

2005



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

The Commissioner's Perspective—2005



Office of the Auditor General of Canada

The 2005 Report of the Commissioner of the Environment and Sustainable Development comprises eight chapters and The Commissioner's Perspective—2005. The main table of contents is found at the end of this publication.

This report is available on our Web site at www.oag-bvg.gc.ca.

For copies of this report or other Office of the Auditor General publications, contact

Office of the Auditor General of Canada
240 Sparks Street, Stop 10-1
Ottawa, Ontario
K1A 0G6

Telephone: (613) 952-0213, ext. 5000, or 1-888-761-5953 (toll-free)
Fax: (613) 943-5485
E-mail: distribution@oag-bvg.gc.ca

Ce document est également publié en français.

© Minister of Public Works and Government Services Canada 2005
Cat. No. FA1-2/2005-0E
ISBN 0-662-41311-3





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 my Report to the House of Commons for 2005, which is to be laid before the House in accordance with the provisions of section 23(3) of the *Auditor General Act*.

A handwritten signature in black ink that reads 'Johanne Gélinas'.

Johanne Gélinas
Commissioner of the Environment
and Sustainable Development

OTTAWA, 29 September 2005

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:

Johanne G  linas
Commissioner of the Environment and Sustainable Development
240 Sparks Street
Ottawa, Ontario
K1A 0G6

For general questions or comments, please contact Communications at (613) 995-3708 or 1-888-761-5953 (toll free).



**The Commissioner's
Perspective—2005**

Table of Contents

Introduction	1
Nature is telling us that our current path is unsustainable	1
Sustainable development: The approach we have chosen	2
The government's chronic inability to sustain initiatives	4
Drinking water and human health	5
Drinking water in First Nations communities	5
Other federal responsibilities for drinking water	6
Natural capital	6
Oceans management	7
Ecological integrity in Canada's parks	7
Canadian Biodiversity Strategy	8
Sustainable development in government	9
An important sustainable development tool: Green procurement	10
The unrealized potential of sustainable development strategies	10
What will it take for the government to cross the finish line?	12
Appendices	
A. <i>Auditor General Act</i> —Excerpts	14
B. Report on the exercise of the Governor in Council's authority under subsections 24(3) to 24(5) of the <i>Auditor General Act</i>	18
C. Main Points of chapters 1 to 8	19

Introduction

Nature is telling us that our current path is unsustainable

Transforming the relationship humans have with nature is among the greatest challenges facing us in the 21st century. Many human activities cause ecological damage, and this situation will only intensify as the global population climbs from six billion today, with some projecting a level of about nine billion by 2050. In addition, China, India, and other developing countries are increasing their consumption of fossil fuels and other natural resources. Serious environmental consequences from habitat loss, the decline of the world's fish stocks, air pollution, climate change, and deteriorating fresh water systems will, in turn, have major negative economic and social impacts on communities and nations worldwide.



Johanne Gélinas
Commissioner of the Environment
and Sustainable Development

In my role as Commissioner of the Environment and Sustainable Development, I hear about environmental problems from around the world. It is clear that environmental limits are real and are being approached everywhere, including Canada. Nature is telling us that our current path is unsustainable. This year the Millennium Ecosystem Assessment, involving about 1,360 experts from around the world, reached this troubling conclusion:

At the heart of this assessment is a stark warning. Human activity is putting such strain on the natural functions of Earth that the ability of the planet's ecosystems to sustain future generations can no longer be taken for granted. The provision of food, fresh water, energy, and materials to a growing population has come at considerable cost to the complex systems of plants, animals, and biological processes that make the planet habitable. ... Nearly two thirds of the services provided by nature to humankind are found to be in decline worldwide. In effect, the benefits reaped from our engineering of the planet have been achieved by running down natural capital assets.

Canada is not immune from this global environmental decline, and the accompanying decline in our ability to sustain our needs and those of future generations. If Canada is to avoid such consequences, we must all take bold steps, with government leading the way.

Did you know?

- Between 10 to 30% of mammal, bird, and amphibian species globally are currently threatened with extinction.
- The frequency and impact of floods and fires has increased significantly in the past 50 years, in part due to ecosystem changes.
- One quarter of important commercial fish stocks are overexploited or significantly depleted.

Source: Millennium Ecosystem Assessment, 2005

10th anniversary of the creation of the position of the Commissioner of the Environment and Sustainable Development

This year marks the 10th anniversary of the creation of the position of Commissioner of the Environment and Sustainable Development within the Office of the Auditor General of Canada. My work, and that of my office, focusses on 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. Designated departments and agencies are required by law to prepare sustainable development strategies and update them 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. We assess the quality of the strategies, and we monitor and report on the progress of departments and agencies in meeting selected commitments made in their strategies.

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/domino/petitions.nsf/english.

As Commissioner, I also chair an international group of environmental auditors from 54 countries. The Working Group on Environmental Auditing assists national auditors from around the world in acquiring a better understanding of the specific issues involved in environmental auditing, to facilitate exchange of information and experience among auditors, and to produce guidelines and other informative material. I invite you to visit the Working Group's Web site at www.environmental-auditing.org for information on its products and activities.

**Sustainable development:
The approach we have chosen**

In 1987 the World Commission on Environment and Development released its landmark report, *Our Common Future*. Since then, sustainable development has become widely recognized as the chosen approach to integrate environmental, economic, and social concerns (Exhibit 1).

Exhibit 1 The pillars of sustainable development

The World Commission on Environment and Development brought sustainable development to the world's attention. The Commission's report, *Our Common Future*, focussed on three pillars of human well-being:

- economic conditions—such as wealth, employment, and technology;
- socio-political conditions—such as security and democracy; and
- environmental and resource conditions—such as the quality of our air and water and the availability of capital in the form of natural resources.

While the concept is almost 20 years old, implementing sustainable development is still in its early stages, including in Canada. Sustainable development has been compared in scale to two other great transformations in human history: the agricultural revolution and the industrial revolution. The changes to our society that the sustainability “revolution” will bring will be as significant as those brought by the other two. Governments have a central role to play, not only in implementing sustainable development, but also in moving their citizens and industries toward sustainability.

The countries that adapt the fastest to sustainable development will seize the opportunities. Will Canada be one of these?

This move toward sustainability can be seen in a multitude of initiatives to entrench sustainable development into public policy and industry practice. Occasionally, on the global level we can see the making of a revolution in thinking and practice (Exhibit 2).

