-practice models out there in the private sector—people like FedEx or Purolator—who use electronic manifesting. So we're in active discussions now with industries, in particular the five largest carriers, to see if we could institute a pilot, working with them to look at the potential for electronic manifesting.

We have some preliminary good discussions going on, but we haven't landed on that pilot yet. If you'd like some further information on either our review of the discrepancies or more detail on our discussions with the waste carriers, I'll turn it over to one of my ADMs.

Mr. Toby Barrett: We know that companies involved pay fees, but can the fees not be based on, say, the amount of product shipped, for example? We know they would probably pay a fee if they're landfilling on-site or incinerating on-site, but if companies were to pay a fee, or perhaps a tax somehow, if they're shipping off-site, that would give us perhaps a more concrete way of measuring whether they're paying taxes or not. If these discrepancies exist, it may show up. You could follow the money—taxes not being paid. Maybe that would give

us the opportunity to bring in either the OPP or the RCMP, or perhaps some real enforcement. Again, I'm not sure what the environmental officers do as far as investigating and actually finding where the stuff has ended up. But I'm wondering if there are some other options that way that would, in one sense, help us better track. If you're not paying your taxes, that's perhaps seen as more serious in our society than some of this other stuff.

I also wonder when I see a proposal by Deloitte Touche for a \$100-million investment over 10 years to set up some kind of a computer system that apparently nobody else has in North America. I just wonder if there are other ways of doing this. If the bad guys are let loose on this, if there is something going wrong, if there's some kind of an underground economy or any involvement at all from organized crime—I have no idea—then perhaps through taxation or following the money we can track it down.

Ms. Gail Beggs: Thank you, Mr. Barrett. Maybe I'll start, and then I'll get some of my folks to fill in some detail.

First of all, we do have a fee schedule, and we can review that with you. The fees relate to fees for generation and fees for manifesting. As the auditor pointed out, I think we're only at slightly less than half of program recovery. We do have an active review under way of the whole program, and as part of that, we will be looking at our fee structure and how to better move to cost recovery. So the idea of linking fees to amounts is an excellent idea that we'll examine under our program fees. So that's number one.

Number two, you asked about enforcement and whether or not, with a different regime related to fees, we might be able to bring in alternative enforcement arms. We have in the Ministry of the Environment a very active inspection program, but I also mentioned in my opening remarks that that is coupled with some soft compliance work at the front end—outreach and education—and hard compliance at the other end with investigations, enforcement and administering penalties. We have an investigations and enforcement branch, which has concluded several successful enforcement investigations that have resulted in prosecutions and fines and have active files under way. So we do have that hard end as part of the protection of the public interest today.

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In terms of our general knowledge about hazardous waste generated and hazardous waste received and disposed of, we are very confident in the framework that we've got in place today. With the HWIN system and the requirement for all hazardous waste generators to register all carriers and receivers, to input information to that with our hazardous waste information network improvements and our flagging of any discrepancies to our inspectors or our enforcement arm, and our follow-up of each and every one of those exceptions, I think the ministry feels it is on top of the issue of hazardous waste and is confident. I can't speak about ongoing investi-

gations, but I can indicate to the committee that there have been those in the past and there are ongoing investigations today.

Michael, I'm going to ask you to just comment a little bit further. Maybe you have some stats that can help the committee understand both past experience and what's going on today and just fill in the gaps that I may have left.

Mr. Michael Williams: Mr. Barrett, we draw on your experience too about the trucking and the shipping, that you know what comes in and what goes out. I'd like to share with you what we found, because I think there were important findings to see where the errors are, and then I can tell you a little bit about the follow-up work that we're doing.

Our deputy mentioned about the hospital sector and medical waste. As I'm sure committee members know, a lot of the waste that principally gets shipped are things called sharps. Those are needles and other medical supplies. We went out and checked a sampling, because the medical sector actually accounted for about 60% of the discrepancies that the Auditor General found. We looked at the other 40%, and I'll speak to that in a minute. But of the 60% that we found, we went into about 46 or 48 hospitals. We actually opened up the containers that were being used to be shipped and we found that many of them were half empty or half full, depending on the way you look at it. They all have a defined weight because there are standardized things for shipping the sharps. To your point, when they get to the receiver, all of them were properly labelled and all of them contained exactly what they were supposed to contain. The receiver does an accurate weight measurement, because, of course, that's how they're paid. So you take a box that's half empty and you take a look at it and go and weigh it, and you've come up with examples of how things were lost in transit.

I have a director who did a lot of that work, and who's in conversation now, as the deputy said, with the Ontario Hospital Association. We're going to work directly with the hospitals in terms of education and outreach to try and pare back some of the discrepancies that we're finding.

I would also like to share with you that there's more than just the medical piece that we did. We took a sampling of companies that had a greater than 20% discrepancy. I want to put this in a little bit of context for the committee members. Of all the shipments that are out there—there are about a quarter of a million shipments that were going on—the discrepancies were noted in about 10%, or about 26,000 shipments. So we went back. We found a university, for example, that simply made transcription errors. We found a packaging company that used different units of measurement from how they were moving their supplies in terms of how the receiver was weighing it.

One of the ones that I personally found interesting was when our inspectors went out and took a look at a pharmaceutical company. Some of the ways in which they were dealing with the waste that was being shipped

was just like you'd check your car oil with a dipstick. It's a called a dip tube measurement. You have a container that holds a certain amount of volume, you put a dipstick in it and take a look, and you say, "That equates to this much weight." There were 49 separate examples in that one company where they estimated the whole thing wrong.

Lastly, an automotive supplier: What the automotive supplier was doing was measuring the specific gravity of the waste that was being produced—there's a table where you convert specific gravities to weights—and they were way out. There were a number of errors there. Those were ones we followed up on.

Then there were others where we went out and conducted inspections—as you say, "Where is this going? Is there something being lost in transit?" I'll give you the inspection results on this. We went into one water purification and lab company that had a number of discrepancies on it. We found they were putting decimal points in the wrong places. We can have a conversation about administrative errors or about math or about science around some things, but I've got a better one for you, and I think it's a really telling one.

We had a company that was shipping—we actually had staff open up every manifest to take a look at this to trace it through the chain of custody in the system. The generator wrote "10" and then "ESL," meaning estimated litres. That's what was on the transcript. When it was entered into the HWIN system, people looking at it interpreted "10 ESL" to be 1,065 litres, an order of magnitude hundreds of times different.

We had an asphalt company that was very accurate. They said 6,919. That was the number of litres of waste. The receiver recorded 6,970. Then they had a conversation to your point about paying for exactly what comes in. The generator said "My number is 6,919; you're telling me it's 6,970. I don't agree with it." The receiver crossed it out and agreed with the generator's weight estimate of 6,919. When the volume got entered in HWIN, it got entered as 69,116, again because of handwriting—69,000 from 6,000, order of magnitude of errors.

Lastly, there was a plastics manufacturer. We went in and sampled these companies to find where the largest discrepancies were. I think members will appreciate that some of us are of the age where we can remember imperial measurement. The plastics company used yards and then tried to convert to metric and made a conversion error. They were going from cubic yards, which is a common measurement in the waste business, and made a conversion error in shifting it to kilograms.

I do want folks to understand that we have a lot of confidence.

When did we do this? We did this when this was drawn to our attention by the Auditor General. That's one of the things we need to recognize. As the deputy has said, there are lessons learned for us. We didn't have answers at that time. We, like you, said, "Where is it

going? What is happening out there?" So we went out and put a lot of resources in to determine that.

I can also tell you that we started to worry about a reference to, "Who is moving this stuff around, and what is it looking like?" So we pulled over truckloads and inspected 20 loads of waste at three different transfer stations: two in the GTA and one in central Ontario. We took a look at the manifest, we took a look at the truckers' records and then we said, "All right, let's actually weigh this stuff."

We found that there were discrepancies, again due to the estimating procedures used—there was absolutely no waste being lost in transit. We then went and checked the waste discrepancies at the receiving site. If you pull some of these over on the side of the road and start to open containers and stuff, I'm sure you'll appreciate that there are some potential health and safety issues when you're moving this kind of material. So we went to the transfer stations, where it's best to do it, took a look at it and found, absolutely, that there was no issue with the waste measurement. So it is an issue of estimation through to final weighing and disposition.

To your point, if I could use the language this way, about the appropriate levers or incentives to get people to straighten this stuff out—is it fees, is it a different structure, is it a different way of going at some kind of a system?—what we believe we need to do, and are doing with some sectors, is a better job of education and outreach. We need to get out there and stop these administrative transcription errors. There's no question that they're happening.

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To your point about if it is possible that something is slipping through the safety net or the checks and balances we have in the system, and if there are entities other than the most upstanding corporations involved in this, we also have plans for that. I'm pleased to tell committee members that about a year and a half to two years ago, we created an intelligence unit with our investigations and enforcement branch. One of the first things they were tasked with was to go and take a look—I realize this is being recorded in Hansard, and I'm not going to tell you exactly all of the things, but I want to make sure for the record that you understand we have that in place. The director of our enforcement branch has that particular unit engaged this year in the hazardous waste sector, and we are going out. We can track through the system: Are there people abusing the system; are there people operating outside the system? We're going to try to find if there are any. So we have that intelligence unit doing that.

I also would say that there are 22 district and area offices across the province with our environmental officers in them. Our officers, like you and I, live and work in those communities. They are out there looking for examples where there might be improper registration, improper weighing and improper shipping of hazardous waste. It's fine to say, "When you know where the facilities are, you can go and check them," but we're also

initiating work to go out and see if we can find examples of where there is system abuse. We do that through a system of surprise, unannounced inspections. We're actually doing that through a project across the districts where our staff will go out and search for people who are perhaps shipping illegally or trying to move something around our system.

To the deputy's point about enforcement, I can tell you that we have 83 convictions registered under this program, fines totalling \$2.3 million and another 30-odd prosecutions under way. I can't discuss the nature of them, but there is a significant amount of effort that we are putting in, and I want to assure committee members that when we do find abuses in the system, we act swiftly to correct them.

The Chair (Mr. Norman W. Sterling): Ms. Horwath?

