

Response

The Ministry of Energy and Mines (MEM) and Ministry of Environment (ENV) acknowledge receipt of the Auditor General's Report: An Audit of Compliance and Enforcement of the Mining Sector (Audit Report). Government wishes to thank the Auditor General for undertaking the audit and her staff for their efforts.

We note there are areas of agreement between the Audit Report's 16 sub-recommendations and the combined 26 recommendations by the Mount Polley Independent Expert Engineering Investigation and Review Panel (Expert Panel) and the regulatory investigation of the Chief Inspector of Mines. Government has accepted all of the recommendations put forward by the Expert Panel and Chief Inspector of Mines and implementation is well underway.

We accept the majority of the recommendations in the Audit Report; however, there are five points where we feel obliged to share our perspective for the public record.

Appropriate Standards

There is a lack of clarity in the Audit Report on what the operational effectiveness of the compliance and enforcement programs should be measured against. Often the measure or standard of expected performance stated in the Audit Report is unclear and/or unsupported by reference to an identified, established authority, such as the legislation and regulation that guides the actions of C&E staff in both ministries. This concern applies at various points in the Audit Report, with the Report's general reference to the Organisation for Economic Co-operation and Development or the International Network for Environmental Compliance and Enforcement rather than the laws of BC, the stated objectives of the Ministries, or Canadian industry standards.

As a specific example in relation to Mount Polley, the Province is criticized for adopting the Canadian Dam Association's (CDA) Dam Safety Guidelines which, the audit report states, "resulted in a tailings dam that was built below generally accepted standards for tailings dams." Not only do we disagree with this assertion of opinion, the CDA guidelines are in fact professionally recognized guidelines that are used throughout Canada by geotechnical engineers. Whether the guidelines could be improved is a separate question, one which the CDA is currently reviewing. Further, the Minister of Energy and Mines has struck a committee that is tasked with reviewing the Health, Safety and Reclamation Code for Mines in BC to determine whether and in what ways requirements may appropriately be improved or clarified.

Professional Public Servants

The Audit Report suggests that professional public servants are unable to differentiate between mandate components or that they are unwilling to enforce existing regulations. The Audit Report contains no factual evidence that the current ministry structure results in any such risk, or in a mind-set of acquiescence on the part of staff involved. The Report lists a number of indicators of potential risk of regulatory capture. But there is nothing whatsoever in the Report to suggest any actual causal linkage. Specifically, there is no evidence that decisions were made at Mount Polley, in relation to the Elk Valley, or anywhere else to ease or enhance the position of the mining companies involved.

We do not accept that mere appearances are sufficient to warrant the act of removing compliance and enforcement from MEM. No one is more aware of the need to find the appropriate balance between promotion and regulation of mining in ministry decision-making than those who are asked to do so on a daily basis. It is the legislative framework in BC that drives compliance and enforcement activities not the organizational structure.

Disclosure of Information

The Audit Report implies that the Ministries failed in their duty to disclose information regarding decisions on mining operations.

In the instance of Mount Polley, there was no breach of any duty to disclose information to the public or to the Legislature. The Information and Privacy Commissioner recently ruled that there was **no** failure by MEM to meet the disclosure requirements of section 25 of the *Freedom of Information and Protection of Privacy Act* in relation to environmental risk at Mount Polley.

With respect to the permitting of mining operations in the Elk Valley, there was also no breach of any duty on the part of ENV and no failure on the part of Cabinet to disclose information to the public or to the Legislature. Before addressing that point, it may be of assistance for the government to set out the decision making process that did occur, the extensive consultations that were undertaken, and to clarify the legal authority under which decisions were made.

As the Audit Report notes, mining in this area has been going on for more than 100 years and over the past 20 years, ENV has been monitoring the health of the watershed with increasing concern. Emerging science began to indicate the potential effects of selenium and other water quality parameters in the Elk Valley watershed, including Fording River, Elk River and

Lake Koocanusa. With ENV staff bringing these issues to the attention of the Minister of Environment, the Minister used powers under the *Environmental Management Act* to issue an Order requiring the mining operator to immediately begin to stabilize and reverse the water quality trends.

The Order required the development of an Area Based Management Plan (ABMP) which meets specific environmental objectives and outcomes such as protection of aquatic ecosystems, protection of human health and protection of groundwater. The ABMP also sets out short, medium and long-term water quality targets. The ABMP lays out a schedule for the installation of nine active water treatment plants over the next 18 years. The long-term targets consider: 1) current contaminant concentrations, 2) current and emerging economically achievable treatment technologies, 3) sustained balance of environmental, economic and social costs and benefits, and 4) current and emerging science regarding the fate and effects of contaminants.