Sustainable development is feasible, and there are many real opportunities for innovative people to find solutions to the environmental problems we create. As the world responds to this challenge in the early 21st century, those who anticipate and prevent environmental degradation will save money and create economic opportunities. The countries and companies that adapt the fastest will seize the opportunities. Will Canada be one of these?

After five years as Commissioner of the Environment and Sustainable Development, I have seen uneven performance by the federal government in creating and implementing a sustainable development

Exhibit 2 Sustainable development innovations

- Fresh approaches are emerging that are reducing the waste often inherent in the design of products, communities, and industrial systems. For example, consumer products from cars to carpets are being designed in new ways that change how we make, use, and dispose of them.
 - Some national governments—for example, the United Kingdom through its *Securing the Future: Delivering UK Sustainable Development Strategy*—are putting in place strategies to ensure that society and economy are sustainable and competitive in a world where the public and private sectors are hungry for sustainable solutions.
 - Led by organizations such as the World Business Council on Sustainable Development, much is happening in the private sector. Companies now see sustainable development initiatives as both creating value and increasing their advantage over competitors.
 - Cities have become the focal point for debates about sustainability in the future. Urban sprawl is “out” because of its environmental, economic, and social costs, while greater density within existing city boundaries is the new objective. A movement is afoot to “green” infrastructure and make lifestyles more sustainable in terms of transportation and consumption of energy, water, and consumer goods.
-

approach to policy and operations. While the government continues to make some progress against its sustainable development goals, on several occasions, it has fallen short of making the level of commitment needed.

The government's chronic inability to sustain initiatives

A productive, healthy environment is at the heart of the concept of sustainable development. The way we damage our ecosystems has repercussions on a number of issues that we examine in this year's audits. These include the quality of drinking water, the health of our oceans, and our stores of biological diversity.

As always, we examined issues covering a broad array of environmental and sustainable development issues (Exhibit 3). We also audited departments' responses to environmental petitions submitted by Canadians (see Exhibit 4, page 9). A recurring theme throughout this year's Report is that the federal government suffers from a chronic inability to see its own initiatives to completion; it starts out but rarely, if ever, reaches the finish line.

Exhibit 3 2005 Report of the Commissioner of the Environment and Sustainable Development

- Fisheries and Oceans Canada—Canada's Oceans Management Strategy (Chapter 1)
- Ecological Integrity in Canada's National Parks (Chapter 2)
- Canadian Biodiversity Strategy: A Follow-Up Audit (Chapter 3)
- Safety of Drinking Water: Federal Responsibilities (Chapter 4)
- Drinking Water in First Nations Communities (Chapter 5)
- Green Procurement (Chapter 6)
- Sustainable Development Strategies (Chapter 7)
 - Government-Wide Direction
 - Quality of the 2004 Strategies
 - Action on Strategy Commitments
 - Action on International Commitments
- Environmental Petitions (Chapter 8)
 - Annual Report on Petitions
 - Insurance for Nuclear Operators
 - Guidelines for Listing Species at Risk
 - Impacts of Hog Farming

The Main Points of these chapters are included in Appendix C.

Drinking water and human health

Access to fresh water in general, and safe drinking water in particular, is of great concern to Canadians. Safe drinking water is a basic requirement of human health, and Canadians assume that the water they drink will be of high quality in a developed country like ours. The truth, however, is that when federal responsibility is involved, not all Canadians can assume that their drinking water is always safe. The government is not working hard enough to protect Canadians from unsafe drinking water.

While the provinces and territories have the legislative responsibility for regulating the provision of safe drinking water to the public in general, federal responsibilities for drinking water can have an impact on millions of people. These include responsibilities for water consumed by residents of First Nations communities; federal employees; and passengers on trains, airplanes, and cruise ships travelling between provinces and internationally.

In examining federal responsibilities for the safety of drinking water, we found gaps that may put people's health at risk.

Drinking water in First Nations communities

Across Canada, approximately half a million people live in First Nations communities. Many of these people are exposed to risks from unsafe drinking water. For example, in 2001 Indian and Northern Affairs Canada found a significant risk to the quality or safety of drinking water in three quarters of the water systems in First Nations communities. People in these communities do not benefit from the same safeguards on drinking water as most Canadians who live off reserves. The main reasons are a lack of a regulatory regime for drinking water in First Nations communities and fragmented technical support available to First Nations for the design, construction, operation, and maintenance of water systems. There are also a number of management and operational issues that contribute to this, such as inconsistent implementation of government guidelines and failure to carry out water testing.

Unless strong action is taken, it is unlikely that the federal First Nations Water Management Strategy, a five-year initiative approved in 2003 with a budget of \$600 million, will improve the quality and safety of First Nations drinking water on a continuing basis (Chapter 5 provides further detail).

In examining federal responsibilities related to the safety of drinking water, we found gaps that may put people's health at risk.

Other federal responsibilities for drinking water

Apart from First Nations communities, the federal government has a number of other responsibilities to ensure safe drinking water for Canadians.

The federal government develops drinking water guidelines in partnership with provinces and territories. The guidelines specify the maximum acceptable concentration of contaminants in drinking water. They are used at the federal, provincial, and territorial levels in different ways, ranging from general guidance to legally required standards. The process to develop the guidelines, although sound, is slow, sometimes delaying the planned time for developing the guidelines by several years. At the current pace, it could take over 10 years to deal with a current backlog of about 50 guidelines that the federal government needs to examine to ensure that they are up-to-date.

Health Canada is responsible for inspecting water quality on aircraft, trains, and cruise ships that travel between provinces, and internationally. However, it is not fulfilling this responsibility on passenger aircraft, where it no longer carries out routine inspections due to unresolved funding issues between the government and air carriers. Health Canada therefore cannot assure millions of Canadian travellers that the tap water used for drinking and food preparation on board passenger aircraft is safe.

Federal responsibility is also clearly defined in regulations for the protection of federal employees, which state that they are to be provided with water that meets the drinking water guidelines. The six federal departments and agencies we looked at had different internal procedures and requirements for testing. This resulted in mixed compliance with the guidelines, with some sites surpassing the guidelines, and others not testing at all. Health Canada is currently preparing uniform guidance for departments, which is needed as a step toward remedying the patchy federal compliance with the drinking water guidelines (Chapter 4 provides further detail).

Natural capital

Stewardship of our natural capital has fallen short of commitments made by Canada, both domestically and internationally.

Natural capital is a crucially important building block for a sustainable society. Natural capital refers to natural resources, such as water and oil, land that provides space on which to live and work, and the ecosystems that maintain clean water, air, and a stable climate. Unlike other types of capital, such as buildings or machines, natural capital is often irreplaceable. Stewardship of our natural capital has fallen short of commitments made by Canada, both domestically and

internationally. While our audits found some good efforts involving the management of natural capital, these are often hindered by problems with implementation and management.