Ms. Andrea Horwath: It's my understanding that the amendments to regulation 347 created much of what is happening in terms of improvements to hazardous waste handling in the province. If I'm correct, it really focuses on some of the larger-scale operations. My understanding is that the smaller producers of hazardous waste, like dry cleaners and places like that, are not really captured by this regulation and the current processes. My question would be: Knowing that dry cleaners produce an estimated 450 tonnes of hazardous waste annually, using products like perchloroethylene, which is a toxin under the Canadian Environmental Protection Act, what measures are being developed at this time to address hazardous waste that's not being caught by regulation 347?

Ms. Gail Beggs: John, I'm going to ask you to talk about the regulatory framework and, to the extent you're able—and feel free to substitute for Ian—address Ms. Horwath's question around coverage for small operators like dry cleaners and how we're moving forward.

Mr. John Lieou: Ms. Horwath, I'll ask Ian Parrott, who can explain to you a little bit about the framework we have in place for dealing with hazardous waste.

Mr. Ian Parrott: To your question about small generators of hazardous wastes—dry cleaners are one example of those—there are a number of small or medium-sized businesses in Ontario, and they are caught by regulation 347 and the hazardous waste regulatory system if they produce hazardous wastes. They are caught by all the requirements: the generator registration, the manifesting and the need to send waste to sites that are appropriately licensed to receive them. There are some exemptions in regulation 347 that deal with very small generators. They tend to be very small amounts of waste. I think that most small and medium-sized businesses would in fact be caught by the regulatory—

Ms. Andrea Horwath: So, perchloroethylene particularly, which is used in the dry cleaning industry, is identified as a hazardous waste and is measured and tracked, if you will, in terms of disposal in the province?

Mr. Ian Parrott: Yes, it is. There are facilities in Ontario actually licensed to receive those materials and recycle them into reusable products.

Ms. Andrea Horwath: You said that there were other smaller industries, smaller businesses as well. What other kinds would be similar to dry cleaning that you would consider to be covered under this regulation?

Mr. Ian Parrott: I can't think of a specific example that would be like that, but for a large generator it would be examples like steel mills and that kind of thing. There's a whole range of industrial and commercial manufacturing operations in Ontario that would be considered small or medium-sized just in terms of the waste they produce.

The Chair (Mr. Norman W. Sterling): Car body shops would be—

Ms. Andrea Horwath: Car body—yes, that's a good one. So it's the ministry's position, then, that all of these small operators are already caught in this regulation, are already being addressed through the system that you currently have in place. Is that correct?

Mr. Ian Parrott: That's correct.

Ms. Andrea Horwath: Okay. My other question then is kind of flowing from this idea of becoming more restrictive around landfilling or around the land disposal of hazardous waste. Is there then a resulting situation whereby people might be more apt to then go to incineration as a disposal option as opposed to landfilling? Flowing from that, then, is the ministry at all in the process of looking at new regulations or guidelines specific to hazardous waste incineration that tightens up the standards and restrictions in that area?

Ms. Gail Beggs: Maybe I'll start, and then I may look to some of my team members to help flesh in the details. My understanding is that today, as hazardous waste is generated and transferred and received, the end point of the hazardous waste is a couple of different end points.

One potential end point is that the hazardous waste is processed and the by-products can be used in a recycled fashion—obviously good for business, good for the environment and an excellent outcome.

Secondarily, hazardous waste, as you said, may be landfilled, and we have a new regulatory regime in place that is filling a gap that was suggested in the Auditor General's report in terms of standards in Ontario not matching significant standards in the United States. With the passage of regulation 347, we're implementing new standards. The first of those were implemented in August 2007 and relate to inorganic waste. The second phase will come into play in December 2009 and will relate to other hazardous waste. I think—and my staff will correct me if I'm wrong—that will be primarily organic waste.

Once that regulation completely comes into place, we believe we have a regulatory regime that is equivalent to the regulatory regime in the United States and in the rest of Canada. To the concern that has been expressed that we may be the recipients of a large volume of waste from outside our boundaries, there will be no incentive because of our regulatory regime.

The next point I would like to make is that the third outcome for hazardous waste that isn't recycled or processed or landfilled is incineration. Incineration does

happen today, in Ontario, in hazardous wastes, and continues to happen. The ministry's policy work in the area of hazardous waste is the recent policy work with the WDO that you saw concluded in a new municipal hazardous and special waste program. We're now actively doing some preparatory work to request more substances under the municipal hazardous and special waste program, so more opportunities for better disposal of hazardous waste generated by you and me at home.

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We have recently received from WDO a waste electronics program. That has in it some elements of hazardous materials that we are actively considering moving forward with. So that's another piece of policy work.

In my opening remarks, I referred to our review of the biomedical waste guidelines. We've had some focused stakeholder consultation and we're now preparing, based on that input, enhanced guidelines that we will post for public comment in the summer of 2008.

We also have a commitment in statute for a review of the Waste Diversion Act. After five years, the statute required an examination of that act, so we will be launching a review of the Waste Diversion Act as part of our planned policy activities.

I think now I'm going to ask John Lieou to fill in any gaps in our planned policy work, particularly as it focuses on hazardous waste going forward.

Ms. Andrea Horwath: Can I just ask that it focus on hazardous waste incineration and guidelines—

Ms. Gail Beggs: Incineration specifically, okay.

Ms. Andrea Horwath: That's one of the pieces that I was trying to get at: Where are we in terms of upgrading our standards around hazardous waste incineration in the province?

Mr. John Lieou: I think your question was, now that our standards are harmonized with US standards and so on, is there a push towards incineration?

Ms. Andrea Horwath: But subsequent to that, I think the deputy said that she didn't think so because in fact it's not creating that. The deputy indicated that there is incineration of hazardous waste currently in this province. My question would be: Is there any view to any planning around changes to the guidelines or changes to the regulations and guidelines that are specific to incineration of hazardous waste in this province?

Mr. John Lieou: First of all, as the deputy said, there's no push towards the incineration of hazardous waste.

Ms. Andrea Horwath: I think that's clearly—

Mr. John Lieou: We only have one facility in Ontario which is allowed to incinerate hazardous waste. This is biomedical waste, and it's the only facility in Ontario. Any proposal—and we don't have any proposal—to incinerate hazardous waste would have to go through a very rigorous and very stringent approval process.

Ms. Andrea Horwath: In terms of approval processes with existing guidelines and regulations, existing standards, existing requirements, there's no plan at all,

there's nothing that the ministry's looking to in terms of hazardous waste incineration?

Ms. Gail Beggs: Not specifically new proposals, regulatory proposals with respect to hazardous waste. However, and I'd ask staff to correct me if I'm wrong, we have been working actively on new air standards. Over the past four years or so, we've brought into play new air standards in the province—in 2005, 2007—under a regulation under the Environmental Protection Act called 419, and we have ongoing work in the ministry for a third suite of standards under regulation 419. As these regulations get passed and implemented, they impact end-of-stack emissions for all stack emissions, whether it be incineration of waste, base metal smelting, steel production or manufacturing of other nature—so not specifically targeted at incineration, but relevant and applicable to all processes.

One other correction I'd like to make is, I believe we may have two sites in the province where incineration happens. One is more generic incineration of hazardous waste, and John spoke about biomedical waste incineration in the Peel area. So there are two.

Ms. Andrea Horwath: Okay. That's actually helpful. This new suite that you talked about in terms of coming up in the next little while—does that get posted on the Environmental Bill of Rights?

Ms. Gail Beggs: Absolutely. We have a process that involves a scientific review and development of policy proposals. Once we're ready, we do very focused consultation with stakeholders who have a keen interest, but we always use postings on the Environmental Bill of Rights registry for public comment. I would say that's universal for the work of the Ministry of the Environment.

Ms. Andrea Horwath: That's helpful. You were talking a little bit in your remarks, Deputy, about the issue of what's being done with municipalities. One of the things that I can recall coming up even in my own community is this anxiety around overstrength agreements, this difficulty that people in the community, environmental activists particularly, have around the dumping of hazardous waste into sewer systems. The waste water treatment plants or the sewage treatment plants are actually built for a particular purpose, which is dealing with human waste, as opposed to toxic chemicals or heavy metals or other kinds of toxins that end up through overstrength agreements and through other means—not always legal ones—being dumped into the sewage system. Are there any plans afoot for the regulation of disposal of hazardous waste into the sewer systems?

Ms. Gail Beggs: Let me start by saying that I've been with the Ministry of the Environment now for 10 months, and one of the areas of great pride in the ministry is the environmental sciences and standards division. They have some very excellent monitoring programs that have been in place for the life of the ministry. One of the things that I think the public can feel good about is the

monitoring that's done by the Ministry of the Environment.

We have recently done some special monitoring work around what is happening in terms of waste entering sanitary sewer systems. John Lieou has some of the details on that. So I'd just like to give you that information, and then, John, maybe you could address Ms. Horwath's question around any plans in terms of upgrading our regulatory framework around that.

Mr. John Lieou: Yes. In terms of work done, there is work done throughout Canada right now. We are one of the players around the table working with all of the other provinces and territories in terms of developing a new set of Canada-wide standards for effluent standards, and it covers the entire suite of effluents. Coming out of the other end of the process are going to be Canada-wide standards that cover the entire spectrum of standards. So indeed, to your question, we're working with the CCME, which is the Canadian Council of the Ministry of the Environment, in developing a new set of standards.

Ms. Andrea Horwath: But I guess my concern would be that this has been an identified problem for quite some time. It's been several years since I was on my own city council in Hamilton and it was a big problem then and it continues to be a big problem, and we are now several years out from that point in time. My understanding of the process is that it's quite lengthy. Are you getting an understanding of when there might be a Canada-wide standard?

Mr. John Lieou: You're right. I haven't been with the Ministry of the Environment that long either, but the process started way before I joined the ministry. But I think the process of developing those standards is very far along, and I think it's getting close to a conclusion.

Ms. Andrea Horwath: The concern I have is that the process is protracted. At the end of the day, it's the lowest common denominator that comes out of that process. Everybody would recognize that it's consensus-based. Basically it's the lowest common denominator, I think everybody recognizes, that comes out of that process.

