

2008



Report of the
**Commissioner of the
Environment and
Sustainable Development**
to the House of Commons

DECEMBER

The Commissioner's Perspective
Main Points—Chapters 1 to 5
Appendix



Office of the Auditor General of Canada

The December 2008 Report of the Commissioner of the Environment and Sustainable Development comprises The Commissioner's Perspective—2008, Main Points—Chapters 1 to 5, an Appendix, and five chapters. The main table of contents for the Report is found at the end of this publication.

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Commissioner of the Environment and Sustainable Development of Canada
Commissaire à l'environnement et au développement durable du Canada

Office of the Auditor General of Canada • Bureau du vérificateur général du Canada

To the Honourable Speaker of the House of Commons:

On behalf of the Auditor General of Canada, I have the honour to transmit herewith this Report to the House of Commons for 2008, which is to be laid before the House in accordance with the provisions of sections 7(3) and 23(5) of the *Auditor General Act*.

A handwritten signature in black ink, appearing to read 'Scott Vaughan'.

Scott Vaughan
Commissioner of the Environment
and Sustainable Development

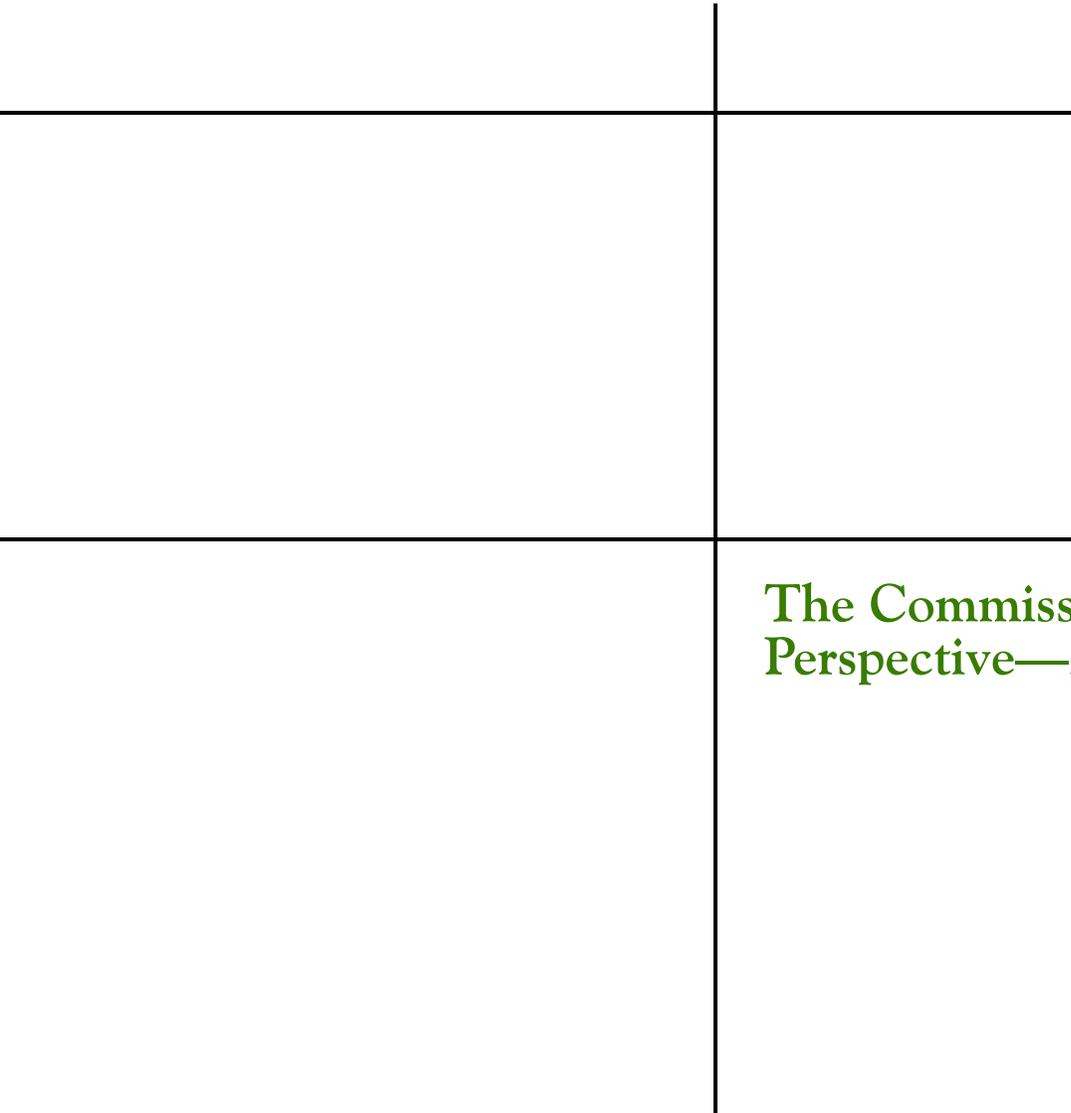
OTTAWA, 9 December 2008

To the reader:

I welcome your comments and suggestions on this Report and other issues related to the environment and sustainable development. I can be reached at the following address:

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**The Commissioner's
Perspective—2008**

The Commissioner's Perspective—2008



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Scott Vaughan
Commissioner of the Environment
and Sustainable Development

Introduction

I am pleased to present my first Report to the House of Commons since being appointed Commissioner of the Environment and Sustainable Development in May 2008. Work for this report began under my predecessor Ron Thompson, to whom I am grateful for his invaluable assistance.

Science indicates that we are not on an environmentally sustainable path

Four decades after national environmental laws and departments were created to clean up Canada's air and water and to safeguard biodiversity, wetlands, and habitats, Canadians still face mounting environmental problems. Despite progress in tackling such problems as lead pollution, acid rain, and ozone-depleting substances, too many smog alerts, respiratory illnesses, and days with high UV-radiation still occur. Few if any of the problems that led to the advent of the environmental protection agenda have been fully resolved.