Oceans management

Ocean ecosystems are deteriorating everywhere, including in Canada. Expectations were raised that the 1996 *Oceans Act* and the 2002 Canada's Oceans Strategy would help solve these problems; however, those expectations have not been met. The main tools of the *Oceans Act*—integrated management plans and marine protected areas—have not accomplished the desired results. Fisheries and Oceans Canada has fallen far short of meeting its commitments to develop and implement these tools. For example, marine protected areas are one of the primary means to protect marine habitat and biodiversity. However, of the 13 areas of interest identified between 1998 and 2000, Fisheries and Oceans Canada has designated only two as marine protected areas. At this rate, Canada is in danger of not meeting its international commitment to establish representative networks of marine protected areas by 2012.

The slow progress can be attributed, in part, to a lack of funding, poorly defined results, and weak accountability. Furthermore, there is evidence that interdepartmental committees are not providing leadership, and Fisheries and Oceans Canada is having trouble breaking out of the “fisheries” mindset to lead on broader oceans issues.

Expectations are rising again as a result of the 2005 release of Canada's Oceans Action Plan and Canada's Federal Marine Protected Areas Strategy. It is critical that Fisheries and Oceans Canada maintain the momentum gained from these and follow through on the planned designation of new marine protected areas. Canada was once a world leader in oceans management and should seize the opportunity to regain this position (Chapter 1 provides further detail).

Ecological integrity in Canada's parks

Our national parks are living monuments to Canada's natural heritage. The health of Canada's national parks is in danger, jeopardizing the ecological and economic benefits they are intended to provide. This stress is evident both inside and outside the parks and stems from factors such as development and visitor use.

To help the Parks Canada Agency achieve its mandate, the new *Canada National Parks Act* has established that the Agency's main priorities are the ecological integrity of national parks and Canadians' understanding and enjoyment of the parks. To back this up, major new financial resources have flowed to Parks Canada in the 2003 and 2005 budgets, which it will use to advance these priorities.

These are important developments, but further improvements are needed. For example, not all park management plans are up-to-date in the 12 parks we examined. These plans are supposed to set out specific objectives and actions a park will undertake to maintain or restore ecological integrity. In addition, reporting on the implementation of these plans is required annually, but this has not been happening on a regular basis. Parks Canada also needs to improve its national state of the parks reports, so that they communicate more clearly how the state of national parks is changing over time. The results of monitoring and restoration projects also need to be better used at the park level to inform visitors and enhance public education and awareness.

With the new funding and the new measures it is putting in place, the federal government has started to move forward. Parks Canada has an opportunity to make a real difference in the management of national parks and in the public's understanding of national parks. Successful and consistent implementation across all parks over the next few years will be critical in determining if Parks Canada will realize this opportunity (Chapter 2 provides further detail).

Canadian Biodiversity Strategy

Canada was the first major industrialized country to ratify the Convention on Biological Diversity in 1992, and in 1996 the Canadian Biodiversity Strategy was endorsed by federal, provincial, and territorial ministers. Since then, implementation of the strategy has faltered, leaving important initiatives to drift.

This year's follow-up is our third audit of federal implementation of the Canadian Biodiversity Strategy since 1998. Problems identified in our previous audits persist, and the new commitments we examined in the areas of biodiversity science and monitoring produced no tangible results or were behind schedule. Understanding Canada's biodiversity is key to protecting it from human-driven damage and ensuring that it continues to provide Canadians with numerous benefits, from clean air and water to the pollination of food crops. Almost ten years after the

federal government signed on to the strategy, there is no coherent plan to implement it.

Work is taking place on a new national approach, although it is still in its early stages. This approach involves federal departments, as well as provincial and territorial governments, which are also responsible for biodiversity. Given the unsatisfactory progress in the areas we examined, and the lack of direction for the strategy overall, the federal government needs to take a hard look at its approach to biodiversity, assess how the strategy is being implemented, and tell Canadians how it plans to make the strategy work (Chapter 3 provides further detail).

Exhibit 4 Audits of the government's response to environmental petitions

Any Canadian resident—individual, organization, business, or municipality—may submit an environmental petition to the Auditor General of Canada and receive a response from the federal minister or ministers responsible for that environmental issue. Petitions have resulted in commitments by ministers and action by departments on environmental issues.

As part of our monitoring role, we audit selected federal departmental responses to past petitions and audit them to determine if ministers and departments have taken action on commitments made to Canadians in those responses. This year we found that progress to address commitments made to petitioners has been slow.

- Since 2002, we have received three petitions from Canadians who are concerned about the impact of large-scale hog farming on their communities and on their water quality. Despite the growth and intensification of the industry, our audit shows that Environment Canada and Agriculture and Agri-Food Canada do not know if their programs and activities are succeeding in reducing the impacts of hog farming on the environment.
- In another audit, we found that Natural Resources Canada has yet to amend the *Nuclear Liability Act*—a commitment the minister made in response to a petition. The Act is 30 years old, and the current insurance requirements for nuclear operations are significantly lower than those imposed in 12 other major industrial countries.
- The *Species at Risk Act* was introduced in 2002 to protect and recover species at risk. In response to a petition, the Minister of the Environment committed to establishing guidelines to assist the government in deciding which species to protect by designating them to be at risk. Environment Canada has indicated that these guidelines will not be in place until 2006. In the meantime, decisions are being made without the benefit of guidelines intended to make the process consistent and transparent.

Sustainable development in government

Following the release of the 1987 report, *Our Common Future*, governments around the world chose sustainable development as the approach to get us off the wrong path of non-sustainability and collapse, and onto the path of sustainability and renewal.

Implementing a sustainable development approach to governing is a creative process that takes time and leadership.

I have argued before that the Government of Canada is not making adequate use of all the tools available to promote sustainable development. Green procurement is a prime example.

An important sustainable development tool: Green procurement

I have argued before that the Government of Canada is not making adequate use of all the tools available to promote sustainable development. Green procurement is a prime example. With reported spending of about \$13 billion in 2003, the federal government is one of the largest consumers of goods and services in Canada. By greening its procurement, the federal government can reduce its environmental impact and create a demand in the marketplace for sustainable products and services. Green procurement fits well with the government's interest in merging "competitiveness and environmental sustainability," as it can push Canadian business to the forefront of the sustainability revolution. The government has long recognized these benefits and, since 1992, has made a commitment to pursue green procurement.