Substantial public and stakeholder consultations were undertaken during the development of the ABMP and after permits were granted, various news releases and media interviews by ministers set out for the general public the nature of government decisions. The ABMP was developed by a technical advisory committee with representatives from the mining operator, the local environmental group (Wildsight), the Province, Government of Canada, U.S. Government, the State of Montana, the Ktunaxa Nation, and an independent scientist from UBC. Parallel to the technical advisory committee work, the Province was engaged in a government-to-government process to ensure the Ktunaxa Nation's interests and concerns were addressed. The Ktunaxa Nation Council's public support for the ABMP and the subsequent Elk Valley permit is a reflection of the commitment of the Province, the Ktunaxa Nation and the mining operator to see water quality levels stabilize and improve.

In November 2014, the Minister of Environment approved the ABMP which became policy for the ministry statutory decision maker to consider when making permitting decisions in the Elk Valley. The comprehensive Valley permit, subsequently issued by the ministry statutory decision maker, authorizes water quality discharges and sets legal requirements for the mining company to install nine treatment plants and to implement widespread monitoring to ensure water quality trends are stabilizing and reversing. A tangible result of this unprecedented effort in problem solving and public and First Nations consultation is the recent announcement of the completion of the commissioning phase of the first treatment plant. The recognition of the ministry's efforts to effectively and responsibly address a historically generated water quality problem while balancing economic, social, cultural and environmental interests was not addressed in the Audit Report.

The Audit Report criticized Cabinet for approving the Line Creek Expansion Permit via an Order-in-Council (OIC) in 2013 on the grounds that the rationale for the decision was not publicly disclosed. Decisions, when they are issued in the form of OICs such as this one, are always published on the BC Laws website. Furthermore, section 137 of the *Environmental Management Act* specifically outlines what factors Cabinet may consider. These considerations extend to factors such as social and economic needs and whether it is in the public interest to ensure a functioning industry so that longer term investments can continue to be made in areas such as research and development and water treatment technologies.

Audit Scope

The fourth point relates to audit planning decisions as to what was properly within or outside the audit scope.

For example, it is difficult for us to understand why, in a case study examining permitting in the Elk Valley in detail, the Audit Report failed to record the concerted efforts that ENV has undertaken in order to ensure these permits are complied with. After the Minister of Environment approved the ABMP in 2014, the ministry statutory decision maker approved a valley-wide permit for Teck Coal Limited that specified the regulatory requirements for reducing selenium levels. Permit requirements will bend down the curve of growth in selenium levels in Lake Koocanusa by requiring additional investment in water diversion and treatment facilities over the next two decades. The Audit Report does not comment on the extensive efforts by the ministry to ensure that Teck Coal Limited complies with these regulatory requirements. For instance, in 2014, ENV created a dedicated management position supported by two technical officers to oversee Teck Coal Limited. A compliance plan has been developed that specifies a schedule of inspection frequency and water sampling. The amount of resources and effort that has been focused on compliance of these five particular mines is significant and the ministry has no intention of reducing that attention.

We also wonder why, in examining whether compliance and enforcement activities of the mining sector are protecting the Province from significant environmental risk, the Audit Report did not consider the key role played by the Environmental Assessment Office (EAO) in upholding the *Environmental Assessment Act*. Many of the mines in British Columbia (new and expansions) have been subject to the Environmental Assessment process and received environmental assessment certificates with legally binding requirements. Permitting by MEM and ENV happens subsequent to that environmental review process. Additionally, the EAO has its own compliance and enforcement program, which includes oversight of mines and functions complementarily to MEM and ENV. The Auditor General recently reviewed EAO's progress in addressing the recommendations from the 2011 audit on the EAO's oversight of major projects. In that

follow-up, the Auditor General acknowledged significant improvements in oversight of environmental assessments projects, including mines.

Mount Polley

The Audit Report contains the inference that MEM might have been able to, through proper exercise of their regulatory powers, act to prevent the dam failure at Mount Polley. The Audit opinion is contrary to the Expert Panel finding of cause and is not reflective of the regulatory regime in place at the time. Specifically:

The Panel found that inspections of the TSF would not have prevented failure and that the regulatory staff are well qualified to perform their responsibilities. The Panel found that the performance of the Regulator was as expected.