Since the early days of the environmental agenda, remarkable progress has been made in our understanding of the complexity, fragility, and inter-connectivity of ecosystems. Advances in scientific research, applied satellite sensing, and computer modelling, together with observations from field testing, confirm that the scale and pace of environmental change is unprecedented and accelerating. The UN *Millennium Ecosystem Assessment* report (2005) warns that our planet has been transformed by environmental change more extensively in the past 50 years than in any comparable period of time in human history. The quickening pace of species extinction is largely driven by the degradation and destruction of natural habitats such as forests, wetlands, and grasslands.

Advances in medical research also uncover risks to human health from environmental contamination, including long-term, low-dose exposure to industrial and household chemicals. Some of these exposures have been linked to thyroid cancer, as well as neuro-behavioural disorders and birth defects. According to the Canadian Cancer Society and the National Cancer Institute of Canada, based on current incidence rates almost 40 percent of Canadian women and almost 45 percent of

Canadian men will develop cancer during their lifetimes, and one in four Canadians will die from cancer (*Canadian Cancer Statistics 2008*). Improved diagnosis, aging populations, smoking, lack of exercise, and poor diet are known to contribute to these trends. Exposure to many toxic substances also contributes to cancer, and this is an area where the federal government has a clear regulatory mandate.

The Intergovernmental Panel on Climate Change (IPCC), in its Fourth Assessment of 2007, confirms that climate change is underway. A recent federal report, *From Impacts to Adaptation: Canada in a Changing Climate* (2007), examines some of the national effects of global climate change, including shortages of fresh water in southern Ontario and the Prairie provinces that may become more frequent, and violent storms and flooding in the Maritimes that also may become more frequent and severe. The effects of climate change are already being observed in the North—warmer winters are weakening permafrost and putting infrastructure at risk, ice roads are closing earlier, large areas of land are sinking even as sea levels rise, and some species—notably polar bears—are becoming increasingly at risk.

A second important federal report, *Human Health in a Changing Climate* (2008), similarly warns that climate change is likely to increase some respiratory illnesses and some infectious diseases.

These are not forecasts for a distant future. These are serious problems that governments and the public must face today. As noted in *From Impacts to Adaptation*, “We have options, but the past is not one of them.”

The Work of the Commissioner of the Environment and Sustainable Development

As part of the Office of the Auditor General, the Commissioner of the Environment and Sustainable Development promotes sustainable development and good environmental management by the federal government. Our work involves the following activities:

Auditing for results

Our performance audits look at whether activities designed to respond to federal environmental and sustainable development policies are well-managed, with a focus on results. We select audit topics based on a range of considerations and input. We also monitor departmental progress on recommendations from past audits, and we conduct follow-up audits of activities reported previously.

Monitoring sustainable development strategies

Departmental sustainable development strategies—Since 1995, designated departments and agencies have been required by law to prepare sustainable development strategies, and then update and present them to Parliament every three years. These strategies are meant to be the main vehicle to drive responsible management, from an environmental and sustainable development perspective, throughout the federal government.

A new Federal Sustainable Development Strategy—In 2008, the *Federal Sustainable Development Act* was passed, which requires the Minister of the Environment to develop an overarching Federal Sustainable Development Strategy with sustainable development goals and targets as well as an implementation plan for meeting each target. The Strategy will also identify the minister responsible for meeting each target.

Departments' and agencies' sustainable development strategies must now have plans and objectives that comply with and contribute to the Federal Sustainable Development Strategy.

The Commissioner's monitoring responsibilities—We assess the quality of the departmental strategies and whether the plans set out in these sustainable development strategies have been implemented. We will now monitor and report on the extent to which federal departments have contributed to meeting the targets and goals that will be set out in the Federal Sustainable Development Strategy.

The Commissioner will provide comments to the Minister of the Environment on whether the targets and goals in the draft Federal Sustainable Development Strategy can be assessed. He will also report to Parliament on the fairness of the information in the federal government's progress report on the implementation of its federal strategy.

Managing the petitions process for Canadians

The petitions process was established by Parliament to make sure Canadians get timely answers from federal ministers on specific environmental and sustainable development issues that involve federal jurisdiction. Petitions have prompted action by federal departments on topics such as new environmental projects, follow-up on alleged violations, and changes or clarifications in policies and practices. A catalogue of petitions and responses is available at www.oag-bvg.gc.ca.

Monitoring progress in implementing the climate change plans

Under the terms of the 2007 *Kyoto Protocol Implementation Act*, the Commissioner of the Environment and Sustainable Development must report at least once every two years up to 2012 on Canada's progress in implementing climate change plans, and in meeting its obligations under the Kyoto Protocol.

Providing better information and encouraging changes in environmental behaviour are steps in the right direction

A challenge for governments is bridging science-based evidence of environmental degradation with risk assessments and management programs and systems designed to deliver concrete results. One part of this challenge is getting the right information at the right time in order to make informed decisions. Two examples from this Report illustrate how the federal government is moving in the right direction with some of its programs to integrate new information delivery systems aimed at better supporting decision making:

- Environment Canada's weather prediction and severe weather warning systems are moving toward advanced workstations that will allow forecasters to visualize and assess weather conditions more efficiently, helping them to better forecast severe weather.

- Agriculture and Agri-Food Canada's National Land and Water Information Service is planning to make use of information technology to generate up-to-date and consistent data on land use, soil, water, and biodiversity—data to which land-use managers and farmers could have immediate access to help them make environmentally responsible decisions.

Addressing environmental concerns will also mean encouraging sound environmental behaviour by Canadians, including rewarding them for translating environmental concerns into green action. To succeed, Canadians need to have choices that are available and affordable, from public transportation and more recycling to renewable and green electricity.

The government is not ensuring that tools to limit harmful emissions are working

The first chapter in this report, *Managing Air Emissions*, examines four federal tools—regulations, economic measures, pollution prevention plans, and voluntary agreements with the private sector—intended to limit emissions of harmful substances into the air. We found flaws in their implementation, particularly with regard to providing Parliament with assurance that the results reported by the federal government have actually been achieved.

Benzene, a component of gasoline, is known to cause cancers such as leukemia. The government introduced regulations in 2001 to protect Canadians from exposure to benzene when they fill up at the gas pump. In the seven years since then, Environment Canada has still not completely identified the community to whom the regulations apply. Nationally known companies and major independent retailers are probably aware of the regulations but other retailers and wholesalers in Canada may not know about them. The regulations have not been a priority for Environment Canada, and it has done little to enforce them.