Despite the compelling business case, strong sustainability benefits, and repeated government commitments, the government is far from using the vast potential of green procurement to achieve sustainability. It is astounding that the government has been promising a policy to direct departments to green their procurement for over a decade—and the policy still is not ready. While we wait, opportunities to make environmentally sound choices are being missed every day. Will the government meet its most recent promise in the Speech from the Throne, to implement the policy by 2006?

The government regularly calls on Canadians to green their daily activities; green procurement is a key test of whether the government is willing to do what it expects Canadians to do (Chapter 6 provides further detail).

The unrealized potential of sustainable development strategies

Since the mid-1990s, the federal government has chosen a "decentralized" approach to institutionalizing sustainable development, by having individual departments develop and implement their own sustainable development strategies. However, the process for the strategies is government-wide and needs government-wide direction. Yet, the often-promised federal sustainable development strategy has not been delivered. The federal government could not even agree on priorities in time to influence the 2004 departmental strategies. As a result, departments had little direction in co-ordinating their own strategies.

Inaction on international commitments

The deputy ministers' Environment and Sustainable Development Co-ordinating Committee was tasked by the Clerk of the Privy Council to develop an action plan to ensure implementation of commitments Canada made at the 2002 World Summit on Sustainable Development in Johannesburg, South Africa. Despite this direction from the Clerk, and our recommendations since 2002 that an action plan be prepared, the committee has not done this.

Canada unfortunately faces a serious barrier to making progress on sustainable development—a lack of leadership at the senior management level. The Privy Council Office delegated responsibility to deputy ministers at the Environment and Sustainable Development Co-ordinating Committee for setting government-wide expectations for departmental sustainable development strategies. The deputy ministers didn't deliver on many of the expectations of the Clerk of the Privy Council, and the committee ceased activities over the past year.

Changes are required in the way sustainable development is institutionalized. Two things are key:

- After many promises and false starts, a federal sustainable development strategy is long overdue. The government has many important green initiatives, including several announced in the last Speech from the Throne. But, without some form of a federal sustainable development strategy, parliamentarians and Canadians are left without a clear idea of the government's overall sustainable development plan, how it will get there, and what progress it has made. A federal sustainable development strategy would provide common priorities, co-ordinate departmental efforts, and help to realize the potential of departmental sustainable development strategies.
- A new deputy ministers' committee has been established to replace the Environment and Sustainable Development Co-ordinating Committee. In order to succeed where previous ones have failed, this committee will need to be much more actively engaged, and deputy ministers will need to be held more accountable to meet their commitments.

The government must move quickly in order to have this in place for the next round of sustainable development strategies, which will be completed by December 2006. If not, we will lose another opportunity to improve the sustainable development strategies—and the strategies will go another three years without the government realizing their full potential (Chapter 7 provides further detail).

What will it take for the government to cross the finish line?

The consistent message throughout this year's audits is that the federal government is chronically unable to sustain initiatives, once they are launched. Federal experience with the Canadian Biodiversity Strategy, Canada's Oceans Strategy, and guidance for sustainable development strategies are just the latest examples of this failure to follow through on bold promises.

After five years of auditing government performance, I have often asked myself why the government does not reach the finish line on its environmental and sustainable development commitments. I have come to the conclusion that there are several root causes:

- Government leadership has a tendency to commit without putting in place the structure or resources to deliver on its promises.
- Deputy ministers and assistant deputy ministers are not held accountable for the performance of their departments in initiating and seeing through to completion more sustainable forms of development. Leadership and disciplined senior management are required to get the job done.
- Organizational silos and turf protection impair the integration of sustainable development across departments—integration that is inherently needed. As a result, anything that requires action across departments is particularly vulnerable to collapse.
- In many areas, the federal government keeps reinventing the wheel by changing key staff and changing the design of programs, without regard for achieving results.

Because of these problems, isolated pockets of good effort and success are often outweighed by backsliding in other areas. So the performance is once again unimpressive—the government continues to talk a good line about sustainable development and sometimes commits financial resources, but often fails to adequately implement its own commitments. This is not good news, given the mounting evidence that we are on an unsustainable path.

The government's current promises, if fulfilled, would improve Canada's environmental position. But further new thinking is required to truly achieve sustainable development. Albert Einstein stated that, "the significant problems we face cannot be solved by the same level of thinking that created them." Achieving sustainability within a

generation will require that we Canadians significantly transform our society. The federal government should be leading this sustainability revolution.

I am by no means the only one saying that the federal government has to improve its performance in this regard. There have been two recent, high-level calls for a government transformation toward sustainability. The Senate's Standing Committee on Energy, the Environment and Natural Resources recently tabled a report that stated:

It's time for the Government of Canada to step up to the plate, to show leadership, and to introduce the necessary reforms. This requires greater political will, greater co-ordination and integration within and across federal departments, and perhaps most importantly, a greater recognition that sustainable development is one of the most pressing issues facing the country today.

Canada's most senior public servant, the Clerk of the Privy Council, testified before the Senate Committee:

We are looking for a true shift to sustainability in how we produce, consume and live our lives. ... we will roll out a much more committed strategy to sustainable development that will really take hold.

He stated that we need "long-term, fundamental, transformative change" in our industrial processes and to "make the culture or paradigm shift" within the public service. He went on to say that the government must become a leader in green procurement and that the government will make greater use of fiscal instruments to pursue sustainable development goals. The Clerk concluded his remarks by stating: "I believe that we can be a leader in environmental sustainable development within a generation."

I could not have said it better myself.

Appendix A 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 <ul 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 24(3), and (c) any department, set out in the schedule;
"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;
"sustainable development strategy"	"sustainable development strategy", with respect to a category I department, means the department's objectives, and plans of action, to further sustainable development.

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 <ul 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 any thing 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** 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 met the objectives, and implemented the plans, set out in their sustainable development strategies laid before the House of Commons under section 24; 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 met the objectives, and implemented the plans, set out in their sustainable development strategies laid before that House under section 24;

(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 any of subsections 24(3) to (5).

Submission and tabling of report

(3) 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 fifteen days on which that House is sitting after the Speaker receives it.

Strategies to be tabled

24. (1) The appropriate Minister for each category I department shall cause the department to prepare a sustainable development strategy for the department and shall cause the strategy to be laid before the House of Commons

(a) within two years after this subsection comes into force; or

(b) in the case of a department that becomes a category I department on a day after this subsection comes into force, before the earlier of the second anniversary of that day and a day fixed by the Governor in Council pursuant to subsection (4).