It is important to understand that mine design, at Mount Polley just as at mines around the world, is not static and evolves throughout the life of operation. This is appropriate engineering practice. Operating mines evolve their designs over time regularly, all with the approval of licensed engineers. Starting in 1995, there were nine design stages over the life of the Tailings Storage Facility (TSF) at Mount Polley. All stages, including the design stage in place at the time of the breach had been approved by the design engineer. Each stage of construction was certified by the Engineer of Record (EOR) in the as-built reports. MEM authorized permit amendments for each stage of the TSF. The failure of the TSF was not a compliance and enforcement issue.

It is also important for the reader to understand the difference in design, actions and recommendations for each of the three embankments: Perimeter Embankment, Main Embankment, and South Embankment. Specifically, the Audit Report seems to suggest that items identified by both the EOR and ministry staff at the Main Embankment can be translated, or are somehow related, to the failure of the Perimeter Embankment. Such inferences are not supported by facts or engineering and do not offer supporting evidence that the breach of the Perimeter Embankment was somehow preventable through compliance and enforcement actions.

The Ministry appreciates that the purpose and process of the audit may have been different than those of the Expert Panel and the regulatory investigation of the Chief Inspector of Mines. We are nonetheless concerned about the different findings on fundamental facts that have come out of these processes. The Expert Panel, which was empowered in its Terms of Reference to examine any matters it deemed necessary, including the “regulatory oversight by the Ministry of Energy and Mines and the Ministry of Environment” and “to comment on what actions could

have been taken to prevent this failure and to identify practices or successes in other jurisdictions that could be considered for implementation in BC” concluded:

The Panel finds that the MEM Geotechnical Staff and the Contract Inspectors are well qualified to perform their responsibilities. The team is well organized and has clear targets and schedules for annual inspections. The Panel considers the technical qualifications of the MEM Geotechnical Staff as among the best that it has encountered among agencies with similar duties.

The Panel further concluded:

Additional inspections of the TSF would not have prevented the failure.

Similarly, the extensive investigation by the Chief Inspector of Mines, which considered over 100,000 pages of documents and hundreds of hours of interviews, did not find that the company breached its obligations under the *Mines Act*, the Health, Safety and Reclamation Code for Mines in British Columbia, its permit conditions or any orders to prosecute. This is the regulatory framework that governs the Ministry’s compliance and enforcement actions. We of course await the results of the Ministry of Environment's investigation of potential breaches of its legislation.

The Audit Report states that “government has adopted an approach to reduce the regulatory burden on industry.” The public relies on Qualified Professionals in many areas. Examples of qualified professionals include architects, accountants, lawyers, physicians, pharmacists and engineers. In each case, the qualified professionals are regulated by their respective governing body or association to ensure members meet their association’s standards of conduct or code of ethics. If qualified professionals do not adhere to these standards or codes, then the associations are responsible for disciplinary actions. This is the system that holds professional engineers accountable across Canada. The OAG concern about over-reliance on qualified professionals is a criticism of professional bodies’ ability to regulate their professions.

Furthermore, the Audit Report’s assertion that there is over-reliance on qualified professionals is not substantiated in the context of mining. Reliance on engineers and other qualified professionals in the mining industry has been a fact of life in British Columbia for decades. The long standing model used in engineering throughout the world relies on professional engineers to prepare and seal designs; government then reviews these plans. Through legislation like the *Engineers and Geoscientists Act*, government has created technical bodies to formalize accountability and protect the public interest.

Just as the original design for the Mount Polley TSF was prepared and signed by a Professional Engineer in 1995 and then reviewed by government staff, this was the same for subsequent lifts. In fact, the Expert Panel found:

MEM geotechnical engineers addressed significant issues during the reviews and inspections of the Mount Polley TSF. They had insightful questions for the designers at many instances during their review of the design documents, as noted above. The EOR responded to these questions based on their observations and understanding of site conditions. The EOR is responsible for the overall performance of the structure as well as the interpretation of site conditions. The Regulator has to rely on the expertise and the professionalism of the EOR as the Regulator is not the designer.

Both the Expert Panel and the CIM investigation concluded that the fundamental cause of the Mount Polley failure was the lack of appropriate subsurface site characterization when the dam was designed and built. We respectfully point out that this was not a question of the number of ministry staff on the ground, the number of inspections performed, or an increase in professional reliance since.

In conducting the Mount Polley case study, the audit team – quite understandably – augmented their own knowledge of environmental principles, geotechnical engineering and regulatory law. They did so by consulting a panel of subject matter experts, comprising an environmental academic, environmental lawyer, engineer and a former employee. We understand this to be consistent with normal audit practice.