Acrylonitrile, a substance used to manufacture synthetic rubber, structural foam, and other products, was declared toxic because of its cancer-causing potential and the probability of causing harm at any level of exposure. Environment Canada published a notice in 2003 requiring a company that was emitting acrylonitrile to produce a pollution prevention plan. The Department later indicated that the

measure had been successful based on results reported by the company. However, the Department did not validate the results.

Total air emissions of acrylonitrile saw a rapid increase from 2003 to 2006. While activities by Environment Canada contributed to a reduction in emissions between 2006 and 2007, total national emissions are still almost three times higher than in 2000 when the substance was declared toxic.

Chapter 1 also looked at two economic measures intended to reduce greenhouse gas emissions. Both are included in the government's Climate Change Plans issued in response to the *Kyoto Protocol Implementation Act*.

In 2007, the government estimated that the Public Transit Tax Credit, at a cost of \$635 million, would result in annual reductions of 220,000 tonnes in greenhouse gas emissions. In 2008, Environment Canada lowered that estimate of expected emissions reductions to 35,000 tonnes per year. The program will have a negligible impact on Canada's greenhouse gas emissions, despite the reported cost.

The Clean Air and Climate Change Trust Fund, a key plank in the government's approach to addressing climate change, comprises \$1.519 billion in federal funds transferred to the provinces and territories. Environment Canada used flawed analyses and assumptions in establishing the 16 million tonnes per year it expected the provinces to achieve in greenhouse gas emission reductions as a result of the Trust Fund (or 80 megatonnes for the 2008–2012 duration of the program).

Given that the Trust Fund has no conditions that allow the federal government to monitor the provinces' results by requiring them to report to it on how they use the funds, Environment Canada has made a claim of expected results even though it is very unlikely that it will be able to report real, measurable, and verifiable results.

The government cannot demonstrate that environmental programs are achieving intended results

The test of any environmental law, regulation, program, or tool is whether it leads to either reductions in the rate of environmental degradation, and/or measurable improvements in environmental quality.

The findings in this report confirm that there are gaps in the information and verification needed for Parliament to know whether the programs we examined are working well or whether they should be

adjusted. For example, as noted in Chapter 2 of this report, Managing Severe Weather Warnings, Environment Canada reports that it issues over 10,000 warnings every year, providing an important service to protect Canadians from a range of events from tornadoes and severe thunderstorms to freezing rain and heavy snowfalls. With climate change expected to increase the severity and frequency of extreme weather events in the years ahead, the delivery of severe weather warning services will be increasingly important.

Environment Canada's Meteorological Service is considered among the world leaders in providing severe weather warning services. However, there is no national system for verifying the accuracy of severe weather warnings. Such a system would help Environment Canada understand how good a job it is doing and where improvements are needed. A national system would also tell the Department how well the current warnings are understood and heeded by Canadians, and where future improvements in the delivery of severe weather warnings may be needed.

Chapter 3, Managing Environmental Programming, notes that Agriculture and Agri-Food Canada has spent about \$370 million to protect environmental quality on farms by addressing issues such as the handling of agricultural waste and restriction of livestock from waterways. Producers are informed of environmental issues and partially reimbursed for adopting management practices that are beneficial to the environment. However, Agriculture and Agri-Food Canada lacks sufficient data to determine the extent to which action at the farm level has resulted in positive environmental change.

In the areas we examined for this report, a key challenge for government is to know if its programs are succeeding in improving environmental quality. This requires the ongoing monitoring of environmental quality, and assurance that environmental laws, standards, and regulations are being implemented and enforced effectively. Government should clearly define for Parliament its management targets that measure progress against either improved environmental quality or reduced risks to the environment through lower pollution emissions. Measuring the extent to which federal laws, programs, and initiatives are actually working to protect Canadians from environmental degradation remains a significant management challenge. Trying to manage the environment without a coherent measurement system is like trying to guide Canada's economy in the absence of indicators like the gross domestic product, inflation, interest rates, and unemployment data.

Sustainable development: Directions and strategies

Since the idea of sustainable development emerged in the 1980s, translating its goals into concrete practice has eluded us. Its appearance in policy and legislation and its apparent acceptance in theory are at odds with operational reality.

Nowhere is this weakness more apparent than in the federal government's past sustainable development strategies. The promise of these strategies was that the requirement to have them tabled in Parliament would motivate departments to take environmental issues into account, along with social and economic issues, when making management decisions.

It is clear that the strategies produced since 1997 have not realized their potential to promote sustainable development in Canada. Indeed, the Office of the Auditor General has underscored the failure of these strategies to drive more sustainable development. Successive commissioners have reiterated that the strategies are underperforming and need fixing. This year's report is no exception. Given the findings and recommendation in the Commissioner's 2007 Report on the strategies, and pending the implementation of that recommendation and the new *Federal Sustainable Development Act*, we carried out only minimal monitoring work on the strategies this year.

Federal Sustainable Development Act. Parliament has recognized the fault lines of the current system, passing the new *Federal Sustainable Development Act* in June 2008. The new Act holds promise to correct the current flaws by requiring for the first time an overarching federal strategy for sustainable development. The strategy is to be completed in 2010 or earlier under the leadership of Environment Canada. Departments' and agencies' sustainable development strategies must now have plans and objectives in place that comply with and contribute to the Federal Sustainable Development Strategy.