Here in Ontario, if we're aware that this is a problem, my question would be, isn't it really the job of the Ministry of the Environment to protect the health and well-being of the people of Ontario? And why is it not within the thought of the ministry to actually jump ahead and do something proactive on this particular file when it's one that has been identified for a very long time here in the province?

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Ms. Gail Beggs: I take your point that sometimes when you work nationally there is compromise in coming up with standards. I do know that there are other cases when Ontario has regulated over and beyond national standards. I think that where we have an environmental concern, and there's demonstrated evidence, we need to go further. We have a track record of going there.

We have had a study under way and do have some monitoring of out-products from municipal treatment plants. I don't believe we have that information at the

table today, but what I could do is make an undertaking to get back to the committee in writing by the end of the week with what we've learned through that, and at least the beginning of an assessment of whether that needs to be of public concern or not.

Carl, is there anything that you can say today that would help on this, or is the written reply best at this time?

Mr. Carl Griffith: Maybe I can just add a little bit. I believe there were about 29 waste water treatment plants where the ministry was looking at a characterization, because we know that stuff goes into the sewers leaving to the waste water treatment plants to see what they can do with it to take it out. Certainly, the preliminary assessment that we've been finding was that they're doing a good job, even though they weren't constructed to be a complete pollution abatement facility; the levels that we were finding coming out of that were very, very small. But as the deputy pointed out, we can provide more details on that characterization—

Ms. Andrea Horwath: What often happens is, the sludge is contained—the end product ends up being contaminated, and then the difficulty is, what do you do with that? The solution is incineration.

So I'm kind of going back to the beginning in terms of my questioning. You'll see why I went the way I did, because it's extremely frustrating. Then we're faced with these issues of incineration because the by-product can't be spread on farms or whatever, and that's fine. In a city like Hamilton, which is where I come from, this is a huge concern and a big issue.

I would actually appreciate that. I would hope that one of your samples is an industrial-type city, because that's quite different than a non-industrial-type city, and so there are lessons to be learned there in terms of what's going into the waste water treatment plant or the sewage plant.

Ms. Gail Beggs: Michael Williams, our ADM of operations, can also add a little bit more information to the puzzle, which I think gives us, collectively, a bit more confidence. Michael, can you just mention to the committee what you were telling me?

Mr. Michael Williams: What our district inspectors do is that they work with the municipalities and the operators of the sewage treatment plants, in particular those that have the sewer use agreements, so that industries can legitimately discharge according to certain limits. As part of the inspection that we do, we go back and check with the municipality as to which industrial discharges are coming into there that they're aware of. Are they within limits? Is there anything we need to do to ensure that we're not getting any surprises under the effluent from that?

There's a policy question around the future of the limits, but what I can tell you is where there are limits now. We inspect for that, and we work with municipalities on that. Particularly in heavily industrialized communities, sometimes the conversations that we have with the municipalities lead us to do a little bit of what I

would call an undercover exercise to take a look at some industries in the area, because municipalities do call us and say, "We're experiencing some things here, and we don't know where they're coming from." We work cooperatively with municipalities to do that.

Ms. Andrea Horwath: I really appreciate that. And if I can just encourage you, when you're sitting at that national table, do everything to get something happening nationally, and then if this evidence is clear that we need to act unilaterally, I would just hope that we would actually be able to do that.

Ms. Gail Beggs: I don't mean to use your time, but John thinks he has some more pertinent information.

Mr. John Lieou: I appreciate that advice, and we'll certainly do that.

I just want to add that, apart from everything that we're doing around the issue of potential hazardous waste and sewage and so on, we monitor and all those things, but we're also embarking on a number of things. The big thing that we're actually embarking on right now is a toxics reduction strategy. The important thing is to get toxics reduced in processes and so on. That's the best way, I think, to relieve this problem, which is to use less of them in the first place and not to use hazardous material, if possible. So we're actually starting on that process, and certainly once we conclude that—and we hope to conclude it reasonably quickly—we will see a big improvement in the future years on this issue.

Ms. Andrea Horwath: Thank you very much.

The Chair (Mr. Norman W. Sterling): I'm going to go to Mr. Zimmer.

Mr. David Zimmer: Oh, thank you, Chair. I've got a systemic question, and please don't take offence at it. I know you've only been there 10 months or so.

In the auditor's report, at page 183 in the summary, he says:

"Partly owing to continuing problems with a computer system implemented in 2002, the ministry does not have adequate monitoring inspection procedures in place ensure compliance with legislation ... aimed at protecting ... from the risks posed by hazardous" materials. "Specifically, the system implemented in 2002 was not, at the time of our audit"—that's this year—"achieving its intended purpose.... In fact, most of the staff we talked to indicated that the previous system had better and more user-friendly analytical and reporting capabilities, enabling them to focus" on their job and do their jobs. And then he points, in sort of a paragraph for each one, to about eight instances of this.

The core task of what you're doing is to protect the citizens from environmental hazards from disposal of this stuff. The core tool, or one of the core tools, is the computer system, which has been in place since 2002. Six years have gone by, and it doesn't work. It doesn't do what it's supposed to do. I'd like to see what my daughter has to say about that.

So my question is: How does it happen, or what's going on, that a situation can exist where there's a fundamental, necessary management tool that was put in place

six years ago and doesn't work? What happened there? How did that situation develop? Then I have a follow-up question after that.

Ms. Gail Beggs: Maybe I'll start, and then I'm going to ask Carl Griffith, our ADM, who's in charge of that system, to fill in the details.

The ministry has been working over time to improve its hazardous waste information management systems. We are, as I said in the beginning, focused on continuous improvement. If you'll go into the detail of the Auditor General's report, you will know that we've had two systems functioning and we've been migrating from a historic system to our new HWIN system.

If you remember from my opening remarks, I also said that the HWIN system is the first electronic system in North America that actually tracks in a comprehensive fashion hazardous waste. So generators, registers, carriers and receivers have manifests. It's a system in evolution and we've been making continuous improvements to it. We have track record of continually improving it. One of the recent improvements we've made has flags that go up whenever there is a discrepancy noted in the system. When generators who we know are out there have—

Mr. David Zimmer: If I may: I appreciate all the problems, but the core of my question is that, given all those problems, why does it take six years to get a fundamental tool up and working? It's not working yet. I say this with all respect. I'm just trying to understand the system.

For an airline reservation system: Supposing they put in an airline reservation system in 2002 and you talked to the president of the airline today, and the answer was, "Well, we're making improvements and we're fine-tuning it. It takes a long time to get the system up." You would have chaos in the airline. So my question is, once your management puts in a core tool and it doesn't work, how does it happen that that sort of drifts for six years without them working on getting the core tool in place?

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Ms. Gail Beggs: What I would say is that we are working on getting the core tool improved. Some of the issues that are cited in the Auditor General's report probably go back to policy issues. I'll give you an example. We spoke earlier with Mr. Barrett about the idea of requiring electronic submission of carrier information. I mentioned in my answer that we're now working with industry for a pilot along those lines.

As public servants, we're always balancing to find that sweet spot of the public interest, so we could suggest to government that they require electronic manifests. That could make a much more comprehensive system that works better to support the activities of the Ministry of the Environment.

The balance, though, that we have to strike is that there are 25,000 generators, a few hundred carriers, and a few hundred receivers for a very large industry. It's probably easy to comply with a requirement for electronic manifests. In fact, they may run their own operations electronically. But for smaller business entities, some-

times the costs of moving there are not affordable or there needs to be some transition time. What we don't want to do in the policy recommendations we make is drive experience underground and have the costs of participating in the system be prohibitive, and have people avoid paying those costs by just not complying with the regulations. The balance would be, we would have to put a lot more effort into inspection and enforcement if we set up that policy framework.

It's not answering it directly, but I'm trying to suggest that finding that sweet spot of suggesting improvements that are also effective in supporting our programs and possible to implement is one of the challenges we have as public servants. In the review that we have under way right now, we are specifically looking at ideas like electronic manifesting, and whether we could require that and what might be the operational or transition issues to get from where we are today to where we'd like to be.

I know I've kind of worked around this a little bit. I don't know, Carl, if you'd like to add. You have a bit more history with the system than I do that may be of benefit.

Mr. David Zimmer: Do you have any idea what the budget for this computer program is?

Ms. Gail Beggs: For the current one for the HWIN system?

Mr. David Zimmer: Yes, that's one that I'm referring to.

Mr. Carl Griffith: We spend on average about \$1.7 million a year.

I'd like to try to answer your question about the changes and the corrections that we have made to enhance the system. Many of those are based on observations that the Auditor General has made. The Auditor General made comments before about the system not being able to produce, in a timely fashion, violation or exception reports of companies that either hadn't registered or tried to ship waste without being registered or weren't authorized to carry certain waste or to receive certain waste. We have made an investment in that system, and that system now does produce, in a timely fashion, that type of compliance information, which is then transferred to our operations part of the ministry so that they can develop a compliance strategy on that side to get people into compliance.

The Auditor General made comments that the ability to produce financial reports, particularly around outstanding debts and revenue reconciliation, wasn't as good as what it should be. We have corrected that problem. We now can track. We can reconcile our revenue and we can track who owes the government money, by how many days and who they are. We're now using that intelligence to develop compliance strategies to get those accounts receivable down. In fact, they are down from what the Auditor General had observed in his report.

The deputy has made reference to looking at some electronic—downloading information from the carriers right now that have it.

I guess what I'm trying to say is that we have made improvements, we continue to make improvements, and the system is providing, I think, a considerable amount of intelligence that is helping us in our overall management of hazardous waste in the province. But there's still work to be done.

Mr. David Zimmer: Don't take this question the wrong way. I'm always struck by how it typically requires the auditor to step in and draw attention to areas that need attention. Why doesn't that just happen on its own, as a part of day-to-day operations, without the prodding of the auditor?