However, proceeding in that manner did not give the Ministries the opportunity to know who was on the panel, what data the panel may have considered on specific points, what opinions they might have offered, or to challenge the thinking of panel members with additional engineering evidence and/or competing legal or scholarly opinions.

Government wishes to thank the Auditor General for undertaking the audit and her staff for their efforts. In particular, we appreciate the extended processes by which the Audit Team allowed the Ministries to raise and discuss factual and legal concerns arising in connection with successive drafts of the Audit Report.

The Audit Team responded to many of our concerns, but points of disagreement remained which we believed could not be left unanswered. While we do not accept that the Ministries have been deficient in protecting the environment, or the recommendation to reorganize the compliance and enforcement programs within a separate agency, we do believe the 16 sub-recommendations provide meaningful and constructive guidance that will complement current initiatives already underway.

Part 1: Recommendations for Government

<p>Recommendation 1.0 – Overall Recommendation</p> <p>We recommend that the Government of British Columbia create an integrated and independent compliance and enforcement unit for mining activities, with a mandate to ensure the protection of the environment. Given that the Ministry of Energy and Mines is at high risk of regulatory capture, primarily because MEM’s mandate includes a responsibility to both promote and regulate mining, our expectation is that this new unit would not reside within this ministry.</p>	<p>Response:</p> <p>It is the legislative framework in BC that drives compliance and enforcement activities not the organizational structure. Many provincial governments across Canada have agencies and ministries with the role of promoting and regulating an industry. In the absence of evidence by the Auditor General that this has compromised the integrity of the ministry or its staff, Government does not see the need for a reorganization of the ministries, however we are prepared to further discuss this with the OAG. Government will establish a Mining C&E Board that will address the need for greater integration between the ministries, as well as with the Environmental Assessment Office.</p>
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Part 2: Recommendations for Ministry of Energy and Mines and Ministry of Environment

<p>Recommendation 1.1 – Strategic Planning</p> <p>We recommend that government develop a strategic plan that would detail the activities of an integrated and coordinated regulatory approach, and the necessary capacity, tools, training and expertise required to achieve its goals and objectives.</p>	<p>Response:</p> <p>A Mining C&E Board will be established to oversee an integrated and coordinated regulatory approach to mining in the Province of B.C. The Board will be accountable to the Deputy Minister of Energy and Mines, the Deputy Minister of Environment and the Associate Deputy Minister of the Environmental Assessment Office.</p> <p>The Board will develop compliance and enforcement plans to map out proactive annual activities based on a risk-based approach. The board will also be responsible for furthering longer term strategic improvements in other areas such as: enhancing training; developing policies, procedures and tools; conducting evaluations; and expanding public reporting.</p> <p>MEM will appoint a new Deputy Chief Inspector of Mines for compliance and enforcement to oversee and implement improved C&E.</p>
<p>Recommendation 1.2 – Permit Language</p> <p>We recommend that government ensure both historical and current permit requirements are written with enforceable language.</p>	<p>Response:</p> <p>The ministries agree that permits must be written with measureable and enforceable requirements. Both ministries will develop policy to ensure enforceable and measurable requirements are used in all new and amended permits.</p>