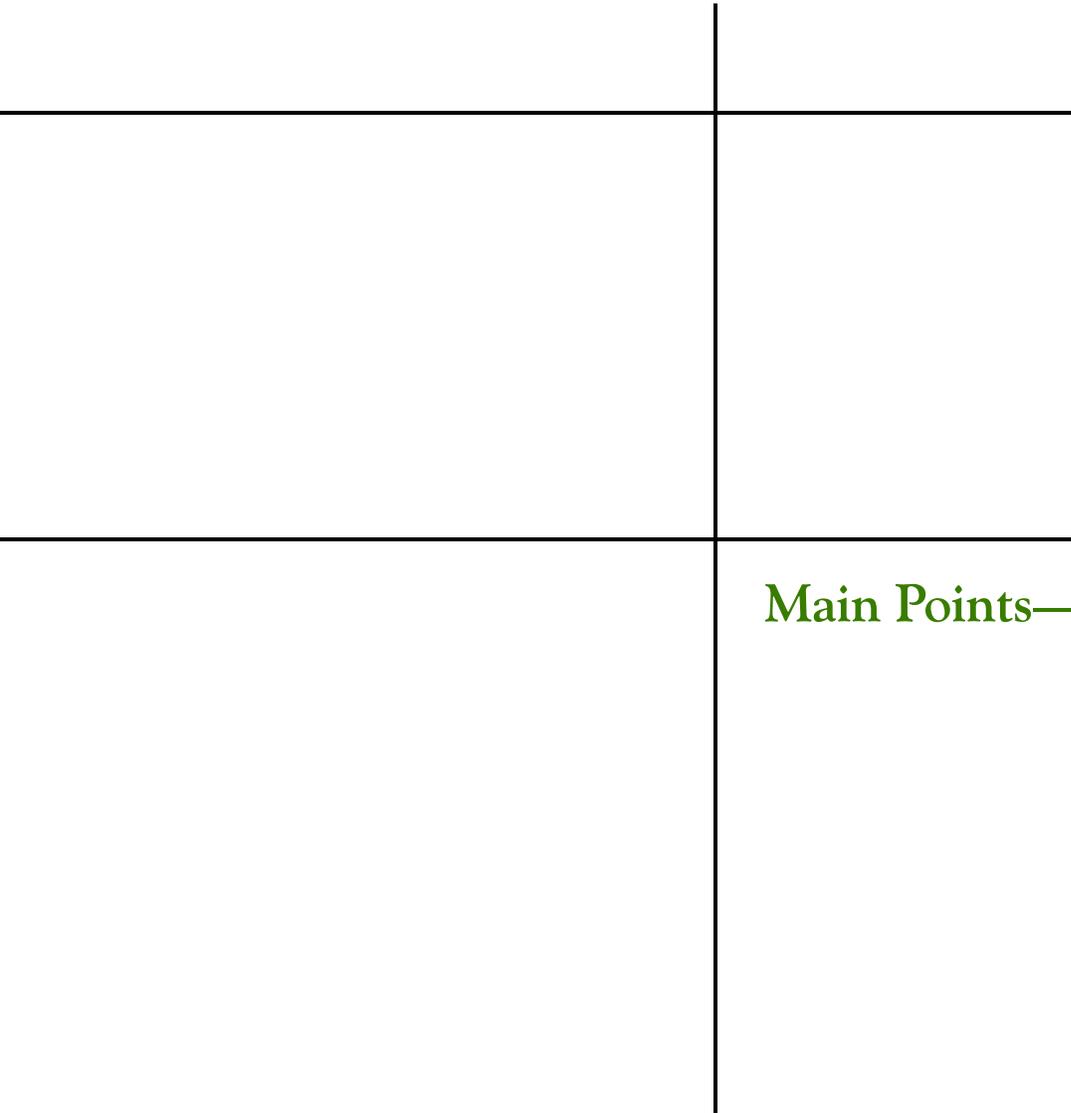
The Act sets out concrete operational parameters for sustainable development, drawing on the precautionary principle that where there are threats of serious or irreversible damage, a lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation. The Act also establishes the need to integrate environmental, economic, and social factors into all decisions made by the government. The Act calls for a federal strategy that includes measurable targets and that identifies the ministers responsible for meeting each target.

The 2008 *Federal Sustainable Development Act* also sets out obligations for the Commissioner. These include a requirement to review and comment on the draft federal strategy to ensure that its targets can be measured and its implementation strategies assessed, and a requirement to assess the fairness of the information reported by the government on its progress in implementing the federal strategy and meeting its targets.

The way forward

Shortly before my arrival at the Office, the Auditor General convened a Green Ribbon Panel to examine how the Office's environment and sustainable development mandate established in 1995 had been put into practice, and to identify any potential opportunities to serve Parliament better. The Green Ribbon Panel made a number of valuable recommendations. The Auditor General and I are committed to developing a strategy and work plan to address those recommendations and the requirements of new legislation, as well as other important environmental and sustainable development issues facing the federal government.

I would like to thank my staff for their dedication and professionalism. I look forward to working with them to continue providing Parliament with independent and objective information that it can use in holding government to account for delivering on its environmental commitments.



Main Points—Chapters 1 to 5



Managing Air Emissions

Chapter 1 Main Points

What we examined

Air emissions are the release into the atmosphere of pollutants, many of which have global effects such as greenhouse gases. The sources of air emissions range from industry, electric power generation, and transportation to agricultural production and individual households.

To manage and control air emissions, the federal government uses a “menu” or “tool box” of approaches. We looked at examples of four types of tools and assessed whether the government knows what results the tools have achieved or are expected to achieve.

We examined a Pollution Prevention Plan implemented under the *Canadian Environmental Protection Act, 1999* (CEPA 1999) to manage acrylonitrile, a substance used to manufacture synthetic rubber and other products. We examined how Environment Canada manages regulations governing gasoline and diesel fuel content, as well as regulations that limit the flow of gasoline during refuelling of vehicles at the pump. We also looked at the Clean Air and Climate Change Trust Fund and the Public Transit Tax Credit, two economic measures intended to reduce greenhouse gas emissions. Both were included in the government’s Climate Change Plan, issued in response to the *Kyoto Protocol Implementation Act*. Finally, we examined three of the federal government’s voluntary agreements with industry associations, which were intended to reduce emissions that contribute to smog and climate change.

Why it’s important

Besides contributing to smog and climate change, air emissions have harmful health effects such as asthma, lung irritation, and cardiovascular disease; individuals who are young, sick, or elderly are particularly vulnerable. Benzene, a component of gasoline, is a known carcinogen that may lead to cancers such as leukemia. Acrylonitrile is also a known carcinogen, unsafe at any level of exposure. Both substances have been designated as toxic substances by Environment Canada and Health Canada under various iterations of the *Canadian Environmental Protection Act*.

The federal government has entered into international agreements and national initiatives to combat air emissions—examples are the Kyoto Protocol and the Canada-US Air Quality Agreement at the international level and, at the national level, *Turning the Corner* (a plan to regulate greenhouse gas emissions and air pollutants). Key elements of both the Kyoto Protocol and *Turning the Corner* are the commitment to “real, measurable, and verifiable results.”