Mr. Carl Griffith: I would say that's twofold—and I want to be careful with my response. We continually look for ways to improve the systems, but that is a supplement. We were making investments and we were trying to evolve our tracking and our information management system to improve it. Certainly, the observations of the Auditor General help clarify some areas that perhaps we weren't as clear on as to where we could make certain improvements, or maybe doing a little triage on where we should focus our attention in the immediate future.

The Chair (Mr. Norman W. Sterling): Mrs. Sandals.

Mrs. Liz Sandals: Do you want to go round again?

The Chair (Mr. Norman W. Sterling): No, you still have some time left.

Mrs. Liz Sandals: I still have some time? Okay.

A couple of financial issues: The auditor had raised the issue around financial assurance and the fact that it appeared that that was inadequate to cover some of the cleanup costs when there are accidents. I wonder if you could comment on whether you've been able to—I think you made some note on revising those more frequently. How do you actually go about deciding how much an individual carrier should have in terms of financial assurance? Does that always cover the cleanup, or are you looking at reasonable expectations when you do those calculations? If you could give us a bit of information.

Ms. Gail Beggs: I appreciate the question. I'm going to start out again at the high level and then I'm going to ask Michael Williams, who's been accountable for some of our very recent work in this area, to describe it in more detail.

We agree with the Auditor General that financial assurance is a key element in ensuring that the taxpayer isn't responsible for things like spills or contaminated sites, so it is an important element in our program. We've been improving our financial assurance system, and, in particular, we've been reviewing all of the financial assurance requirements for waste receivers in the province. We're updating the financial assurance requirements from those receivers when we find that that's necessary. We are now requiring updated financial assurance as part of the conditions in our certificates of approval.

As well, we also recognize that carriers of hazardous waste have a financial obligation, and we're requiring

them to carry liability insurance. So if it's actually an accident involving a carrier in transit, there is assurance to the public that they have the resources to clean up, for example, a spill that happens.

Michael's staff have been working diligently, going through all of the financial assurance agreements and setting up a new suite of criteria in which staff are judging today's financial assurance against what it should be. So Michael, I'll ask you to fill in the gaps.

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Mr. Michael Williams: There are just under 400 certificates of approval that require financial assurance, and the Auditor General and his staff helpfully indicated to us that there were some deficiencies in some of them. At the same point in time, there were a number of applications that had been under review for quite a while, and we hadn't landed on what the financial assurance amounts would be for those. So last summer and fall, we launched an initiative to provide the assurance that everything's up to date, and we did that. We went through all—I believe the number is about 364. We opened all of them up and we took a look at every one of them.

To your question about the factors that go into it, we do look at the amount that would be required if there was a problem with the facility, the nature of the waste that's being handled at the facility, how much it would cost to get it fixed if somebody literally walked away—because financial assurance is there to protect the crown's liability in case there's a bankruptcy or people just refuse to discharge their obligations to us.

One of the core elements of the program that's really important—and the Auditor General pointed this out to us as we were providing the records for him and his staff and looking at it—is that there were differing requirements in some of the documents. Some of the certificates of approval didn't have a requirement to annually update the financial assurance. So in November 2007, we issued a set of very stringent instructions to staff and to the industry and we said, "From this day forward, here's how it's being done," and we reopened all of the files. Annually, they will all be updated.

I'll give you an example of things that would significantly influence costs for the crown or for our company. Look at the price of fuel, for example. If we say, "Fuel costs have gone up, so whatever you need to do"—if you have part of your business that is fundamentally dependent on a fuel cost, whether it's diesel for operating equipment that would need to remove some of the materials or transport it to an approved processing or disposition site, it's reasonable to assume that the costs would go up in this year with the price of oil.

So we now have a requirement in each of those certificates of approval that they will be required to be updated annually. We think that that's the check and balance in the system we need so they don't become outdated again. We also have it introduced with instructions to the staff in the field that when they do inspections, they're to check the financial assurance requirement. They're to go in now, as part of the in-

spection report, and say, “What’s the amount of financial assurance on that facility, and is it sufficient?”

Mrs. Liz Sandals: Do you have some method of evaluating the risk of the particular products being handled and the potential cost of cleanup? Presumably, depending on volume and depending on material, potential cleanup costs could vary quite dramatically.

Mr. Michael Williams: You’re absolutely correct, which is why, also in the fall, we updated our guideline for the calculation of financial assurance. It’s a very detailed guide that specifies what sort of engineering components need to be considered, what sort of labour components, what sort of risk around the materials that are being handled, and what opportunities are there to be able to fix a problem if it comes up.

I want to assure the committee that this is not a process that is taken lightly. This is a process that takes a significant amount of time to do properly. Often, there are extensive discussions—I won’t use the word “negotiations”—with the proponents who file the certificates of approval with us. Sometimes there are disagreements. We say, “It’s this much and here’s the reason why.” We do give the holder of the certificate of approval the opportunity to convince us that we’re wrong, that there are other extenuating circumstances that need to be taken into account. Ultimately, it is the crown’s decision as to what we impose on it, but there is a right of appeal. So if a proponent feels that we’ve been too harsh on them or our calculations are wrong, they can appeal that condition in their approval to the Environmental Review Tribunal. We don’t get very many appeals. But there are a number of circumstances where, as you point out, there may be differing views on how a problem could be fixed, what’s the amount of it.

In fact, the Auditor General raised an example, not with respect to a hazardous waste site but with respect to another large industrial site in southwestern Ontario, where I believe he’d noted that we had \$3.2 million or \$3.4 million in financial assurance. One particular study had been done that said, “If that corporation goes belly-up, you’re looking at \$60 million to try to remove this thing in totality.” Since that time, we took a look at that site too, albeit outside of the hazardous waste program, and we’ve determined that it would probably cost about \$15 million to handle the crown’s liability on that site. We issued an order to the corporation to up the amount of financial assurance. In this case, the corporation went bankrupt, not because of our order but because of other things. So the crown has moved in to protect its interest, to protect the public and the environment to ensure a cleanup in there. I can’t divulge to you the content, but we’re in mediation and negotiation, and we’re looking at \$15 million plus to get from that to make sure the crown’s protected. I want to assure the committee members that yes, we recognized there was a problem. We weren’t keeping it up to date, and we’ve fixed that.

Mr. Toby Barrett: We know that one of the major recipients of hazardous waste would be the Sarnia facility, Safety-Kleen or Clean Harbors—I think that’s the

same facility. I’ve never visited that facility. I’m curious: Is it strictly storage? Is there treatment? Is there recycling? Do they work with other facilities? There must be a number of other facilities beyond the Sarnia facility where Ontario’s untreated waste ends up. We know that treated or pre-treated US waste goes there, and I’m just curious: Is that mixed in with the other stuff, what goes on there, and what’s it going to look like 100 years from now or 1,000 years from now?

Ms. Gail Beggs: Probably Michael Williams, of our team, being the operations ADM, has the most familiarity with the site that you’re questioning about, Mr. Barrett, so I’m going to turn it over to him.

Mr. Michael Williams: I’ve been out there. It’s a site in southwestern Ontario. There are two components to the site. It has a provision for landfilling. The site also has an incinerator, which the deputy referred to earlier. That site is approved to accept a number of different hazardous wastes. I’ll give you a little bit of a description about what goes into it, and then I’ll tell you how it’s managed.

It can take a lot of hauled liquid industrial waste that can’t be further recycled. One of the goals in managing hazardous waste is that you want to extract what’s a product in there. Let me give you an example. You get your oil changed in a car. Why would you send that used oil to an incinerator? Why wouldn’t you have that used oil be properly batched, transported, put into a facility—and it does go into a facility in Ontario where it can be re-refined or reused. Think of the facility in southwestern Ontario as the last resort for disposition after we’ve looked at recycling, after we’ve looked at reusing.

There is an economic incentive. For example, some of the chemical solvents used in cleaning processes and industrial degreasing processes have a lot of value in being able to clean the degreasing solvents and reuse them.

Typically, the kinds of things that would go there would be from the automotive sector, some lubricants, some chemicals used in manufacturing processes that are spent, some steel and some agricultural products. That’s what goes into the site.

We monitor that site quite extensively. In fact, we have a full-time inspector who is on that site. We would be out there at many different hours of the day and night. One of the things that people may or may not realize is that we do inspections around the clock. For example, at that particular facility, we have gone in there on weekends, after midnight, and we have just said, “Hi. Let’s take a look. Open up the truck and show us what’s coming in. Show us the nature of the content.”

The site is quite well run. There has been an issue with respect to an odour of naphthalene coming from the landfill. That odour is well within the limits that Ontario imposes in the operating certificate of approval, but we want to work with the company to remove any objections, because naphthalene—mothballs—is, as you can appreciate, quite a strong odour. The company has taken significant action to deal with that.

The other part of the facility is the incinerator. That's obviously a matter of concern to the community too. We had a special program in play that we did this past spring and summer at the incinerator, and I'll just share a little bit of the results with you, because it is Ontario's only final disposition place for industrial waste, as opposed to the biomedical incinerator. My colleague in the science and standards division has a number of scientists who operate what essentially is like a big RV. It's called the ministry's TAGA unit. That stands for the trace atmospheric gas analyzer unit. We bring that out to do, I like to use the word "forensic," investigations. We don't bring that out as a matter of routine. What we did is we took it out and we sent it down to the facility this year. We put our scientists in there. We did all of the air monitoring on that. We did an extensive program through our on-site inspector because we believed that the results that we were getting were good results. We believed it was all within Ontario's limits. We essentially wanted to prove it, and we didn't want to take company's word for it, quite frankly.

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We have a number of results from that. I can tell you the numbers that were obtained from that relative to performance of the incinerator, and we got numbers from the TAGA unit. There are also requirements that that facility be monitored. There are real-time emissions monitoring controls on that facility, and our inspector can access them and check them against the government standards. Periodically, we require an independent third party to go in and do what we call stack testing, which is actually going in, taking samples out of the stack and measuring for a much more wide range of compounds and substances, which you can't get in a continuous monitor. The results of those two efforts have shown with the TAGA unit out there. They were in full compliance all the time, every hour of the day, with the Ontario air standards. In fact, there were what we call non-detects for many of the parameters.