Updated strategies to be tabled

(2) The appropriate Minister for the category I department shall cause the department's sustainable development strategy to be updated at least every three years and shall cause each updated strategy to be laid before the House of Commons on any of the next fifteen days on which that House is sitting after the strategy is updated.

Governor in Council direction

(3) The Governor in Council may, on the recommendation of the appropriate Minister for a department not named in Schedule I to the *Financial Administration Act*, direct that the requirements of subsections (1) and (2) apply in respect of the department.

Date fixed by Governor in Council

(4) On the recommendation of the appropriate Minister for a department that becomes a category I department after this subsection comes into force, the Governor in Council may, for the purpose of subsection (1), fix the day before which the sustainable development strategy of the department shall be laid before the House of Commons.

Regulations

(5) The Governor in Council may, on the recommendation of the Minister of the Environment, make regulations prescribing the form in which sustainable development strategies are to be prepared and the information required to be contained in them.

Appendix B Report on the exercise of the Governor in Council's authority under subsections 24(3) to 24(5) of the *Auditor General Act*

As Commissioner of the Environment and Sustainable Development, I am required to report on the exercise of the Governor in Council's authority under subsections 24(3) to (5) of the *Auditor General Act*. These provisions permit the Governor in Council, among other things, to direct that the sustainable development strategy and environmental petitions requirements apply to specific departments that would not ordinarily be subject to these requirements.

On 13 December 2003 the Prime Minister announced the creation of several new departments as part of the Changing Government initiative. In July 2004, the Governor in Council, pursuant to subsection 24(3) of the *Auditor General Act*, directed that the sustainable development strategy requirements apply to the following departments: Canada Border Services Agency, Canadian Firearms Centre, Department of Human Resources and Skills Development, International Trade Canada, and Public Service Human Resources Management Agency of Canada.

In September 2004, the Public Health Agency of Canada was added to this list.

Most of these new departments were formerly part of specific departments that were required to prepare sustainable development strategies.

Appendix C Main Points of chapters 1 to 8

Main Points—Chapter 1

Fisheries and Oceans Canada Canada's Oceans Management Strategy

What we examined

The 1996 *Oceans Act* announced the federal government's intention to take an active co-ordinating role in oceans policy and management; it established Canada's aspirations to lead in the field. The Act's purpose was to conserve and protect our oceans' environment, ecosystems, and resources while managing those resources in ways that were economically sustainable and environmentally acceptable—in short, to ensure that our oceans are clean, safe, productive, and accessible.

We examined Fisheries and Oceans Canada's actions to implement the *Oceans Act*. We looked at its progress in developing and carrying out a national oceans strategy and integrated management plans and at its efforts to establish marine protected areas.

We also examined the Department's public reporting on the results of its oceans-management activities and on the state of the oceans.

Why it's important

The government recognized in 1994 that Canada's oceans policies and practices had been short term, piecemeal, and fragmented, and this had contributed to over-exploitation of the fisheries and the degrading of the ocean environment. For example, the Atlantic groundfish industry had collapsed, and ship-generated oil waste was affecting marine bird populations on both the east and west coasts of Canada. Implementing the 1996 *Oceans Act* was supposed to turn this worsening situation around.

However, Canada's Oceans Action Plan, recently issued by the government, reports that the health and quality of the marine environment are at risk or declining. The plan notes major declines in some fish stocks, persistent introduction of pollutants and invasive species, habitat alteration and degradation, and declining biodiversity and productivity.

Canada's oceans area is an important legacy of natural capital for future generations. Over 20 percent of Canadians live in coastal communities, and our oceans are an important source of food, transportation, recreation, and natural resources for all Canadians. The federal government has a clear responsibility to provide the careful management necessary to protect and develop Canada's vast ocean spaces and resources.

What we found

- Implementing the *Oceans Act* and subsequent oceans strategy has not been a government priority. After eight years, the promise of the *Oceans Act* is unfulfilled. Fisheries and Oceans Canada has fallen far short of meeting its commitments and targets: it has finalized no integrated management plans and has designated only two marine protected areas.

- The Department has had difficulty developing and implementing a workable and consistent approach to integrated oceans management. As a result, arrangements are not yet in place to resolve increasing conflicts among users of the oceans over access to space and resources.
- The government acknowledged in Canada's Oceans Action Plan that oceans-governance arrangements are still not up to dealing with modern-day challenges, including threats to the health of the oceans. Further, it recognized that the approach remains fragmented and exceedingly complex, lacks transparency, and focusses on solving problems as they arise. This assessment is consistent with our audit findings.
- Parliament has not been given the financial and other performance information it needs to hold the Department accountable for its *Oceans Act* responsibilities. Nor has the Department met its commitment to report periodically on the state of the oceans.
- The new oceans action plan is the government's framework for sustainably developing and managing our oceans. However, it does not address all the barriers to implementing a national oceans strategy. These include the need for strong leadership and co-ordination over the long term, adequate funding, and an accountability framework with appropriate performance measures and reporting requirements.

The Department has responded. Fisheries and Oceans Canada is in agreement with all of the audit recommendations. Its responses, which follow the recommendations in the report, indicate what actions it intends to take and when these will be completed.

Main Points—Chapter 2

Ecological Integrity in Canada's National Parks

What we examined

Parks Canada is responsible for maintaining and restoring the ecological integrity of Canada's 41 national parks. It is also responsible for fostering public understanding, appreciation, and enjoyment of national parks in ways that ensure the ecological integrity of these places for present and future generations. In addition to national parks, Parks Canada manages a system of national historic sites and a system of national marine conservation areas.

This audit looked at how well Parks Canada plans and manages selected ecological monitoring and restoration activities in 12 national parks and uses these activities to enhance public education and visitor experience. Parks Canada is required to report to Parliament on the state of Canada's national parks every two years. This audit examined the quality of the reports Parks Canada produced on the state of national parks in 1997, 1999, and 2001. We did not examine the 2003 report as it had not been released at the time of undertaking our audit.

Why it's important

Canada's national parks represent significant examples of Canada's natural heritage. National parks have benefited past and current generations and represent an important legacy to future generations. A variety of factors called "stressors" affect ecosystems, and more specifically, biodiversity and related processes in national parks. These stressors from both within and outside national parks range from overuse of parks by visitors to natural resource development along their borders. These stressors jeopardize the range of benefits Canadians get from national parks and the very reasons why they are valued.

