



Legislative Assembly of Alberta

The 28th Legislature
Third Session

Standing Committee
on
Public Accounts

Environment and Sustainable Resource Development

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Third Session**

Standing Committee on Public Accounts

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Young, Steve, Edmonton-Riverview (PC), Deputy Chair

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* substitution for Fred Horne

Also in Attendance

Stier, Pat, Livingstone-Macleod (W)

Office of the Auditor General Participants

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Eric Leonty	Assistant Auditor General

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Standing Committee on Public Accounts

Participants

Ministry of Environment and Sustainable Resource Development

Hon. Kyle Fawcett, Minister

Tom Davis, Assistant Deputy Minister, Corporate Services

Shannon Flint, Assistant Deputy Minister, Policy

Bill Werry, Deputy Minister

8:32 a.m.

Tuesday, March 17, 2015

[Mr. Saskiw in the chair]

The Chair: Awesome, guys. We have a lot to cover here, so we'll get started right away. Good morning. I'd like to call this meeting of the Standing Committee on Public Accounts to order. I'd like to welcome everyone in attendance. My name is Shayne Saskiw. I'm the committee chair, and I'm the MLA for Lac La Biche-St. Paul-Two Hills.

We'll start by going around the table to introduce ourselves, beginning on my right with our deputy chair. Just please indicate if you are sitting in on the committee as a substitute for another member.

Mr. Young: Good morning. Steve Young, MLA for Edmonton-Riverview.

Mr. Allen: Good morning. Mike Allen, the MLA for Fort McMurray-Wood Buffalo.

Mr. Donovan: Good morning. Ian Donovan, MLA for Little Bow.

Mr. Bilous: Good morning. Deron Bilous, MLA, Edmonton-Beverly-Clareview.

Mr. Jeneroux: Good morning. Matt Jeneroux, MLA, Edmonton-South West.

Mr. Anglin: Good morning. Joe Anglin, MLA for Rimbey-Rocky Mountain House-Sundre.

Mr. Davis: Good morning. Tom Davis, assistant deputy minister, corporate services division, ESRD.

Mr. Fawcett: Good morning. Kyle Fawcett, Minister of ESRD.

Mr. Werry: Good morning. Bill Werry, Deputy Minister of ESRD.

Ms Flint: Shannon Flint, policy and planning, ESRD.

Mr. Leonty: Morning. Eric Leonty, Assistant Auditor General.

Mr. Saher: Merwan Saher, Auditor General.

Mrs. Sarich: Good morning and welcome. Janice Sarich, MLA, Edmonton-Decore.

Mr. Stier: Good morning. Pat Stier, MLA, Livingstone-Macleod.

Mr. Cao: Wayne Cao, MLA for Calgary-Fort, sitting in for MLA Fred Horne.

Dr. Massolin: Good morning. Philip Massolin, manager of research services.

Mr. Tyrell: I'm Chris Tyrell, your committee clerk.

The Chair: We'll just introduce the people that are on the line. If you can go ahead.

Mr. Hehr: Kent Hehr, MLA, Calgary-Buffalo.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat.

The Chair: Well, great. Just before we begin, the microphones are operated by the *Hansard* staff. Audio of the committee proceedings is streamed live on the Internet and recorded by *Alberta Hansard*. Audio access and meeting transcripts are obtained via the

Legislative Assembly website. Please make sure you speak directly towards the microphone and do not lean back in your chairs while speaking, and please do your best to keep your cellphones away from the microphones and on vibrate or silent.

At this point I'd like someone to move that the agenda for the March 17, 2015, Standing Committee on Public Accounts meeting be approved as distributed. We'll go with the Member for Edmonton-Beverly-Clareview. All those in favour? Opposed? Carried.

We have distributed the minutes from our last meeting, last year, for your approval. I'd like someone to move that the minutes of the December 9, 2014, Standing Committee on Public Accounts meeting be approved as distributed. So moved by the Member for Little Bow. All in favour? Opposed? Carried.

Members should have a copy of the briefing documents prepared by committee research services and the office of the Auditor General.

Joining us today are the minister and department staff from Alberta Environment and Sustainable Resource Development. We'll begin by having you make an opening statement of no more than 10 minutes on behalf of your ministry, and the remaining time will be for committee members to ask you questions.

Minister, you may begin when you're ready.