<p>Recommendation 1.9 – Incentives</p> <p>We recommend that government create effective incentives to promote environmentally responsible behavior by industry.</p>	<p>Response:</p> <p>The ministries agree that it is useful to consider incentives as part of the compliance and enforcement regime governing mines and will continue to consider additional opportunities to recognize and reward good environmental performers. Furthermore, it is expected that expanded public reporting of compliance and enforcement activities will serve as a very effective incentive for promoting environmentally responsible behaviour.</p>
<p>Recommendation 1.10 – Risk-Based Approach</p> <p>We recommend that government develop a risk-based approach to compliance verification activities, where frequency of inspections are based on risks such as industry’s non-compliance record, industry’s financial state, and industry’s activities (e.g., expansion), as well as risks related to seasonal variations.</p>	<p>Response:</p> <p>Compliance verification activities conducted by the ministries are founded on a risk-based approach; however, the ministries commit to review policies in this regard.</p> <p>The annual compliance and enforcement planning that will take place at the Mining C&E Board, established under recommendation 1.1, will also be risk-based to optimize the capacity and effectiveness of the ministries’ collective compliance and enforcement resources.</p>
<p>Recommendation 1.12 – Qualified Professionals</p> <p>We recommend that government establish policies and procedures for the use and oversight of qualified professionals (QP) across the natural resources sector. These policies and procedures should have the following:</p> <ul style="list-style-type: none"> • guidance for staff that outlines the specific nature and amount of oversight expected of a QP’s work • guidance for staff as to expected timeframe for review and response to QP reports • updated guidance for staff for recognizing and responding to misconduct by a QP • controls in place to ensure that there is no undue influence on the QPs by industry • controls in place to ensure that recommendations by QPs are adhered to 	<p>Response:</p> <p>MEM’s efforts are guided by the <i>Mines Act</i> and the Health, Safety and Reclamation Code for Mines in British Columbia. In particular, the Code Review currently underway is considering specific matters such as the need for a qualified individual designated as a mine dam safety manager to oversee all work associated with a tailings storage facility and will clarify the roles and responsibilities of the Engineer of Record at a mine.</p> <p>The Mining C&E Board, established under recommendation 1.1, will consider how MoE and MEM can strengthen the use and oversight of qualified professionals in the mining sector specifically.</p> <p>The Ministry of Forests, Lands and Natural Resource Operations has established a Qualified Persons in the Natural Resource Sector Framework. This framework guides the development and implementation of Qualified Persons policies and procedures specifically for the mining sector. The framework is based on the three essential components of guidance, competency and accountability and ensures the interests of government, resource users, qualified persons and other stakeholders are recognized and addressed.</p>

<p>Recommendation 1.14 – Policies, Procedures and Tools</p> <p>We recommend that government develop policies, procedures and enforcement tools for responding to non-compliances when industry does not meet government’s specified timeline.</p>	<p>Response:</p> <p>The ministries agree on the importance of clear policies, procedures and tools to aid in their compliance and enforcement activities. The ministries will review these in light of the recommendations. The establishment of the Mining C&E Board, under recommendation 1.1, will serve to further inter-ministry collaboration and sharing of best practices.</p> <p>Government will also introduce amendments to the <i>Mines Act</i> to provide for Administrative Monetary Penalties in the spring 2016 legislative session.</p>
<p>Recommendation 1.15 – Evaluation and Adjustment</p> <p>We recommend government regularly evaluate the effectiveness of its compliance promotion, compliance verification, and enforcement activities and tools, and make changes as needed to ensure continuous improvement.</p>	<p>Response:</p> <p>Annual compliance and enforcement planning and reporting will provide a means to evaluate the effectiveness of the program, to ensure ongoing improved targeting of areas of concern and recognition of strong performers. The ministries will address this recommendation through the establishment of a Mining C&E Board under recommendation 1.1.</p>
<p>Recommendation 1.16 – Public Reporting</p> <p>We recommend that government report publicly the:</p> <ul style="list-style-type: none"> • results and trends of all mining compliance and enforcement activities • effectiveness of compliance and enforcement activities in reducing risks and protecting the environment • estimated liability and the security held for each mine. 	<p>Response:</p> <p>The ministries support public reporting and have been making progress in this area. The Ministry of Environment has been reporting its enforcement actions for many years through published reports and an online searchable database. It reports all of its enforcement actions including orders, administrative sanctions, administrative monetary penalties, violation tickets and court prosecutions. The ministry will work with Ministry of Energy and Mines to explore including their enforcement actions in the reporting.</p> <p>In 2012, the Ministry of Environment published all of its permits for industrial and municipal facilities that discharge waste into the environment, including mines. This dataset provides the opportunity for citizens to access province-wide data on those facilities, including information on fees, locations and discharges.</p> <p>The Ministry of Energy and Mines published all dam safety inspections, emergency response plans and related documents online in 2015. The ministry will continue to publish further documents for all major mines in British Columbia.</p> <p>The ministries will report on trends and effectiveness of C&E in the mining sector.</p>