Along with public education and partnerships, monitoring and restoration are important activities that Parks Canada uses to maintain and restore ecological integrity in national parks. Good monitoring of biodiversity, ecosystem health, and stressors provides information on the state of parks that is vital to good park management and public education. Good restoration programs, such as prescribed burning and recovery of species at risk, can help restore natural ecosystem processes in national parks and help reverse the loss of species and biodiversity.

What we found

- In the 12 parks we examined, significant issues in ecological integrity, including issues related to biodiversity, ecosystem functions, and stressors, are being addressed through monitoring and restoration activities, but gaps in coverage exist. We also found gaps in how these activities are planned and managed. For example, at the park level, the central planning document is the park management plan. However, in six of the twelve parks these plans are not up-to-date, and annual reports on the implementation of these plans are not being produced on a regular basis by all parks.
- Increasing understanding through public education is fundamental to maintaining and restoring ecological integrity. In this regard, objectives for enhancing public education through monitoring and restoration are lacking at the park level, and the results of monitoring and restoration projects are not used to full advantage in park-level communications materials.

- With new funding received in 2003 (\$75 million over five years and \$25 million annually thereafter), Parks Canada is implementing measures to improve monitoring and restoration and their use in enhancing public education and visitor experience. It is important that these measures be successful and consistently applied across individual parks. Good monitoring, restoration, and public education programs are essential for Parks Canada to meet its mandate of maintaining or restoring ecological integrity and fostering public awareness and enjoyment of national parks.
- The 1997 state of the parks report was relatively good in terms of setting baselines on the state of parks. However, the subsequent two reports did not make use of the potential offered by the 1997 report, making it difficult to determine how the state of parks has changed. Overall, these reports need to report more consistently on changes and trends in the state of parks over time. More information on the results of Parks Canada's actions is also needed.

Parks Canada has responded. Parks Canada has accepted our recommendations. Its responses, which follow the recommendations in the chapter, indicate the actions it intends to take.

Main Points—Chapter 3

Canadian Biodiversity Strategy

A Follow-Up Audit

What we examined

The Canadian Biodiversity Strategy was intended to be a framework for action to, among other things, conserve and sustainably use biological diversity or “biodiversity.” The strategy was endorsed in 1996 by federal, provincial, and territorial ministers. This follow-up audit is our third audit since 1998 of the federal government’s implementation of the strategy.

Why it’s important

Biological diversity—or biodiversity—refers to the variety of life in all its forms; it includes ecosystem diversity, species diversity, and genetic diversity. Biodiversity is essential to the health of the planet and the well-being of its inhabitants. It allows for and promotes healthy vegetation (including crops), clean air and clean water, and directly benefits Canadians’ health and economic prosperity. Biodiversity faces a number of threats, including loss of habitat, invasive species that threaten native species, and overexploitation of plants and animals. Canada has made domestic and international commitments to conserve and sustainably use this country’s biological diversity, using the Canadian Biodiversity Strategy as the basis for action.

What we found

- Overall, the federal government’s progress in implementing key aspects of the Canadian Biodiversity Strategy is unsatisfactory. Nearly 10 years after endorsement of the strategy, momentum has stalled on several fronts. Problems identified in our previous two audits of the strategy persist, and several commitments to deliver on biodiversity priority areas have not been met.
- The federal government still lacks a coherent plan for implementing the strategy, and while it has made implementation efforts, the government does not know how well these are meeting the strategy’s goals.
- Commitments to improve Canada’s capacity to understand its biodiversity and manage biodiversity information have not been fulfilled, despite numerous calls to improve these areas.
- There is no consolidated, comprehensive report on the state of biodiversity in Canada. While the government is working toward such reporting and reporting is taking place in various sectors, this is the third audit in which we have pointed out that there is no overall picture of the state of biodiversity in Canada or how it is changing over time. This lack of information limits the federal government’s ability to help conserve biodiversity, use it sustainably, and reduce its loss.

Environment Canada has responded. Environment Canada has accepted our recommendation and indicated the actions it intends to take to address the recommendation. Its detailed response follows the recommendation included in the chapter.

Main Points—Chapter 4

Safety of Drinking Water Federal Responsibilities

What we examined

In Canada, the responsibility for ensuring the safety of drinking water is shared. The provincial and territorial governments have the main legislative responsibility for regulating the provision of safe drinking water to the public. The federal government has responsibilities for the safety of drinking water provided in First Nations communities; at military bases, national parks, and federal facilities; and on transportation conveyances, such as passenger trains, aircraft, and cruise ships travelling between provinces and internationally. A related area under federal leadership is the development of the Guidelines for Canadian Drinking Water Quality.

This audit examined the process the federal government uses to develop the Guidelines for Canadian Drinking Water Quality. It also looked at whether the government is complying with its legal obligation under the *Canada Labour Code* to make sure the drinking water provided to its employees meets these guidelines. To do this, we assessed whether six key federal departments and agencies comply with requirements to test drinking water for bacteria, as this testing is critical to protect human health. In addition, we examined Health Canada's inspection of drinking water on transportation conveyances.

Chapter 5 of this Report focusses on drinking water in First Nations communities.

Why it's important

Federal responsibilities for drinking water can have an impact on millions of people, including employees and travellers. Safe drinking water is free of microbiological contaminants and contains chemical contaminants at levels that do not harm human health. Contaminated drinking water can have potentially dire consequences for public health, as became tragically evident in Walkerton, Ontario in 2000.

The Guidelines for Canadian Drinking Water Quality are important for protecting the health of Canadians because they set out the contaminants that every water system (public, semi-public, and private) should strive to eliminate or reduce to acceptable levels in order to provide the cleanest, safest, and most reliable supply of drinking water possible. The Guidelines establish acceptable limits on chemical, microbiological, physical, and radiological characteristics of potable water.

What we found

- To develop the Guidelines for Canadian Drinking Water Quality, Health Canada leads a process with the provinces and territories that is based on risk, science, consultation, and transparency. However, this process is consistently slow. It often takes five years or more to develop new guidelines or to review existing ones. In the 2002 Speech from the Throne, the government made a commitment to accelerate its work with the provinces on improving the Guidelines. Of 83 existing chemical and physical guidelines, about 50 may need to be updated to reflect current science. At the present pace, however, it could take at least 10 years to deal with this backlog. Should emerging contaminants be added to this list, the backlog could worsen.