We measure at the property limits; that's the way in which it's specified. That's one way of doing it. The other way is the stack test, and I can give you an indication—I want to make sure I get this right, so I'm going to refer to a note, if you don't mind. I have some of it off the top of my head.

The incinerator emissions for compounds in 2007 were well within ministry standards. All of them were below 20% of the allowable limits. These were actual measurements, and in fact the majority of them were less than 1%. It's a very, very well functioning incinerator.

The other incinerator that we have that my colleague mentioned is the biomedical waste incinerator in Peel region. We frequently inspect it. The staff in our ministry's central-region office are out there quite a lot. That incinerator's performance is exceptional. It's very good. We have no compliance issues with it.

Mr. Toby Barrett: So it's a private company, and you mentioned this economic incentive to run that facility. You mentioned the used oil service that they provide.

I assume that right on-site they can recycle that somehow, or make it a product that can be made into new oil? The reason I raise this is that as a rural MPP I've been getting an awful lot of calls. This seemed to be before the election. So many fellows have oil burners in their shops. A number of people just in my area have purchased fairly new used-oil burners and spent a fair bit of money for a fairly large shop. I'm sure your ministry has also heard a lot of concern.

I'd like to get a bit of an update on the burning of used oil and whether there's a different standard for northern Ontario. I think a number of years ago there was a different standard set up for the north. One reason I ask this is that there's a conspiracy theory out there that Safety-Kleen is behind this because they want the used oil. They're a private company and they make money off it by recycling. Guys like me who sometimes change their own oil—first of all, they don't know what to do with it. Secondly, I can't sell it to Safety-Kleen. There's no economic incentive for me to deal with this, other than perhaps to run it through the woodstove in my shop.

I've gotten sidetracked a bit. I would like to know the situation as far as the market for used oil, recycled oil and, given ever-increasing input costs for energy, where we stand as far as people using used oil that they take out of most of the machinery right in their farm shop or other shop.

Ms. Gail Beggs: Mr. Barrett, we're going to get Michael just to comment on what goes on at the facility Clean Harbors with respect to used oil, and then we're going to turn it over to John Lieou, our ADM of policy, to talk about what we've recently put in place with respect to used oil in the province.

Mr. Michael Williams: With respect to the facility with the incinerator and landfill in southwestern Ontario—and, sir, you've named the two companies—there is a distinction. The company Safety-Kleen that you're referring to is the oil re-refiner that does the recycling and the processing. The large incinerator and landfill corporation in southwestern Ontario does not have recycling facilities there. I'm sorry if I conveyed information that misled you on that.

What I was saying is that as facilities elsewhere across the province clean up the solvents, do the recycling, do the reusing and separate the products, what's left that has no further use goes finally for disposition to that facility in southwestern Ontario. That's what we check.

On the matter of used oil and Safety-Kleen and the regulations relative to used oil burners, I'll turn it over to my colleague. I will just say, and I note your comments about rural areas and the types of stoves and emissions that these can produce, there are some very dirty things in that oil. That's prompted us to enact the regulations that my colleague will speak to.

Mr. John Lieou: Mr. Barrett, in terms of the status of the burning of used oil in space heaters, let me just give you where things are at. The government amended the regulation that captures such practices—regulation 347 in

June 2007—to ban the burning of used oil in space heaters.

However, to your point, the ban does not apply to northern Ontario, in recognition of the fact that there are fewer options and so on for northern Ontario to get used oil to the recycling facility in Safety-Kleen and fewer options to recycle and then properly handle that material. It also does not apply to agricultural operations that burn their own used oil from their own machinery, which you were talking about. So it does not capture that.

There are also certain large industrial operations that may be approved to burn a specific type of used oils and other very specific types of waste-derived fuels. As long as they have the right approvals for those, then they're fine.

So the short answer, Mr. Barrett, to your question is that the practice will be banned. There's a phase-in period and the compliance will kick in in 2009, whereby in southern Ontario that practice will be banned except for those exceptions that I talked about: northern Ontario and agricultural operations.

Mr. Toby Barrett: Again, I can see where we're covered on these shops, and I'm thinking of the mechanic who does changes on oil, perhaps his antifreeze for that matter, or does grease jobs and doesn't use all of the grease eventually. He can't put it in the blue box. What are you left to do?

I know some organizations pick up batteries, if you can ever remember to put your batteries in one place and take them there. We know now that you can take your liquor bottles back somewhere—I think I did it once; oh, the Beer Store.

Mr. John Lieou: The Beer Store, yes.

Mr. Toby Barrett: My wife will not walk in the Beer Store, although she does like to drink wine. In a small town she won't go in the Beer Store. Again, that's not a hazardous waste.

What about so many people who have the shops, they have motorcycles, they tinker, they do change their oil and they grease their machinery? What do they do with it?

Mr. John Lieou: Let me note for you a program that the government just approved back in February, and the deputy mentioned it in her initial remarks. This is called the municipal hazardous waste or special waste program, whereby, for the types of materials that you're talking about—oil filters and containers and so on—there are going to be systems put in place to handle and recycle them properly. For example, a small garage that generates those types of waste can take advantage of this program, to have the material actually go into a collection system that takes them to the recycling places. It was approved in February and is expected to be in operation by July 2008.

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Mr. Toby Barrett: So an individual homeowner would probably drive somewhere at certain times of the year and drop it off, through the municipality?

Mr. John Leiou: That's right. The program details are being established right now. So presumably a homeowner will, in the future, have more than one possible option to take their materials to. For example, municipalities will have depots where you can take materials. There's also work under way to try and get some retail store take-backs. I don't want to mention brand names for the record, but a hardware store that sells oil, for example, may actually be a take-back depot where you can take it back for recycling purposes, or maybe even a gas station.

All those details are being worked through right now by Waste Diversion Ontario and the industry funding organization. The good thing about this program is that all the handling and all the costs of recycling and so on will be borne by industry.

Mr. Toby Barrett: The way that oil is marketed, usually in small, one-litre containers: People obviously aren't going to put the used oil back in the one-litre containers. I think you can perhaps purchase plastic containers, or would other jugs be allowed? How would you, as an individual homeowner, take your used oil in? It would be awfully messy—the same with antifreeze, for example. I'm just afraid it's a lot easier to dump it on the brush pile or—

Mr. John Leiou: Antifreeze is also covered under the MHSW program.

Mr. Toby Barrett: Again, if it came in a nice, clean container and you dump it in your engine, but when you drain underneath—I'm talking about someone who lives in a—

Ms. Andrea Horwath: I used to do it all the time.

Mr. Toby Barrett: Many people do, and we probably don't know where it goes.

Mr. John Leiou: For small generators like homeowners, individual people who may service their cars and so on, the really important thing in all this is to make it easy for individuals to be good environmental actors. That's why we have specified targets in the program, to set up opportunities for people to bring back the materials. We encourage retail take-back and so on. So this is all according to our principle of making it easy for individuals to be good environmental performers. We have clear targets in the program for expanding the number of access points for people to go to. We also have targets for industry to make sure that they actually get to some specified depth to the performance measures in terms of what we want them to achieve in collecting and recycling. I think what we have asked them for is that—Ian, correct me if I'm wrong—by the end of three years, the actual materials recycled will be doubled from where they were.

Ms. Gail Beggs: Ian Parrott has a little bit of extra information, Mr. Barrett, that I think might be useful: the point you're making about the ease for us as laypeople to take those hazardous wastes back properly. One element of the program I think is designed to address just that.

Mr. Ian Parrott: I have a couple of points to add. One is that the program is designed to inject new re-

sources into the whole program to enable people to invest in new technologies, so other technologies to receive this type of waste and proper management will be allowed to be established.

The second thing is that there is a component of public education about this so that people are aware of it and know how to do it and how to access the programs. As Mr. Lieou says, make it easy and accessible for people to use. That's the key.

Mr. Toby Barrett: Just going back to Clean Harbors, we know that a significant amount of the product that goes in there comes from across the border. I understand that in the United States—and this would go back through the 1980s, just from looking at this briefing—there's a pre-treatment requirement. I suppose that's a federal requirement. We haven't had that in Ontario. We will have it eventually. I'm just wondering why we haven't had that since the 1980s, as in the United States. Has that got anything to do with the fact that—I suppose it's under NAFTA—most of what goes into that facility does come from the United States?

Ms. Gail Beggs: Maybe I'll start with just a little bit of general information that I think is useful context-setting. Then, John, maybe a little bit of the history of regulation, where we've been and why, would be useful from you.

On an annual basis, our data in the Ministry of the Environment says that we generate in Ontario about 340,000 tonnes on average of hazardous waste. What was interesting to me when I looked at the statistics was that we actually have imported into Ontario from other jurisdictions about 155,000 tonnes of hazardous waste, and we export from Ontario 154,000 tonnes of hazardous waste. So we actually send away about equal to what is imported in Ontario.

It doesn't address, Mr. Barrett, specifically the facility that you're talking about as a depot for hazardous waste from the United States, but it was news to me that it was about equivalent, what comes in and what goes out. I think those are important facts for us to understand as context-setting.

John, can you talk a little bit about the history of our regulatory requirements and whether or not that impacts on import or export or if we know that?

Mr. John Lieou: I think Mr. Barrett is right in that the regulatory schemes existing in Ontario, say in the 1990s, were different from those required in the US. That may or may not account for US decision-makers, companies that decide to ship waste into Ontario.

But I think the important thing to note is that changes have been made to regulation 347 to make the standards equal. So, by and large, we're harmonized with the US EPA requirements on the disposal of hazardous waste. Hazardous waste moves across North America because of the integrated nature of our waste management industry and, as you noted, the proximity of some disposal facilities across the border and so on.

You mentioned the role of the federal government. Let me just clarify that Environment Canada is responsible

for regulating the import and export of hazardous waste. But it is the province of Ontario, through our own Environmental Protection Act and regulation 347, that maintains the actual regulatory framework that governs the management of hazardous waste in Ontario, including waste coming in from other jurisdictions. I just want to make the point that now that regulations are harmonized and standards are the same, whether waste comes in or goes across the border mainly comes down to location, economic decisions and cost. So the bottom line is that the regulations are the same now, and we're harmonized. There's no longer any incentive to send waste into Ontario because of disparity in standards.