Mr. Fawcett: Thank you, Mr. Chairman. I'm pleased to be here today. Before I outline some of the highlights and milestones accomplished by the department for the period of 2013-14, I'd like to introduce the team that I have with me today. At the table we have our deputy minister, Bill Werry; our ADM of policy and planning, Shannon Flint; and our ADM of corporate services, Tom Davis. We also have other members of the ESRD team with us today to help to answer many of your questions.

The year we are discussing is 2013-14, and it was one of tremendous change for our ministry, change that is helping us meet the challenges of today. In 2012 two ministries were merged into one. The following months saw some significant organizational restructuring.

In addition, functions were moved to other agencies such as the Alberta Energy Regulator, the aboriginal consultation office, and the Alberta Environmental Monitoring, Evaluation, and Reporting Agency. The intent of these changes was to ensure that there is a co-ordinated approach to environmental and natural resource management as well as to put in the necessary pieces to support responsible resource development. Throughout this time of change and transition ESRD continued to make good progress towards its goals. For example, progress was made in developing and implementing regional land-use plans. These plans are foundational to the work of my ministry. They are about proactively managing the cumulative effects of development and other activities on our landscape.

During 2013-14 work continued on the implementation of the province's lower Athabasca regional plan. Under this plan we continued working with aboriginal communities and stakeholders on a number of strategies such as the biodiversity management framework and the landscape management plan to support implementation. We also conducted a final round of public consultation on the South Saskatchewan regional plan, which came into effect this September. As well, work began on the third regional plan for the North Saskatchewan region as we prepared to move into the initial consultation phase.

As I mentioned earlier, 2013 saw important steps towards the creation of the province's new environmental monitoring agency, AEMERA. In fact, it was in 2013 that the government passed Protecting Alberta's Environment Act, which created this agency.

AEMERA provides objective reporting on scientific data and information on the ambient condition of Alberta's environment, and I'm proud to say that this is already making great strides in reaching its goal to be fully operational in 2015. AEMERA is already managing all key ambient monitoring in Alberta and serving as the provincial lead on the joint oil sands monitoring project, or JOSM, with the federal government.

As you recall, the Auditor General did express concern about the timelines of reporting under JOSM. This is a joint annual report with the federal government, and it did take longer than planned to work through the steps needed to issue the first report. I'm pleased to say that those issues have been resolved. The 2013-14 annual report is in two parts. Part 1 is on progress and implementation, and part 2 is a summary of scientific results. Both parts have now been publicly released.

I want to note that under JOSM we have been able to make a number of improvements in our monitoring in the oil sands region. This includes increasing the sampling frequency of air, aquatic life, and water; adding new monitoring sites; and broadening the contaminants we monitor for. Environmental monitoring is critical to ensuring that we are developing our resources responsibly.

8:40

Another key to responsible development is an effective regulatory system. In Alberta that system is a partnership between my department and the Alberta Energy Regulator, or the AER. In 2013 we passed the Responsible Energy Development Act, allowing the AER to assume responsibility for regulating most of the energy resource industry. My ministry remains responsible for other sectors that are not energy related, and our government continues to set the legislation, policies, and plans to ensure that our environment is protected and respected. Let me be clear. We are very vigilant and don't hesitate to enforce these laws when they've been broken.

Let me share a few of the 2013-14 stats on ESRD's compliance program. Ten companies and individuals were charged for offences under our legislation. Prosecutions resulted in \$692,500 in fines, and \$700,000 was paid for approximately 102 administrative penalties for less serious regulatory infractions. There were also 42 orders issued, 75 written warnings, and 80 corrective letters issued. You can add to these stats the work done by the Alberta Energy Regulator. In 2014 the AER issued a total of 33 high-risk enforcement actions and 214 low-risk enforcement actions out of 1,926 inspections that were conducted.

Along with enforcement wherever possible and whenever possible and appropriate our inspectors emphasize prevention and education. We have a beautiful province with clean air and clean water, and we want to keep it that way. We know those who make a living here feel the same way, so more often than not it's a collective effort to do the right things. That said, we will always ensure our regulatory system is enforced.

Another important role for my ministry involves protecting Alberta communities and the environment from natural events like flood, fire, and invasive species. In 2013-14 we worked hard and held the line on the pine beetle. We also committed to making progress on recommendations stemming from the Slave Lake fire in 2011 by supporting local communities in their efforts to control the threat of wildfire. Of course, the impact of the 2013 flood still looms large in our minds. The 2013 flood showed the resiliency of Albertans and the dedication of all employees in the government of Alberta. From the front lines the Alberta public sector responded quickly, effectively, and efficiently during and after the floods. ESRD employees, in particular, were front and centre working long hours monitoring waterway conditions and assisting with recovery.