What we found

- The federal government cannot demonstrate that the results it has reported for the policy tools we examined have actually been achieved or that processes are in place to verify the results reported by the private sector.
- Environment Canada has indicated that the Pollution Prevention Plan Notice it published in 2003 for acrylonitrile (requiring a company that was using the substance to implement a plan for reducing emissions) has been successful, based on the results reported by the company. The Department did not validate the results. Furthermore, no other emitters of acrylonitrile were subject to the Notice. Total air emissions of acrylonitrile saw a rapid increase from 2003 to 2006. While activities by Environment Canada contributed to a reduction in emissions between 2006 and 2007, total national emissions are still almost three times higher than in 2000 when the substance was declared toxic.
- Environment Canada states that compliance with the regulations limiting the content of benzene in gasoline and of sulphur in diesel fuel is high. However, it has not assessed whether its enforcement approach is sufficient to support this assertion. In comparison, it has carried out almost no enforcement of a third regulation, the Gasoline and Gasoline Blend Dispensing Flow Rate Regulations, governing the release of carcinogenic benzene and other volatile substances into the air at gas pumps across Canada. As a consequence, it does not know whether this regulation is achieving results.
- Environment Canada lowered its initial estimate of annual reductions in greenhouse gas emissions from 220,000 tonnes to about 35,000 tonnes expected as a result of the Public Transit Tax Credit—a reduction that will have a negligible impact on Canada’s greenhouse gas emissions, despite the \$635 million reported in the 2007 Budget as the cost of the Tax Credit.
- Environment Canada used flawed analyses to establish the 80-megatonne reduction in greenhouse gas emissions it expects from 2008 to 2012 as a result of the Clean Air and Climate Change Trust Fund (\$1.519 billion in federal funds transferred to

the provinces and territories). Further, although the 80 megatonnes are included as part of the total reductions the federal Climate Change Plan will achieve, the Trust Fund has no conditions that allow the federal government to monitor the provinces' results by requiring the provinces to report to it on how they use the funds. Therefore, it is very unlikely that Environment Canada will be able to report real, measurable, and verifiable results.

- The three voluntary agreements we assessed meet many of the general expectations for what a voluntary agreement should include. However, the government has not completed the key step of verifying the results reported by the private sector.

The Department has responded. The Department agrees with all of our recommendations. Its detailed responses follow each recommendation throughout the chapter.



Managing Severe Weather Warnings

Environment Canada

Chapter 2 Main Points

What we examined

Environment Canada is Canada's primary source of weather information. Its weather services are delivered not through a single unit within the Department but through a variety of departmental activities, overseen by a committee of senior managers—the Weather and Environmental Services Board (WESB). In the 2006–07 fiscal year, spending on weather and environmental services accounted for around \$340 million, or about one third of Environment Canada's annual budget.

Environment Canada reports that it issues over 10,000 severe weather warnings, watches, and statements every year. We examined whether the Department's systems and procedures adequately support the delivery of timely and accurate severe weather warnings to Canadians, now and in the future. We looked at Environment Canada's management of its weather observation network, the implementation of a new, advanced forecaster workstation called NinJo, and the delivery and verification of severe weather warnings. We also examined the Department's planning process that supports the delivery of severe weather warnings. We did not examine Environment Canada's public forecasting program or other weather and environmental services such as those related to air quality, climate, or hydrometric services.

Why it's important

Severe weather such as tornadoes, severe thunderstorms, heavy snowfalls, and freezing rain can result in property damage, crop damage, injuries, and loss of life. Severe weather can affect many sectors of the Canadian economy from transportation, to tourism, to agriculture.

The Intergovernmental Panel on Climate Change predicts that Canadians can expect more severe weather events as a result of climate change. Timely and accurate warnings of severe weather can allow Canadians to take appropriate action. For example, a high heat and humidex advisory can trigger media announcements about ways to beat the heat, help ensure that socially isolated individuals and other vulnerable groups are reached, and lead to the opening of public cooling centres.

What we found

- Although there has been some ad hoc verification in most regions, Environment Canada does not have a national program or approach to verify the timeliness, accuracy, or effectiveness of its severe weather warnings. This type of information would allow the Department to know how good a job it is doing across Canada, whether current performance is reasonable, and where it needs to make improvements to its services. Such information would also assist it in making sound investment decisions.
- The Department relies on a number of means to issue severe weather warnings to Canadians, including the Internet and the media. Despite its efforts, there is no national system in place that automatically warns the public about severe weather events or other emergencies. Such a system would communicate warnings over all radio and television stations and through mobile devices such as cellular phones. Weatheradio is Environment Canada's only tool that automatically alerts the public of severe weather warnings, but national public surveys indicate that the public's use of Weatheradio is low.
- Environment Canada has not adequately managed its weather observation networks, including radar and surface stations, to ensure that it can continue to provide the necessary data to issue and verify severe weather warnings. Environment Canada does not have the information on the performance of its assets—for example, trends in repair costs and failure rates during severe weather events—that it needs to make investment decisions over the life cycle of the assets. Investment decisions include whether to repair equipment or replace it.
- The Department is facing many significant challenges—such as implementing a robust and useful system to verify severe weather warnings, managing its monitoring networks over their life cycle with limited resources, and addressing the risks related to the Department's current strategy of relying on partners. It does not have an up-to-date long-term strategy for meeting those challenges and ensuring that it can continue to deliver timely and accurate severe weather warnings in the future.

The Department has responded. The Department agrees with all of our recommendations. Its detailed responses follow each recommendation throughout the chapter.



Managing Environmental Programming

Agriculture and Agri-Food Canada

Chapter 3 Main Points

What we examined

The Agricultural Policy Framework (APF) is a federal-provincial/territorial agreement that came into effect in 2003 to create a national approach to agriculture, with programming aimed at five areas (“chapters”): Business Risk Management, Food Safety and Quality, Science and Innovation, Environment, and Renewal. Although the agreement did not extend beyond 31 March 2008, agriculture ministers of the federal, provincial, and territorial governments agreed to continue existing programs for another year while new programs are developed under Growing Forward, which will replace the Agricultural Policy Framework.