The Chair (Mr. Norman W. Sterling): I'm going to go to Ms. Horwath. We'll come back around.

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Ms. Andrea Horwath: I just wanted to go back to some of the questions I was asking before, because it was my understanding that there wasn't an expected increase in incineration in the province as a result of regulation 347 or the new land disposal regulation, whatever it's called—the land disposal restrictions. But the Environmental Commissioner's report says quite clearly on page 71, and I'm going to read it, "According to the ministry, the program," the LDR, "should reduce both the concentration and quantity of organic hazardous waste going to landfills, because pre-treatment by incineration reduces the volume of the waste. The volume of inorganic wastes sent to landfills is expected to increase, however, since pre-treatment methods such as stabilization and immobilization require the addition of substances, increasing waste volumes. One negative impact anticipated from the additional incineration" that flows from the stabilization process "is an increase in the emissions of toxic contaminants and greenhouse gases to the atmosphere."

I think it's important to note that the Environmental Commissioner of Ontario is indicating that there will likely be increased incineration of hazardous waste to try to deal with some of the pre-treatment initiatives, and that that has implications. Notwithstanding the response before—I don't know whether you want to add anything to that—I think it's important that this committee have an understanding that there is concern out there, particularly from our own Environmental Commissioner, around the effect of increased incineration of hazardous waste, and that as a result many people are concerned about that and want the ministry to look at those standards and improve standards of incineration because of these particular implications. I don't know if a response is necessary.

I'm going to put one more thing on the record, if I may. My understanding from the same report, on the very next page, page 72—they're talking about the quantity and type of waste and the treatment that's required in regard to the generation of hazardous waste. This particular paragraph, again from the Environmental Commissioner's report, states: "The ministry estimated this would cost generators approximately \$30 to \$50 million per year, and that most of the impact would be felt by the

6% of generators that produce 85% of the waste. MOE included a ‘small quantity exemption’ to reduce the impact on small generators.”

It goes back to my question about dry cleaners and small operators. Are those people exempt because they’re small-quantity generators, or are they not? I’m just trying to get some clarification here. Perhaps the regulation covers off everybody in broad strokes, but who are identified as being small-quantity generators in the province, or who would qualify for the small-quantity exemption? That’s just to clarify the two other points from before. I don’t know if there’s any addition you want to make.

Ms. Gail Beggs: John, I’m going to ask if you have any comments that can help with clarification.

Mr. John Lieou: No, I don’t, Deputy. I’m not familiar with the section Ms. Horwath was quoting from.

Ms. Andrea Horwath: It’s not from the auditor’s report; it’s from the Environmental Commissioner’s report. But it speaks specifically to the issues I raised around an increase in incineration. I wouldn’t mind actually getting some kind of response.

Ms. Gail Beggs: We can do that. I will undertake to get back to you in writing by the end of the week.

Ms. Andrea Horwath: Sure, and who is covered under that small-quantity exemption would be very helpful.

Ms. Gail Beggs: Let me just check whether we know who in here is covered by the small-quantity exemption. Maybe we’ll just check if we’ve got that data—

Ms. Andrea Horwath: Even if it takes some time—

Ms. Gail Beggs: If we don’t, we will get back to you in writing on that as well.

Ms. Andrea Horwath: Fine; that’s helpful.

Ms. Gail Beggs: We’ll follow up.

Ms. Andrea Horwath: Okay, that’s great. I just want to go back—it had a little bit to do with some of the comments by other members, and I think, as well, what you were saying about proactivity, Mr. Lieou: the fact that we have to be more proactive as well in terms of reducing the use of materials that generate hazardous waste and such. Is there an actual strategy or plan that says, “Here is the hazardous waste reduction strategy that the ministry has,” or is it, at this point, kind of industry by industry, producer by producer? Can I get an understanding of that?

Ms. Gail Beggs: Maybe I can start with some general comments, and then we’ll see if any of the ADMs can supplement. I think Mr. Lieou began by acknowledging that we’ve been asked by the government to develop broadly a toxics reduction strategy, and a lot of what is classified as hazardous waste would also be called a toxic for the purposes of the toxics reduction strategy. So we are in the beginning stages, in the ministry, of evaluating what’s done in other jurisdictions, thinking about policy proposals: We’ll be bringing forward, as part of an initiative that the government has asked us to bring forward, a toxics reduction strategy.

We anticipate—and this would be pending approval by the government and, if there is legislation associated with this, approval of the Legislature—that the implementation of a toxics reduction strategy would reduce the amount of toxic material, and hence hazardous waste, generated because we would anticipate that part of a toxics reduction strategy might focus on a shift to alternative, non-toxic substances used in our everyday lives and in our commercial sector. There is a whole area of chemistry developing: academics doing research, and some companies are beginning to work in what’s called green chemistry, and it involves substitutions of non-toxic or less toxic material in manufacturing processes. So I think we’re forecasting that if we are effective in the development of our toxics reduction strategy, it will have an impact on reducing hazardous waste. So that’s one area.

The second area that I can comment on: The Auditor General did make some findings with respect to the lack of adequate performance measures for the hazardous waste program generally, and I did mention in my opening remarks that we have within the ministry a review of our hazardous waste program, and one of the things that we are very mindful of is that constructive critique around measures. Our review is in the preliminary stages, but we will be looking to establish better performance measures, which may go to the issue you’re raising: Are there targets or goals or ways to reduce hazardous waste in the province?

The third area I’d draw to your attention is one that we just spoke to when we were addressing Mr. Barrett’s question around municipal hazardous and special waste. There are very specific targets in that program to reduce municipal hazardous and special waste, and I think the goal is diverting the waste, improving—doubling, is it?

Mr. John Lieou: Doubling.

Ms. Gail Beggs: —in five years. It’s a bit of a piece-meal answer, but I’m talking from the very broad to the program-specific to a smaller component of the program in answering it.

Ms. Andrea Horwath: Do you have a timeline on the toxics reduction strategy—when that might be expected to be? Does that go on the EBR?

Ms. Gail Beggs: It will go on the EBR. I think our goal will be to have something available for public input in the fall of 2008.

Mr. John Lieou: In the fall, yes.

Ms. Andrea Horwath: There are a number of issues that I think have been raised and have been touched on in terms of the plan for—I really value the description that was given as a result of Mr. Zimmer’s questions in terms of the specific missing waste, and I think it was interesting to hear all of that.

Maybe I missed it, and if I did I apologize, but I don’t know that we got a sense of the ministry’s final timeline on having a system that we’re completely confident about in terms of inputs and in terms of, at the end of the day, having all the information that we need to have, so not only the manifest issue and how all that goes through

the process, but ensuring that the information we have is utilized to its greatest capacity. I guess, even in the response to the Auditor General's recommendations, there's no real nailing down of how to get this system where it needs to be so that everyone has confidence in it. I'm wondering if you could tell me if there is something that's planned that will get us there and what the time-lines might be.

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Ms. Gail Beggs: I'll start. I just want to make sure I'm completely understanding your question. When I think about a system that we're completely confident in, I think about the whole system to manage hazardous waste in the province.

Ms. Andrea Horwath: I was thinking particularly about the tracking of hazardous waste.

Ms. Gail Beggs: Okay. I would say that we have in place today, with our hazardous waste information system and the kinds of improvements we've made, both because of our commitment to continuous improvement and because of the observations of the Auditor General and his and his staff's suggestion, a system that is functioning very well and that we are confident in today. Does that mean we can't improve it more? No, we can, and as part of our review of the whole program, we're also looking at the hazardous waste information system.

I spoke to one of the areas that we think would help to improve the system, and I just want to be clear about how it would. We talked earlier about the potential to have electronic submission of data around manifests from receivers and carriers. We get that information now. We upload it as soon as we have it. But what electronic manifesting would do, if we move in that direction, is give us real-time data. So it isn't that the system doesn't have the information today. The improvements we've made to flag the discrepancies mean it's operating very effectively, but it could operate more efficiently if we were to go to something like electronic transmission of information because it's real-time. But I was very careful when I talked about that balancing—

Ms. Andrea Horwath: You talked about the sweet spot.

Ms. Gail Beggs: —of what a large company might be able to do versus a small company. Whatever improvements we make, we want to ensure that the whole fabric, the integrity of the fabric, is maintained and we don't drive people who are currently above ground underground because they can't afford to implement our improvements. My summary is that we're confident in the system. We're continually improving it. One of the improvements we're looking at, and we're discussing a pilot now with large industry, is electronic transfer of information. Not only is it real-time, but it would also reduce such kinds of transcription errors that Michael talked about, where someone reading a paper manifest and entering it in the system can't read the handwriting. It's like doctors and prescriptions, I think—the same sort of issue.

Carl, do you want to add to what I've said?

Mr. Carl Griffith: Only that I'd like to convey to the committee that because of the improvements we've made today, we're becoming much smarter. There's much better intelligence of data that we can now gather from the system, and we can ask smarter questions and be able to target our compliance and enforcement and our outreach from that information. I think, as the deputy said, we will always be moving forward, but we're moving forward in a strengthened position because of the changes we've already introduced that will help us make even better changes moving forward.

Ms. Andrea Horwath: So what about public access to this kind of information: Who's generating hazardous wastes and what volumes? Is there a public—I guess you could pay a fee and get that information. I guess in other jurisdictions like the States, there is actually a kind of Internet-based or Web-based place where you can just go and look it up. Are there any thoughts of moving to a more—I raise it because I think that it'll help with that other issue of encouraging reduction of hazardous waste. It might be a deterrent to companies to have their volumes posted, and it might be an incentive to help them focus on reduction of production of hazardous waste if their volumes get posted and people start saying, "Gee, that's not really the kind of corporate community partner we want to necessarily be supporting when we buy our tires." Do you know what I'm saying? Any thoughts about that?

Ms. Gail Beggs: Maybe I can just talk a little bit about some thinking that we did in the ministry in that interregnum period, when many of you in this room were out door-to-door canvassing for election or re-election.