As the province continues its recovery, my ministry is playing a central role in flood resiliency and mitigation work, ensuring communities are better protected from both flood and drought conditions. We have made significant improvements to our flood forecasting system, particularly how we communicate with communities. We are continuing to work on flood mapping to provide municipalities with information on long-term planning to mitigate flood risks in their community. We also began work with communities through the flood recovery erosion control program. This program was established in August 2013 to provide funding support to municipalities and First Nations for erosion control and community flood mitigation. Over \$200 million was allocated to critical erosion control work to repair and reinforce damaged riverbanks and other community-level projects. These small projects hold huge benefits for communities and are a great line of defence as work continues on larger projects. Flood mitigation does continue to be a priority.

Another priority is addressing climate change. We know we need to do more to reduce our emissions. We also agree with the Auditor General that we can do a better job of monitoring and sharing the success of our existing actions. To be clear, Alberta does monitor and track greenhouse gases. In fact, site-specific greenhouse emissions are available online and have been for some time.

We also work with others like the Climate Change and Emissions Management Corporation to ensure emission reductions from investment in clean technology are tracked. We are working to improve our monitoring and reporting of all of our actions, including former energy efficiency rebate programs and GreenTRIP. That said, we are currently finalizing a follow-up audit plan on five of the nine Auditor General's recommendations that will be completed this year.

Day to day my ministry helps to . . .

The Chair: I hate to break your flow here, but we just have another 30 seconds if you want to . . .

Mr. Fawcett: Okay. Yeah. I've got two pages left, so we're good.

Day to day my ministry continues to help Albertans conserve and protect the province's land, air, water, and wildlife. There are many successes I could share today. Some of those highlights include conversations with thousands of Albertans on how we manage our water resources, work on an extensive aquatic invasive species . . .

The Chair: Minister, sorry, 10 minutes max. I apologize. We just have so many questions that people want to ask you. Thank you so very much for your comments.

I'd like now to invite our Auditor General to make an opening statement on behalf of the office of the Auditor General.

Mr. Saher: Thank you, Mr. Chairman. I'll be very brief. I just want to draw the committee's attention to our July 2014 report, pages 39 to 47 – this evidences our work on climate change follow-up, that's follow-up to previous recommendations we had made – and our October 2014 report, pages 23 to 32, where we report on our audit work on the joint plan for oil sands monitoring.

Thank you.

The Chair: Thank you very much.

We'll now open it up for questions. The process is that we have a fixed block of time per party. The government has half the time block, the opposition has half, and it's split up that way. So the first 16 minutes are going to be for the PC caucus. I'll start with the deputy chair.

Mr. Young: Thank you, Ian.

Mr. Donovan: Thank you, and thank you, Minister, for coming today. For the last three years, or the last year anyway, we've had quite an issue with the sage grouse in southeastern Alberta. The source is the 2013-14 annual report, page 27. I've talked with quite a few people. Aaron Brower is one; he's the president of the Western Stock Growers' Association. It's affected a lot of people out there.

Now, it's a federal order on it. I guess one of the challenges is that the landowners out there definitely feel: what is the role of Alberta Environment? What is the province doing to recover the sage grouse, and where are those efforts, and how is it affecting? My second part to that question will be: you know, what is the province doing to take care of that emergency protection order as it was imposed on provincial Crown lands? There seems to be a challenge there, from people that I've talked to, of: if it's a provincial issue and it's on provincial land, why don't they feel that they're being protected as the ag producers?

Mr. Fawcett: Okay. Thank you very much for the question. Working on this issue surrounding species at risk, particularly the greater sage grouse, our department has been involved for over 15 years and is committed to the recovery of this particular species. We do understand that the federal order that was issued is problematic for a number of landowners and ranchers and farmers down in the southeastern portion of the province. You know, one of the things that we're committed to is to continue to work with those folks to make sure that we can show that we are helping this species recover, which, hopefully, will then lead to the federal government being able to pare back or restrict those requirements under the emergency protection order.

Some of the efforts that our province is currently taking are that we are monitoring very closely the population and where we're at. In 2011-12 we did some work with the government of Montana around translocation of species. We are looking at captive breeding as well. You'll see that also one of the things that we've been working on with landowners in the area is removal of derelict buildings that could provide nesting and shelter opportunities for predators of this particular species. So there are some very specific actions that we are taking. Another is working with industry on well-site reclamation to ensure that we can reclaim abandoned well sites in order to provide that critical habitat for these species.