Our audit examined whether Agriculture and Agri-Food Canada has managed the Environment Chapter of the Agricultural Policy Framework appropriately to achieve its objectives for environmentally sustainable agriculture. We also examined its reporting on the performance of the Environment Chapter. We looked at the development of the National Land and Water Information Service (NLWIS), a major information technology project that is important to the support of all programs within the Environment Chapter. Finally, we examined whether the Department used the lessons learned from the Agricultural Policy Framework in developing Growing Forward.

Why it's important

Canada's agri-food sector accounts for eight percent of the gross domestic product and generates \$130 billion in sales, including \$31 billion in exports. The sector employs one in eight Canadians and contributes to the economic base of many rural communities in Canada. The long-term prosperity of the agriculture industry depends on its ability to co-exist sustainably with the natural environment. However, agriculture has changed significantly in response to market demands, new production technologies, and larger, more intensive operations.

Recent studies show that stresses on the environment from agriculture have been increasing. At the same time, public awareness and concern about these effects is growing. Programs within the Environment Chapter of the Agricultural Policy Framework provide farmers with

access to information and resources in order to help them adopt farm management practices that benefit the environment.

What we found

- The Department does not know to what extent its environmental programs have improved the environment. Departmental reporting is limited because it does not monitor and report on program results beyond outputs, such as the number of completed water projects (for example, wells and pipelines). As a result, senior management cannot be certain whether programs are achieving their intended results and where improvements are needed. The Department has spent about \$370 million on environmental projects, but lacks sufficient data to demonstrate that action at the farm level has led to positive environmental change. In addition, agri-environmental targets in agreements with the provinces could not be measured by the planned end of the Agricultural Policy Framework, in March 2008, as the Department intended. Nevertheless, the beneficial management practices funded under AAFC's environment programs—for example, providing water sources for cattle away from streams—are supported by science, indicating that they will likely lead to positive environmental change. The Department is in the process of developing a modelling system to better understand the effects of its programs on the environment.
- The Department's allocation of operating resources among the Environment Chapter's contribution programs was not supported by adequate information. Nor could the Department provide us with complete information on the operating costs of each program. In addition, information the Department required delivery agents to submit was not consistent with the terms in the signed agreements. Nor was it clear how the Department used the information it did receive. As a result of slow progress in fixing problems in data from delivery agents, the Department prepared a disclaimer on the usability of the data—the primary source for reporting on the performance of its environment programs—until the data problems are fixed. Recently, the Department voluntarily joined a government initiative to improve program delivery that includes a plan to develop revised agreements and simplify program administration.
- The development of the National Land and Water Information Service (NLWIS) was poorly managed. This \$100-million, major Crown project fell behind schedule and had to be revised from original plans. Key decision makers and the Department's senior management were not involved to the degree expected for a project of this complexity. Participants had differing views of the project's goals. In addition, project management suffered from a lack of

expertise and continuity; roles and responsibilities were unclear; and project requirements were changed without appropriate approvals. Senior management approved an internal audit and an independent review of NLWIS. During our audit, steps were being taken to address problems identified by the audit and review.

- In preparing for the next generation of the APF, the Department carried out formal “lessons learned” reviews. It also consulted extensively with stakeholders, who provided valuable information for Growing Forward. In developing the APF, the Department had experienced serious delays in negotiating and signing agreements with the provinces and territories. Based on that experience, the Department should have anticipated that negotiation and consultation would take longer than expected for Growing Forward and to plan accordingly. When the APF was to end on 31 March 2008, the APF environment programs were extended for up to one year, in order to provide more time for the development of Growing Forward.

The Department has responded. The Department agrees with all of our recommendations. Its detailed responses follow each recommendation throughout the chapter.



Annual Report on Sustainable Development Strategies

Chapter 4 Main Points

What we examined

In a 1995 amendment to the *Auditor General Act*, Parliament created a requirement for federal departments to prepare sustainable development strategies, table them in Parliament, and update them every three years. The process of creating the strategies was intended to ensure that government departments and agencies would examine their policies and programs to identify their potential social, economic, and environmental consequences. The strategies were to set out opportunities for more sustainable development in concrete action plans.

Over the past decade, we frequently reported significant weaknesses in the quality and relevance of the commitments presented in the sustainable development strategies. Last year in our 10th annual report on the strategies, we concluded that the government's current approach to producing and using sustainable development strategies was not working to deliver progress toward sustainable development. The government agreed with our recommendation that it review its approach to clarify its expectations and revitalize the process. It committed to completing a review by the end of October 2008.

Pending the outcome of the government's review and in accordance with our legal obligation to monitor and report annually on the strategies, we examined the implementation of one commitment each from the 2007–2009 strategies of 11 federal organizations. Given our findings regarding the quality and significance of sustainable development strategy commitments over the past decade, we did not carry out additional work this year to determine whether the commitments we examined were based on an examination of good practices elsewhere or on an assessment of the social, economic, and environmental impact of each department's key policies and programs. Consequently, we do not comment on the significance or relevance of the commitments we examined this year.

Why it's important

Through their policies, programs, and regulations, and the billions of dollars they spend each year, federal departments and agencies have a significant influence on just about every aspect of Canadian society.

In establishing its expectations for sustainable development strategies, the government recognized that Canada's economic health depends on its environmental health. It indicated that the strategies would help shape a better future for all Canadians.

What we found

- Eight of the eleven organizations in our audit had integrated structures and processes to effectively plan, implement, and monitor the selected commitment and could demonstrate some achieved results.
- Some of the commitments we examined on greening operations were related to the government-wide targets established by the federal Office of Greening Government Operations. Although we did not re-audit the Office of Greening Government Operations, we found in our work last year that the government-wide targets in this area were not specific and that the government was not in a position to know what progress it was making in greening its operations.



Annual Report on Environmental Petitions

Chapter 5 Main Points

What we examined

Established in 1995 as a result of amendments to the *Auditor General Act*, the environmental petitions process provides Canadians with a formal means to bring their concerns about environmental issues to the attention of federal ministers and departments and to obtain a response to their concerns. Ministers are required to respond in writing within 120 days. On behalf of the Auditor General of Canada, the Commissioner of the Environment and Sustainable Development manages the environmental petitions process and monitors responses of federal ministers. As required by the Act, the Commissioner reports annually on the quantity, nature, and status of petitions received and on the timeliness of departmental responses. This chapter contains this year's annual report on petitions.