We took some look at strategically what kinds of directions we wanted to take the Ministry of the Environment in. One of the areas that we felt was an area where we needed to move more comprehensively in the ministry is the area of public reporting and transparency and accountability. That's generally in all of the programs that we run. So we do have now some very good public reporting and transparency mechanisms in the ministry. We issue annual reports in areas like drinking water, and we have long-standing air quality indices and sport-fish monitoring programs, with the information public. But a more concerted thrust is needed across all of our programs.

I mentioned in my opening remarks that we're currently reviewing our hazardous waste management program internally. We're looking at exactly that issue and how we might move on that continuum. So as a general principle, our ministry is committed to that as a philosophy. We know we need to improve, and we're looking specifically at how we may improve in our hazardous waste management program as an outcome of the current review we're doing in the ministry.

Ms. Andrea Horwath: I have one last question. We know that there's a designated hazardous waste landfill in Sarnia, and that technically all hazardous waste is supposed to go there. So can you talk to me a little bit about monitoring of other landfills, particularly private

landfills, and how often they are monitored? Are they checked to see that hazardous waste isn't put in the wrong place? Because I'm sure it's cheaper to try to landfill something at a non-hazardous-waste landfill than it is at a hazardous waste landfill. What's the mechanism and what's the frequency of inspection or of monitoring and when that gets done? What kinds of volumes get looked at in terms of what's going into the landfill? Could you give me an understanding of some of that?

Ms. Gail Beggs: I'm going to turn this over to Michael Williams.

Mr. Michael Williams: We have a number of ways of checking what goes into landfills in Ontario. You heard me mention earlier the facility in southwestern Ontario; it has a dedicated landfill inspector. There are a number of large landfills in Ontario where we are putting in dedicated inspectors. We do that through a series of daytime inspections, where we want to talk to the site manager, we want to look at what's going in, and we want to take a look at the trucks. If necessary, we'll take samples, and we'll send them away to laboratories to make sure that we know what's in those trucks. We did that as part of our exercise here looking at hazardous waste and where it was going. We actually took 20 samples from trucks going across the province moving waste to make sure we knew what was in it and where it was going to.

Landfills in Ontario are required to submit annual reports to us, which we line up and which our staff review. We take a look, and if we identify any potential issues with that, we refer them to the inspectors who are working on those landfill sites. As I say, with the large ones, we've got probably five or six full-time dedicated inspectors just at those facilities. The rest of the landfills are all managed across the province through our district and area offices. There are 22 of them, and they have environmental officers there who, as part of their regular duty, go in and check what's coming into that landfill, what's being received, and make sure that there's nothing getting in there that shouldn't be getting in there.

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We also have a program that we've done with our investigation and enforcement branch where we've done border patrols, and we've worked with the United States Environmental Protection Agency as well as Customs Canada. We've gone into the four border crossings and we've checked trucks there. We want to check that to see what's destined for Ontario, and also what's leaving Ontario, so that we're able to ascertain that the waste is correctly manifest and it's going to where its final disposition is.

As well as that, what we get, and we get this actually used with fair frequency: We have a tips line; it's called 1-800-MOE-TIPS. That line is monitored 24/7 and it's run through our Spills Action Centre, which again is another check and balance in the system where, if the public suspects there's something untoward going on out there, we will get calls coming into that line or coming through the Spills Action Centre, saying, "I observed this truck," or "I was a construction worker on this facility,

and my boss told me that this stuff blah, blah, blah." We follow up on each and every one of those. We get incident reports through that, and they're in the order of thousands a year that we check on.

I can also tell you, relative to stuff—your question was specifically about landfills, and we've got a lot of good checks and balances about landfills, but there is the potential for people to go and dispose of something in a farm building in rural Ontario. I can tell you that I personally took a call a couple of years ago from a complainant telling us there were barrels being disposed of on a farm property in eastern Ontario. I got the staff to take a look at it, picked up the phone to our regional district office and said, "Go out there and get it." We went out there, we actually dug it up, we sampled it and we made sure it was properly disposed of.

The other thing that happens with a lot more frequency than you perhaps might think, and you yourself had noted, is that in this business there are a number of key players that move about 80% of the product. So industry desires a level playing field. They don't take very kindly to folks who aren't playing by the rules of the game. What we do is, from time to time we send our sector compliance branch out to do blitzes across the province, just to move in in a targeted fashion to make sure we know what's going on either at a landfill or at a facility. For example, we did that a couple of years ago with body shops and wrecking yards to see where the antifreeze and the oil that Mr. Barrett was talking about was going in to make sure it was properly disposed of.

So we, through those blitzes, do a lot of work out there too to make sure that things are happening appropriately. So there are a number of different ways that we know where it's going and what's going on.

Ms. Andrea Horwath: So it's part of your regional inspectors' job to monitor the landfills in their area, right? We have the regional office in Hamilton, and there would be somebody monitoring the Taro landfill site, for example.

Mr. Michael Williams: Yes. There are two things that happen with that. The regional office has our units, what we call our technical support units, and they're science-based. So if we need to undertake sampling or we need to look at records and analyze those annual reports that come in from landfill, it will go to our science specialists in those units who can match up what the landfill is authorized to take versus what's being reported coming in. The district offices have our environmental officers. There's one of them in Hamilton too. Hamilton has both a regional office and a district office. It's those environmental officers, as well as our technical support staff, whom I referred to earlier, who live in the communities; they know—the Taro site has a full-time dedicated inspector too, by the way. But it's those staff who are in those communities. They know exactly what's going on with those landfills. We can form teams and go in there and target it, and we do surprise inspections too from time to time.

Ms. Andrea Horwath: I asked because this came up in Hamilton with Taro, and whether or not hazardous waste had actually been inappropriately or wrongly dumped in that. I've never represented the area where that landfill sits, but I do recall that there was lack of clarity around what happened, what didn't happen, was it hazardous or wasn't it, was it removed or wasn't it? I don't know if you can update me on any of that.

Mr. Michael Williams: We issued orders. In the case of that particular thing, there were a lot of allegations around what was in there and what wasn't in there. In the final analysis, if my memory serves me correctly, we had samples and we had them looked at to make sure inappropriate wastes weren't going in there. We looked at the definition of certain types of waste, because sometimes the public or a complainant will think that this is really bad stuff that shouldn't be going in there, and you take a look at it and you go, "No, it's allowed to be in there under the certificate of approval." So we did a lot of work in conjunction with our environmental science and standards division, relative to the science and the monitoring piece of it, to prove that that landfill was safe and it had the appropriate—

Ms. Andrea Horwath: So there was no indication that there was anything in there that needed to be removed or that was inappropriately put in there. Is that—

Mr. Michael Williams: I'd have to undertake to get back to you on the specific results of it, but I remember at the time a few years ago we were dealing with it that the conclusions we drew were that the landfill had appropriate materials going in and that there wasn't a problem with respect to the allegations of hazardous waste.

Ms. Andrea Horwath: But if you would have found—not in this specific area; I'm not talking about Taro specifically. But if it's found to happen, that there is inadvertent or inappropriate landfilling of hazardous waste, what's the result of that?

Mr. Michael Williams: It wouldn't be staying there. It would be removed at the expense of the person who owned the landfill or the proponent, or if we could find the person who put it in there. We'd go after all of them until we got it out.

Ms. Andrea Horwath: That's helpful.

Mr. Michael Williams: We don't want that liability.

Ms. Andrea Horwath: Interestingly, these little nasties that you keep saying in rural Ontario—let me tell you, in downtown Hamilton I've come upon a few myself. I might actually be calling the ministry to talk to you about that at some point. It's quite scary what's out there, and where it is.

Mr. Michael Williams: I think that's why it's important that we do advertise quite heavily the Spills Action Centre, the 24/7 line. We get, not just from rural areas but from urban areas, a lot of calls. We had a call from your part of the country last night, actually, at our Spills Action Centre, with what some citizens were seeing. That gives us, I think, a fair degree of confidence that people understand that the system is there, and certainly people have demonstrated that they'll do that.

Just from memory, we get over 30,000 or 40,000 pollution incident reports a year that come through the Spills Action Centre, and we take action on everything that comes in. So it's a pretty good system of checks and balances.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer—I'm sorry.

Mrs. Liz Sandals: I think it's Mrs. Albanese.

Mrs. Laura Albanese: Some of my questions have been answered through the answers you just gave to my colleague. But I had some questions about the PCBs that we have in storage in Ontario, specifically about this stockpile of PCBs. When do you think we'll be able to get rid of it?

Ms. Gail Beggs: Maybe I'll start. Michael, you may want to fill in where my memory fails me.

We have proposed and been funded by government to develop a plan to deal with a very large PCB storage site in southwestern Ontario. The government's given us funding to move ahead with that. Our goal is to have the storage of PCBs at that site cleaned up in the course of the next two fiscal years—let me just think here—by December 2009, that calendar year. That's the funding that we've proposed to government. It's over two years.

That site has, just to be really clear for the committee, contaminated soils stored at it, so it's not actual raw PCB oil, but soils from a historic industrial site. I also would like to be really clear for the committee—and I know Michael can fill in the details here—that they are now well stored. We have had, over the time of storage, an intensive monitoring program looking at the storage on-site, ensuring that there is not a community risk from the actual storage of the contaminated soils.

Michael, do you want to just fill in any detail that you think the committee would be interested in?

Mrs. Laura Albanese: And also, if you could, elaborate on how it gets disposed of—where or when.

Ms. Gail Beggs: Okay. That's still a pending decision, but Michael can tell you how we're evaluating that.

Mr. Michael Williams: The site that's down there contains approximately 78,000 tonnes of PCB-contaminated soils, as the deputy has said. It's all mixed in. It was removed from a series of industrial properties in the 1980s and it was put into what we call a containment facility. It consists of about four cells, four units, and they were specially constructed to contain that waste, because at the time, there wasn't any practical, known way to go about destroying those PCBs. There is now, in the intervening period. We spend about \$32,000 a year for site security and monitoring on that. There are monitoring wells on it, there's a sampling program, so we know exactly what's going on with that site. It's about 11 acres in size. There is a combination of clay liners as well as synthetic liners around it. So we know that site is safe and secure.