Part 3: Recommendations for Ministry of Energy and Mines

<p>Recommendation 1.3 – Security – Adequate Coverage</p> <p>We recommend that government safeguard taxpayers by ensuring the reclamation liability estimate is accurate and that the security held by government is sufficient to cover potential costs.</p>	<p>Response:</p> <p>As seen in the 2014 Chief Inspector’s Annual Report, “In the past few years, the value of security deposits has increased to reflect more closely the true costs of reclamation. The total value of securities held by the Province has risen from \$10 million in 1984 to more than \$773 million by the end of 2014.”</p>
<p>Recommendation 1.4 – Security – Catastrophic Events</p> <p>We recommend that government review its security mechanisms to ensure taxpayers are safeguarded from the costs of an environmental disaster.</p>	<p>Response:</p> <p>Environmental disasters, like the one seen as a result of the Mount Polley tailing facility breach, can result in damage both on and off a mine site. It is the responsibility of the mine operator to ensure sufficient environmental liability insurance is held to meet the risk of such disasters.</p> <p>The <i>Environmental Management Act</i> contains authority for spill response actions and cost recovery to require persons in possession or control of any polluting substance to prepare contingency plans and to implement those plans at their expense in the event of a spill. The Act also provides for the recovery of costs should action to respond to a spill be declared by the Minister.</p> <p>This Act is being amended to proactively require potential polluters to pay into a spill preparedness and response organization. These amendments are due for introduction to the Legislature this year.</p>
<p>Recommendation 1.8 – Reclamation Guidance</p> <p>We recommend that government develop clear and comprehensive reclamation guidance for industry.</p>	<p>Response:</p> <p>Internal work has begun on developing additional guidance materials on a range of reclamation aspects, including erosion and sediment control plans, closure management manuals, reclamation security, etc.</p>
<p>Recommendation 1.11 – Systematic Compliance Verification</p> <p>We recommend that government systematically monitor and record compliance with high-risk mine permit requirements.</p>	<p>Response:</p> <p>As with Recommendation 1.10 above, a risk-based approach to compliance and enforcement workforce planning will uncover poor performers for closer scrutiny.</p>

<p>Recommendation 1.13 – Mine Design We recommend that government adopt appropriate standards, review mine designs to ensure that they meet these standards, and ensure that mines, as constructed, reflect the approved design and standards.</p>	<p>Response: This recommendation is presented at the conclusion of the Audit Report section on the Mount Polley TSF breach.</p> <p>There had been nine design stages over the life of the TSF at Mount Polley Mine. All stages, including the design stage in place at the time of the breach had been prepared by the design engineer; a qualified professional. MEM reviewed and authorized permit amendments for each stage of the TSF. Each stage of construction was certified by the Engineer of Record in the as-built reports. The failure of the TSF was not an enforcement issue.</p> <p>Through legislation like the <i>Engineers and Geoscientists Act</i>, government has created technical bodies to formalize accountability and protect the public interest. As appropriate in their role, in response to the Expert Panel findings on Mount Polley the Association of Professional Engineers and Geoscientists BC is developing professional practice guidelines for dam site characterization assessments. Government is also undertaking a review of the Mining Code with labour, First Nations and industry representatives to determine how best to implement the expert panel findings.</p>
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Part 4: Recommendations for Ministry of Environment

<p>Recommendation 1.5 – Environmental Management Act Waste Discharge Fees We recommend that government review its fees under the <i>Environmental Management Act</i> and ensure that the fees are effective in reducing pollution at mine sites.</p>	<p>Response: The Ministry of Environment is committed to reviewing the fee structure for waste discharges under the <i>Environmental Management Act</i>. Work has already been initiated to assess current fees, as well as conduct a cross-jurisdictional scan of fees imposed by other provinces and territories.</p>
<p>Recommendation 1.6 – Cost Recovery We recommend that government adopt a cost recovery model for permitting and compliance verification activities that is consistent across all ministries in the natural resources sector.</p>	<p>Response: The Ministry of Environment recognizes that other natural resource sector ministries, including the Environmental Assessment Office, have begun imposing fees on industry for permitting and compliance verification activities. The ministry will be examining the imposition of fees for these activities.</p> <p>Effective April 1, 2015 permit fees were introduced under the <i>Mines Act</i> and the existing inspection fees were raised. This enabled a budget increase of approx. \$9.3M to the Ministry of Energy and Mines in Budget 2016.</p>

<p>Recommendation 1.7 – Decision Making – Use of section 137 of the <i>Environmental Management Act</i></p> <p>We recommend that government publically disclose its rationale for granting a permit under section 137 of the <i>Environmental Management Act</i>. Specifically, information should include how factors such as economic, environmental, and social attributes were considered in the determination of public interest.</p>	<p>Response:</p> <p>As provided for in Section 137 of the <i>Environmental Management Act</i>, Cabinet may consider factors that are in the public interest and beyond those that a ministry director may consider. Discussions underlying the approval of an OIC are a matter of Cabinet confidentiality. However, the results of Cabinet decisions, when they are issued in the form of OICs, are published on the BC Laws website.</p>
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