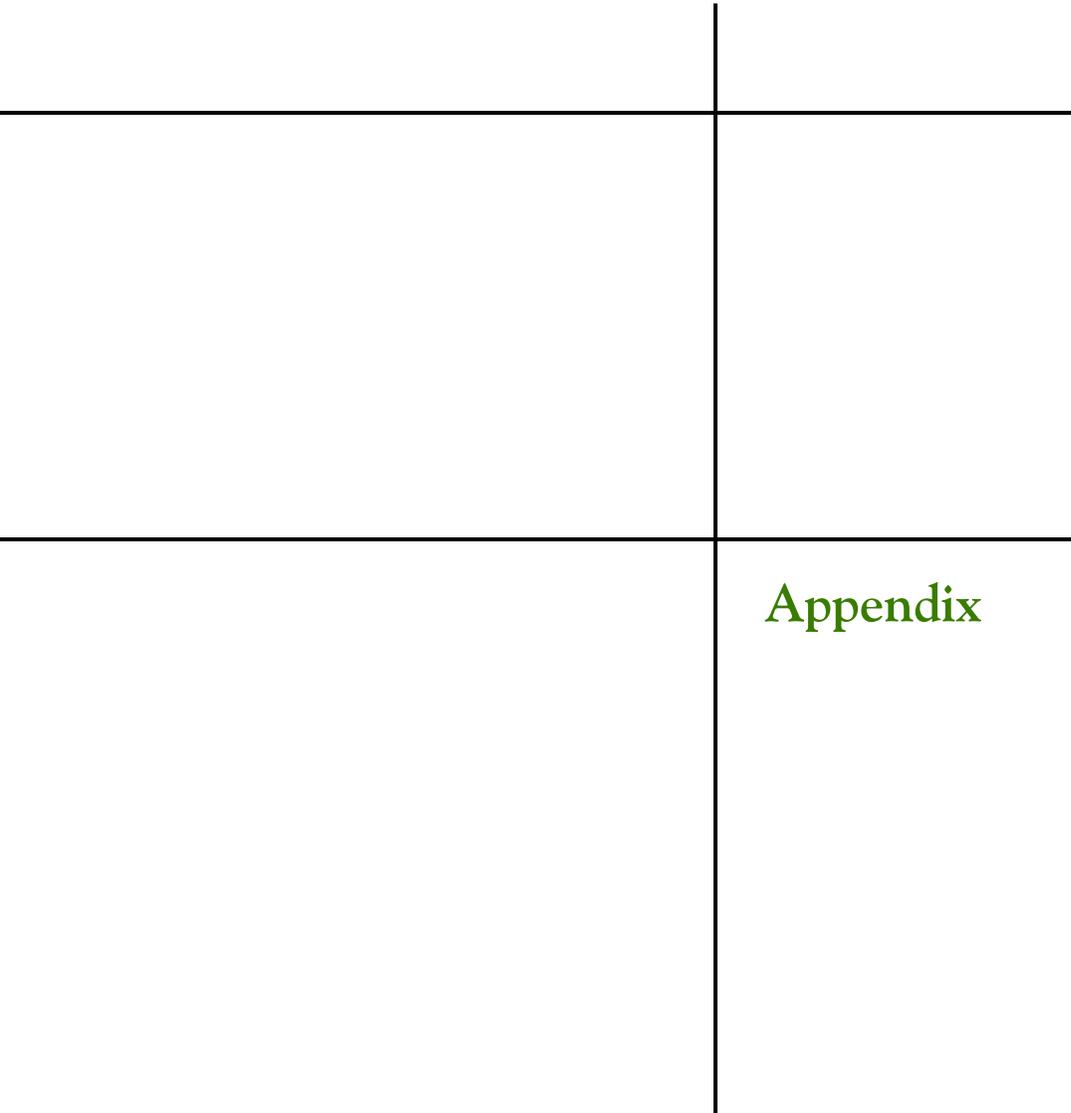
Why it's important

Environmental petitions are a simple, unique feature of our parliamentary democracy. Submitting a petition is a way for Canadians to bring their environmental concerns to the attention of federal departments and agencies that are subject to the process. Monitoring and reporting on petitions and petition responses, as well as publishing those documents on our website, contributes to transparency in federal environmental management. The Office of the Auditor General also helps to promote federal accountability for environmental management by considering the issues raised in petitions and the responses they generate when it plans and conducts audits.

What we found

- This year, we received 56 petitions—a 24 percent increase over last year. While petitions were submitted from petitioners residing in seven provinces and one territory, Ontario accounted for more than half of the petitions received.
- Human and environmental health, environmental assessments, and water are the top issues raised in petitions this year. More than half of the petitions were grouped around a number of specific issues, with the largest group concerning the effects of exposure to electromagnetic radiation, which we highlighted as an emerging issue in last year's annual report.

- A number of issues raised in petitions have been of interest to members of Parliament. Issues raised by petitioners have also received media coverage in the past year, ranging from newspaper articles to television documentaries and radio interviews
- The 200 responses requested from departments and agencies this year represented a significant increase over last year. Environment Canada continues to account for the largest number. The proportion of responses provided within the required 120 days decreased overall, from 95 percent last year to 86 percent this year. Two departments, Environment Canada and Indian and Northern Affairs Canada, accounted for more than 70 percent of the late responses, while Fisheries and Oceans Canada and Industry Canada improved the timeliness of their responses this year.