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As our deputy mentioned, we're going to undertake a project to have those soils tested to determine the amounts that are in there, because there are different

disposition methods, depending on the amounts that are in the soil. We think there are some parts of that site where the soils will be heavily contaminated and where we'll need special precautions for destruction. We think that it's likely that there will be a very minimal amount at other parts of that site. We'll be doing the testing as we dig it up, throughout the project, to see where it's going to go.

In terms of destruction of that material, we are going to put out a request for proposals very shortly, to entertain proposals on how best to approach that project and what the cost might be to government and where final disposition could be. Currently, there are a number of different avenues for final disposition of PCBs to have them destroyed. They can go to a site in Alberta—you may be familiar with it—called the Swan Hills facility. It's fully equipped to destroy PCBs. They can go to Quebec. Or, if there's interest, there may be some people across the border, in the United States, who would like to bid on the particular project. There's been no decision made by us. We're strictly interested in calling for proposals to see what bids would come in, how people would propose to deal with the project and how they would ensure that any of the wastes are safely excavated, properly tested, and then, finally, properly disposed of.

Mrs. Laura Albanese: My understanding is that Ontario stores about 90% of the PCBs nationally. Is that correct? Is it all in this one location that you—

Mr. Michael Williams: No. The records I have show that there are about 110,000 tonnes of PCBs in storage in Ontario, and the latest time that we had for getting that, I believe, was at the end of 2006. That's the most up-to-date information that we have. Of that, we've got 78,000 tonnes in the Pottersburg Creek situation. So you can see that the bulk of it does belong to Ontario. There is another PCB storage site up in northwestern Ontario, in Coyle township, near Kenora.

Some members may recall that a number of years ago there was a transport truckload of PCB-laden material that had dripped down onto the asphalt—I'm going back many years now—and our colleagues at the Ministry of Transportation, in looking at how best to deal with that, actually dug up the road, gathered all the asphalt together and sealed it. It's sealed in a plastic liner, very much like zip-lock bags, to be perfectly frank. But it's very, very low-level, and in fact it probably won't require anything else to happen to it.

So those are the two areas that the province of Ontario has. The rest are very small. Some electricity facilities, for example, might have old transformers, those green or grey cans that are on top of the hydro poles. During the period of the 1960s and the early 1970s, there were PCBs used as coolant materials in those. They've got some of them in storage, and as opportunities arise, they go and deal with them. There are approximately 500 or 600, very low levels like that, that are in the broader public sector or in companies across Ontario. But you're correct: The bulk of it is in those two sites in Ontario, and Pottersburg is the big one.

Ms. Gail Beggs: I think you're correct. I believe the Auditor General mentioned in his report that we have about 90% of what's stored nationally.

The Chair (Mr. Norman W. Sterling): Can I just ask a couple of questions here, with the indulgence of the committee? The auditor said that less than 1% of the manifests were being put into the system by the electronic system. Is it any better than that now?

Ms. Gail Beggs: No, it's not as good as the auditor found when he audited. The generators register most of them, 95% or 99%, electronically, but the manifests, which are done by carriers, are almost universally manually submitted.

The Chair (Mr. Norman W. Sterling): Is there any reward for the very small number who actually use the electronic manifest? In other words, they may have to go through some training for the drivers etc.; there's no carrot?

Ms. Gail Beggs: Is there a built-in incentive in the system now? I think not an explicit incentive. Perhaps the implicit incentive is that you don't have errors and the ministry hounding you when we can't read your manifests or following up with inspections or investigations on the strength of improper submission of material. But there isn't an explicit incentive built in.

The Chair (Mr. Norman W. Sterling): What is the cost to the ministry for the inputting of the paper data into the system?

Mr. Carl Griffith: Thank you for the question. There are about 22 staff who are involved; I believe 15 are involved with actually having to handle about 2,000 pieces of paper a day that come in. They have to take that and run it through one system and be able to upload it into the other. I will say that we have made some investments so that that process is faster and easier now.

The Chair (Mr. Norman W. Sterling): But what would the approximate cost of 15 staff plus whatever combination—

Mr. Carl Griffith: We spend on salaries about \$1 million a year, but that includes some supervision and helpdesk staff as well. I don't have the exact figure for the 15 or those who would be involved.

The Chair (Mr. Norman W. Sterling): If the same things happened that the auditor identified in his audit, would they now be identified by the ministry as problems? In other words, would they show up in your database somewhere, and how would they be brought to the attention of—I guess it would be Michael's area. Would it be Michael's area? How would he know that there was a shipment of very toxic material that went astray?

Mr. Carl Griffith: Thank you again for the question. The system will flag any area of non-compliance. If a generator hasn't registered, if a carrier is unauthorized to pick up a certain type of waste and they pick it up, then when we receive that manifest, it is automatically flagged in the system, and an exception report is produced. Those are then forwarded on to operations for follow-up.

The Chair (Mr. Norman W. Sterling): In other words, if the auditor goes in a year from now or the year after for his two-year checkup, he's not going to have any of these kinds of criticisms of the system. Is that correct?

Mr. Carl Griffith: I don't want to prejudice what the Auditor General would find—

The Chair (Mr. Norman W. Sterling): I know you wouldn't do that.

Mr. Carl Griffith: The same type of occurrences—some companies not registering on time, some companies shipping wastes prior to actually registering—those types of incidents are still occurring. I can tell you that the trends are downward on that, but that type of non-compliance is still occurring.

Ms. Gail Beggs: But the flags for follow-up are in existence now.

Mr. Carl Griffith: Yes.

Ms. Gail Beggs: And I think it goes back to some of the earlier discussion we had. Could it be improved? Yes, we still think there is room to grow on this system and are reviewing it as we speak and hope to continue to make improvements.

The Chair (Mr. Norman W. Sterling): How can it be improved?

Ms. Gail Beggs: One of the areas the we focused on and the Auditor General mentioned is the idea of electronic manifests. Carl's staff are in discussions now with the large carriers—I think there are about five of them—to see if we could put in place a pilot project to get electronic transfer of information. That means more real-time data, plus the potential for transcription errors—a more efficient system. Carl, do you want to comment?

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Mr. Carl Griffith: One easy one that we are looking at is when a generator registers to get a generator number. Right now there's no yearly flag on that, so when a carrier would come and pick it up, the generator may not have re-registered on that day—they should have—but they still have a generator registration number. If that number had a year flag on it, the carrier should automatically recognize that in fact the generator has not re-registered and tell that generator to do it right now before the waste can be picked up. Those are the types of things that we're looking at to constantly move forward to reduce the number of non-compliants.

The Chair (Mr. Norman W. Sterling): Do you have the legislative or regulatory power to penalize late filers and to penalize or take to court people who are operating without filing?

Mr. Carl Griffith: If a carrier is not authorized, through their certificate of approval, to pick up certain types of waste, the full weight of the Environmental Protection Act and all the penalties included therein can absolutely be brought to bear.

Ms. Gail Beggs: We're just checking with staff, though, for the specifics of your question about whether or not a generator complies with registration and whether

there is a penalty provision or not. I just want to make sure that we're accurate in the detail we give you on that.

Mrs. Liz Sandals: While they're looking at it, could I ask another question which is related?

The Chair (Mr. Norman W. Sterling): Sure.

Mrs. Liz Sandals: Because we've been talking about the electronic manifests—and I take it from your opening remarks that you're reviewing the fee structure to look more at cost recovery—would it be possible to charge a differential fee for carriers, depending on whether they are entering electronic manifests or paper manifests? That would create the sort of incentive that Mr. Sterling was talking about.

Ms. Gail Beggs: I think that is a good idea, and if we haven't considered that in the program review as a consequence and outcome of this committee, we will look at that. It provides the carrot, I think, and may work. Again, we just want to make sure that it doesn't interfere with everyone working within the rules and looking at ways of bending around. But on the surface, I think it has merit.

The Chair (Mr. Norman W. Sterling): Your certificates of approval process for these kinds of carriers was criticized in the auditor's report. How have you met that criticism?

Mr. Michael Williams: It was criticized, and justifiably so. We had a backlog in the certificates of approval application process. What we've done is we've put in place a blitz with our review engineers. We've essentially triaged every one of those approvals that was outstanding. The backlog, I'm pleased to report, is now cleared. It's no longer in existence. We put together a project team and just said, "Let's get this stuff done." Currently, where we get a complete application, we're operating in about a 90-day turnaround time. The Auditor General pointed out that our internal documents from previous years were—it would be great if we could turn these things around in 50 days, and I think, on average, they were 120, and some had gone years.

I would like to point out that we've put new guidance material in place for industry. We've said that we're not going to accept substandard applications. If there are problems or deficiencies with the applications, we're not going to let them sit around on our desks; we're going to return them. We're going to close the file on them.

Also, the Auditor General was quite helpful in pointing out the gains that can be made by the use of third parties to certify the quality of information in applications. That's something that we're very interested in exploring, because we want to see if we can help streamline some of the process and save some of the review time on that. We would need to work with our colleagues in the policy division on that, to make sure that we had the legislative and regulatory authority to do that, because in many cases there are some changes that you need to do. You just can't do that in terms of, from my end, an operational policy decision, just to say to our review engineers, "Hey, just accept what comes in from that." We will need to do some substantive work on that.

I am encouraged by the opportunities that that affords us, and that's under active review right now to see if we can get there. There are about, I think, 86 applications currently under review, so we've got them done. There are new ones coming in. We've got 86 active today.

The Chair (Mr. Norman W. Sterling): The last thing I would do—we're going to wrap up our hearings here in a minute—is invite you and your colleagues to write to the committee if there are regulatory or legislative weaknesses in terms of dealing with this issue. I think all members of the committee feel strongly that we would

like to assist you in drawing those to the attention of the government. So we want to be supportive very much in that regard, and supportive in the work you are doing to try to deal with this very difficult problem.

Thank you very much for coming to us today. We appreciate your presence and your forthrightness in your answers.

Ms. Gail Beggs: Thank you very much.

The Chair (Mr. Norman W. Sterling): We are adjourned.

The committee adjourned at 1455.

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