- Although the six federal departments and agencies we looked at are all subject to the *Canada Labour Code*, they have different policies, procedures, and requirements for safe drinking water that vary from comprehensive to incomplete or unclear. The result is a mix of bacteriological testing regimes at the 35 sites we selected for our audit. Such a range of compliance with the Guidelines for Canadian Drinking Water Quality points to the lack of central guidance in areas of federal responsibility. At sites where bacteriological testing detected contamination, the responsible departments have taken remedial action.
- Under the Potable Water Regulations for Common Carriers, Health Canada has the obligation to inspect water quality on passenger trains, aircraft, and cruise ships. We found that the Department inspects potable water on cruise ships and trains but not on aircraft, due to funding issues. Therefore, Health Canada cannot assure the millions of Canadian travellers that potable water on aircraft is safe.
- The 2004 Federal Water Framework is a first step toward a coherent federal approach to dealing with water matters, including those related to human health. However, even though in 2003 the government declared water to be a sustainable development priority, the current status of the Federal Water Framework is unclear and its future is uncertain. Senior officials who prepared the Framework have not met for over a year, and the next steps for its use have not been clearly established.

The departments have responded. All the departments included in this audit agreed to our recommendations. All departments except one provided satisfactory responses describing future actions needed to address our recommendations. However, the response provided by Environment Canada on the Federal Water Framework does not fully address the specifics of our recommendation.

Main Points—Chapter 5

Drinking Water in First Nations Communities

What we examined

Indian and Northern Affairs Canada (INAC) and Health Canada provide funding and support to assist First Nations in making drinking water available to their communities. INAC covers the costs of designing, constructing, and repairing water systems as well as most operation and maintenance costs. Health Canada supports First Nations in the monitoring and testing of tap water to demonstrate that it is safe for drinking. Through funding arrangements, First Nations are responsible for the construction, upgrade, and day-to-day management of water systems. We examined whether the programs and funding of both departments have helped First Nations communities provide residents with access to drinking water comparable with that of other Canadians living in communities of a similar size and location. We visited six First Nations communities during this audit.

We also looked at how well the First Nations Water Management Strategy is being implemented. This five-year strategy was introduced in 2003 to substantially improve the quality and safety of drinking water on reserves.

Why it's important

Access to safe drinking water is vital to the health of all Canadians, including the approximately half million people living in some 600 First Nations. In 1995, Health Canada and INAC estimated that one quarter of the water systems in First Nations communities posed potential health and safety risks to the people they served. In 2001, INAC found a significant risk to the quality or safety of drinking water in three quarters of the systems. Between 1995 and 2003, the federal government spent about \$1.9 billion to help First Nations communities provide safe drinking water and wastewater services. In 2003, the government made drinking water safety in First Nations communities a priority and approved a budget of \$600 million over five years for the First Nations Water Management Strategy.

What we found

- When it comes to the safety of drinking water, residents of First Nations communities do not benefit from a level of protection comparable to that of people who live off reserves. This is partly because there are no laws and regulations governing the provision of drinking water in First Nations communities, unlike other communities. INAC and Health Canada attempt to ensure access to safe drinking water in First Nations communities through their policies, administrative guidelines, and funding arrangements with First Nations. This approach does not cover all the elements that would be found in a regulatory regime for drinking water, and it is not implemented consistently.
- Despite the hundreds of millions in federal funds invested, a significant proportion of drinking water systems in First Nations communities continue to deliver drinking water whose quality or safety is at risk. Although access to drinking water has improved, the design, construction, operation, and maintenance of many water systems is still deficient. Moreover, to a significant extent, the success of the First Nations Water Management Strategy depends on INAC and Health Canada addressing the management weaknesses we have noted.

- The technical help available to First Nations to support and develop their capacity to deliver safe drinking water is fragmented. Given that most First Nations communities have fewer than 500 residents, and that providing drinking water has become more complex, the development of institutions that can provide ongoing technical support is critical to a continuing supply of safe drinking water for these communities.

The departments have responded. Indian and Northern Affairs Canada and Health Canada have fully accepted all the recommendations, except for the one on implementation of a regulatory regime. Instead, the departments have stated that they will fully explore, in consultation with First Nations, the options and feasibility of a regulatory regime. The departments' responses are included in the chapter.

Main Points—Chapter 6

Green Procurement

What we examined

Green procurement involves buying goods and services that are less harmful to human health and the environment than competing products that serve the same purpose. We examined efforts to promote and support green procurement across the federal government, including guidance to departments on how to address green procurement in their sustainable development strategies. We also looked at the approach taken by eight departments and agencies in their strategies and the progress made on specific commitments by three departments.

Why it's important

The federal government is one of the largest purchasers of goods and services in Canada, spending a reported \$13 billion each year. This means that greening federal procurement can deliver substantial benefits. The government can significantly reduce the environmental burdens of its operations by buying goods that are energy efficient, for example, or that are produced without using or releasing toxic substances, or that are easily disassembled for reuse and recycling. Green procurement can also boost the availability of green products and services and stimulate innovation, in line with the government's promotion of sustainability as a key to Canada's competitiveness.

Recognizing these benefits, the federal government has made numerous commitments to green its procurement, dating back to 1992. Several recent developments, such as the government's decision to increase central management of procurement, provide new opportunities to take effective action.

Significant progress on green procurement requires clear government-wide direction on what is expected, who is accountable, and how progress will be measured, as well as practical support through expert advice and training. Progress also depends on clear commitments and follow-through by individual departments.

What we found

- Important progress on greening procurement is possible, as shown by initiatives both within and outside the federal government. Yet after more than a decade of promises, the federal government is still not using the potential of green procurement as a tool to achieve sustainable development objectives.
- Central direction on green procurement is missing. Instructions to develop a government-wide approach to green procurement were first given in 1994, but there is still no federal strategy or policy. In the 2004 Speech from the Throne, the government recommitted to develop and implement a government-wide green procurement policy by 2006. But this requires considerable work, and no full-time personnel have been dedicated to it.
- Some of the key federal documents on the roles and responsibilities of buyers and suppliers do not address green procurement. Similarly, the federal government has not effectively used sustainable development strategies as a way of advancing green procurement.
- There is currently no credible basis to assess government-wide progress on green procurement.

- Public Works and Government Services Canada (PWGSC), the department with the most significant government-wide procurement responsibilities, has taken some initiatives to raise awareness about green procurement. But it has not made significant progress in greening the procurement services it offers to federal departments and agencies. For example, PWGSC's standing offers are used by departments and agencies for routine purchasing of common goods and services. But fewer than two percent of the standing offers on PWGSC's Web-based index are designated as green.

Public Works and Government Services has responded, on behalf of the responsible departments and agencies. It has agreed with the recommendations. Its consolidated response, including the actions it plans to take, can be found at the end of the chapter.