Appendix

Appendix *Auditor General Act*—Excerpts

An Act respecting the Office of the Auditor General of Canada and sustainable development monitoring and reporting

INTERPRETATION

Definitions	2. In this Act,
“appropriate Minister”	“appropriate Minister” has the meaning assigned by section 2 of the <i>Financial Administration Act</i> ;
	...
“category I department”	“category I department” means <ol style="list-style-type: none"> (a) any department named in Schedule I to the <i>Financial Administration Act</i>, (b) any department in respect of which a direction has been made under subsection 11(3) of the <i>Federal Sustainable Development Act</i>; and (c) any agency set out in the schedule to the <i>Federal Sustainable Development Act</i>.
“Commissioner”	“Commissioner” means the Commissioner of the Environment and Sustainable Development appointed under subsection 15.1(1);
	...
“sustainable development”	“sustainable development” means development that meets the needs of the present without compromising the ability of future generations to meet their own needs;

POWERS AND DUTIES

Examination	5. The Auditor General is the auditor of the accounts of Canada, including those relating to the Consolidated Revenue Fund and as such shall make such examinations and inquiries as he considers necessary to enable him to report as required by this Act.
Annual and additional reports to the House of Commons	7. (1) The Auditor General shall report annually to the House of Commons and may make, in addition to any special report made under subsection 8(1) or 19(2) and the Commissioner’s report under subsection 23(2), not more than three additional reports in any year to the House of Commons <ol style="list-style-type: none"> (a) on the work of his office; and, (b) on whether, in carrying on the work of his office, he received all the information and explanations he required.

- Idem** (2) Each report of the Auditor General under subsection (1) shall call attention to anything that he considers to be of significance and of a nature that should be brought to the attention of the House of Commons, including any cases in which he has observed that
- (a) accounts have not been faithfully and properly maintained or public money has not been fully accounted for or paid, where so required by law, into the Consolidated Revenue Fund;
 - (b) essential records have not been maintained or the rules and procedures applied have been insufficient to safeguard and control public property, to secure an effective check on the assessment, collection and proper allocation of the revenue and to ensure that expenditures have been made only as authorized;
 - (c) money has been expended other than for purposes for which it was appropriated by Parliament;
 - (d) money has been expended without due regard to economy or efficiency;
 - (e) satisfactory procedures have not been established to measure and report the effectiveness of programs, where such procedures could appropriately and reasonably be implemented; or
 - (f) money has been expended without due regard to the environmental effects of those expenditures in the context of sustainable development.

STAFF OF THE AUDITOR GENERAL

- Appointment of Commissioner** 15.1 (1) The Auditor General shall, in accordance with the *Public Service Employment Act*, appoint a senior officer to be called the Commissioner of the Environment and Sustainable Development who shall report directly to the Auditor General.
- Commissioner's duties** (2) The Commissioner shall assist the Auditor General in performing the duties of the Auditor General set out in this Act that relate to the environment and sustainable development.

SUSTAINABLE DEVELOPMENT

- Purpose** 21.1 In addition to carrying out the functions referred to in subsections 23(3) and (4), the purpose of the Commissioner is to provide sustainable development monitoring and reporting on the progress of category I departments towards sustainable development, which is a continually evolving concept based on the integration of social, economic and environmental concerns, and which may be achieved by, among other things,
- (a) the integration of the environment and the economy;
 - (b) protecting the health of Canadians;
 - (c) protecting ecosystems;
 - (d) meeting international obligations;

- (e) promoting equity;
 - (f) an integrated approach to planning and making decisions that takes into account the environmental and natural resource costs of different economic options and the economic costs of different environmental and natural resource options;
 - (g) preventing pollution; and
 - (h) respect for nature and the needs of future generations.
- Petitions received** 22. (1) Where the Auditor General receives a petition in writing from a resident of Canada about an environmental matter in the context of sustainable development that is the responsibility of a category I department, the Auditor General shall make a record of the petition and forward the petition within fifteen days after the day on which it is received to the appropriate Minister for the department.
- Acknowledgement to be sent** (2) Within fifteen days after the day on which the Minister receives the petition from the Auditor General, the Minister shall send to the person who made the petition an acknowledgement of receipt of the petition and shall send a copy of the acknowledgement to the Auditor General.
- Minister to respond** (3) The Minister shall consider the petition and send to the person who made it a reply that responds to it, and shall send a copy of the reply to the Auditor General, within
- (a) one hundred and twenty days after the day on which the Minister receives the petition from the Auditor General; or
 - (b) any longer time, where the Minister personally, within those one hundred and twenty days, notifies the person who made the petition that it is not possible to reply within those one hundred and twenty days and sends a copy of that notification to the Auditor General.
- Multiple petitioners** (4) Where the petition is from more than one person, it is sufficient for the Minister to send the acknowledgement and reply, and the notification, if any, to one or more of the petitioners rather than to all of them.
- Duty to monitor** 23. (1) The Commissioner shall make any examinations and inquiries that the Commissioner considers necessary in order to monitor
- (a) the extent to which category I departments have contributed to meeting the targets set out in the Federal Sustainable Development Strategy and have met the objectives, and implemented the plans, set out in their own sustainable development strategies laid before the House of Commons under section 11 of the *Federal Sustainable Development Act*; and
 - (b) the replies by Ministers required by subsection 22(3).

- Commissioner's report** (2) The Commissioner shall, on behalf of the Auditor General, report annually to the House of Commons concerning anything that the Commissioner considers should be brought to the attention of that House in relation to environmental and other aspects of sustainable development, including
- (a) the extent to which category I departments have contributed to meeting the targets set out in the Federal Sustainable Development Strategy and have met the objectives, and implemented the plans, set out in their own sustainable development strategies laid before that House under section 11 of the *Federal Sustainable Development Act*;
 - (b) the number of petitions recorded as required by subsection 22(1), the subject-matter of the petitions and their status; and
 - (c) the exercising of the authority of the Governor in Council under subsections 11(3) and (4) of the *Federal Sustainable Development Act*.
- Duty to examine** (3) The Commissioner shall examine the report required under subsection 7(2) of the *Federal Sustainable Development Act* in order to assess the fairness of the information contained in the report with respect to the progress of the federal government in implementing the Federal Sustainable Development Strategy and meeting its targets.
- Duty to report** (4) The Commissioner shall include in the report referred to in subsection (2) the results of any assessment conducted under subsection (3) since the last report was laid before the House of Commons under subsection (5).
- Submission and tabling of report** (5) The report required by subsection (2) shall be submitted to the Speaker of the House of Commons and shall be laid before that House by the Speaker on any of the next 15 days on which that House is sitting after the Speaker receives it.

Report of the Commissioner of the Environment and Sustainable Development to the House of Commons—December 2008

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