Main Points—Chapter 7

Sustainable Development Strategies

What we examined

Every three years, many federal departments and agencies (currently over 30) are required to submit a sustainable development strategy to Parliament. We examined whether the government gave adequate government-wide direction on preparing their 2004 strategies. We looked at the work of a committee of deputy ministers that the Privy Council Office had tasked to provide that direction and at how well selected departments have incorporated the direction into their strategies.

We assessed how well the 2004 strategies met selected expectations from the Commissioner's March 2003 *Sustainable Development Strategies—Making a Difference*, which the government had endorsed. We also assessed actions by nine departments to implement 10 commitments they had made in their 2001 and 2004 strategies (other commitments are discussed in chapters 1, 4, and 6 of this Report). And we report on the federal government's actions to implement six international commitments it made at the 2002 World Summit on Sustainable Development in Johannesburg.

Why it's important

Sustainable development is based on the efficient and environmentally responsible use of natural, human, and economic resources. This includes sustaining our natural resources, protecting the health of Canadians and ecosystems, and improving our quality of life and well-being.

The government has said that departments' strategies are an important tool for advancing its sustainable development agenda. They set out specific commitments for departments, and Parliament can hold ministers accountable for how well their departments meet the commitments. The government has committed over the years to develop a federal sustainable development strategy that would help ensure good co-ordination among departmental strategies.

What we found

- **Government-wide direction.** The committee of deputy ministers responsible for overseeing sustainable development strategies could not agree on priorities for the 2004 strategies, leaving departments with little approved direction on how to co-ordinate their strategies. Nor did the committee develop the promised federal strategy; so Canadians and Parliament have no clear idea of the government's overall plan for sustainable development, how it will carry out the plan, and what progress it has made. Furthermore, for over a year there have been no significant efforts to provide direction for the next strategies, due in December 2006. During this critical time, the committee of deputy ministers ceased activities.
- **Quality of the 2004 strategies.** While the overall quality of strategies has improved somewhat since 2001, the quality of the 2004 strategies still varies widely. Every strategy has room for improvement.
- **Action on strategy commitments.** With one exception, departments have made some progress, if not satisfactory progress, toward meeting the 10 strategy commitments we looked at, many of which are only

first steps toward sustainability. The exception is Transport Canada's lack of progress in identifying discharges of effluent and waste at major Canadian ports. Consequently, the discharges at the 19 Canada Port Authorities have not been determined. Depending on the quantities released, sewage effluent and other chemical discharges can negatively affect aquatic ecosystems and human health.

- **Action on international commitments.** The government still does not have an action plan for its 2002 World Summit commitments. The federal government risks not meeting three of the six commitments we examined because progress is slow in some areas and there is no information on progress in others.

The departments have responded. The Privy Council Office and Environment Canada have responded to our recommendations. The actions they are taking or plan to take are set out after each recommendation in the chapter.

Main Points—Chapter 8

Environmental Petitions

What we examined

This is the annual report of the Commissioner of the Environment and Sustainable Development to Parliament on the environmental petitions process as required by the *Auditor General Act*. It reports on new petitions received between 1 July 2004 and 30 June 2005.

We audited selected responses to previous environmental petitions to determine whether action had been taken by Natural Resources Canada to update the *Nuclear Liability Act*, by Environment Canada to establish guidelines for designating a species at risk, and by Agriculture and Agri-Food Canada and Environment Canada to reduce the environmental impacts of hog farming.

Why it's important

The environmental petitions process allows Canadians to formally present their concerns about environmental issues to federal ministers and obtain a response. The process allows both citizens and organizations to ask that ministers investigate environmental problems, explain federal policy, or examine the enforcement of environmental legislation.

Petitions have resulted in commitments by ministers and action by departments on environmental issues. For the petitions process to work effectively for Canadians, petitioners need to clearly present the issues and questions that concern them and make sure their facts are correct. Departments must respond to petitions within 120 days and ensure that the responses clearly address all issues raised in the petitions.

Monitoring and auditing petition responses allows us to further examine issues that Canadians have raised and that may not have otherwise been brought to our attention. Through these audits, we assess whether federal ministers are meeting commitments to act on issues raised in petitions.

What we found

- **Report on petitions process.** Statements and commitments made by federal ministers address important issues raised by Canadians through the petitions process. However, in those responses we audited this year, we found that progress on addressing the issues has been slow.
- **Insurance for nuclear operators.** In his response to two petitions, the Minister of Natural Resources committed to updating the *Nuclear Liability Act* to increase the mandatory amount of insurance carried by operators of nuclear facilities to compensate those who may suffer injury or damage in the event of an accident. However, the Act has not yet been revised. As a result, insurance coverage in Canada remains at a level established almost 30 years ago and is considerably lower than the coverage in other major industrialized nations.
- **Guidelines for listing species at risk.** The *Species at Risk Act* was introduced in 2002 to protect and recover species at risk. In response to a petition, the Minister of the Environment committed to establishing guidelines for deciding which species to protect by designating them at risk. Environment Canada has indicated that these guidelines will not be in place until 2006. In the meantime, decisions

are being made without the benefit of guidelines intended to make the government's decision-making process more consistent and transparent.

- **Impacts of hog farming.** As a result of two petitions, we audited actions by Agriculture and Agri-Food Canada and Environment Canada to reduce the environmental impacts of hog farming. We found that the departments do not know if their programs and activities are reducing those impacts. For example, Environment Canada cannot yet demonstrate that its efforts have increased compliance with the pollution prevention provisions of the *Fisheries Act*. Agriculture and Agri-Food Canada has yet to clarify its strategic approach to address the environmental impacts of hog farming. Although the Department has made progress in measuring the impacts of agriculture on the environment, it is not effectively communicating or monitoring the implementation of its beneficial management practices for hog farming.

The departments have responded. Agriculture and Agri-Food Canada, Environment Canada, and Natural Resources Canada have accepted our recommendations. Their responses, which follow the recommendations in the chapter, indicate the actions departments will take and when they will be undertaken.

Report of the Commissioner of the Environment and Sustainable Development to the House of Commons—2005

Main Table of Contents

The Commissioner's Perspective—2005

- Chapter 1** Fisheries and Oceans Canada—Canada's Oceans Management Strategy
- Chapter 2** Ecological Integrity in Canada's National Parks
- Chapter 3** Canadian Biodiversity Strategy: A Follow-Up Audit
- Chapter 4** Safety of Drinking Water: Federal Responsibilities
- Chapter 5** Drinking Water in First Nations Communities
- Chapter 6** Green Procurement
- Chapter 7** Sustainable Development Strategies
- Chapter 8** Environmental Petitions