8:50

Finally, one of the things that we've been working on with FortisAlberta is the potential relocation of some power lines in the area, that will also help with critical habitat restoration. One of the key pieces to the federal government's requirements under the Species at Risk Act is restoration of key and critical habitat, particularly with this species of sage grouse. We do know that their mating habits and their ability to avoid their natural predators are conditioned on their ability to have their habitat intact, so that is something that we are working on through some of these various initiatives to bring it back.

Just some general comments on the Species at Risk Act. We believe as a province that we're in the best position to work with landowners and industry to develop effective local solutions for these particular species, whether it be sage grouse or caribou or whatever other species. I know there's a lizard – I don't know the exact name of the lizard – that is also creeping up there. We believe that the province is the best level of government to be able to deal with this, and we want to make sure that we're doing what we can

so that the federal government doesn't have to issue these protection orders.

Mr. Donovan: Okay. Thank you, Minister, for that. Of course, I think that the landowners are the best stewards of the land out there by far. Most of them have been there anywhere from 60 to 100 years, some of the family farms there. I guess my question is: what are we going to be able to tell these landowners about the emergency protection order? When are they going to be able to get back to – obviously, there's conversation. I'm sticking strictly to the annual report that we're working on, but, yeah, there is conversation. There could be some other species at risk that are coming up on that. Have we had a good, full, wholesome conversation with those that it's affecting out there?

Mr. Fawcett: I'll make some preliminary comments, and then I'll pass it on to one of our staff that could potentially be in contact with landowners. I think one of the things that as minister for the last six months I've recognized is that we need to make sure that we're working with Albertans on these issues. Hon. member, you're quite right. These are folks that are on the landscape. They understand it. They have some very valuable input and are able to undertake some of the activities that will help us bring some of these species back, so I think that an area where we need to focus our efforts is to work with Albertans and make sure that they're part of the solution.

As far as what that does on the federal government side and their decision on the emergency protection order and whether to amend that or whatnot, I believe that we'll only be able to do that if we get to a place where we show that we're able to sustain this particular species.

I don't know if one of our staff can make some comments on specific actions we've taken to work with landowners on this issue.

Mr. Donovan: Thank you, Minister. I think that timewise you've covered that. My second batch of questions, if that's okay, quickly.

Mr. Young: Sure. Hon. minister, if we can just keep it a little tighter because we've got some members here.

Mr. Donovan: The second part to my questioning is also from the annual report – pages 17, 18, 58, 81, 85, 107, and 112 – and it's involving the creation and the implication of the flood hazard mapping. Now, with the floods this affected my riding quite a bit, the north end, all the way along the Bow River. My question is, I guess: is there any plan for the new flood mapping studies and related products? What's the timeline on that? My understanding, with all due respect, is that the provincial maps versus what the town of High River did with WorleyParsons – I guess their maps seem to be a lot better. I'm just wondering: when are ours going to be caught up and in date, and when am I going to be able to tell my constituents along that that they're going to be having what I guess would be considered a well-balanced map that people could look at and trust the information that's in it?

Mr. Fawcett: Okay. Thank you for the question. In 2013, shortly after the floods, a decision was made to invest \$8.7 million in a multiyear project to complete additional flood hazard studies. It's important to note that about 70 per cent of populated areas in the province do have a flood hazard map. It typically takes about a year and a half to complete a flood hazard map or study. There's about a year to do the technical work and then about another six months to take that work and consult with the local municipality and community around what that looks like, and there may be some unique circumstances.

What I will say is that modelling and mapping investigations are being planned for the Bow and Elbow rivers, including Calgary; the Sheep River, including Black Diamond and Turner Valley and Okotoks; the Highwood River, including the town of High River; and Peace River as well.

You know, the purpose of these maps is to be able to provide the best information available to do long-term planning. As a result of the flooding there is the need to update some of this mapping based on new high-water marks and, you know, some of the changes in hydrology, but typically, because you want to use these maps for long-term planning, you do not want to see them changing every two to three or five years.

Mr. Young: Right. Well, thank you very much.

I'm going to go to MLA Sarich.

Mrs. Sarich: How much time is left?

Mr. Young: Five minutes.

Mrs. Sarich: Five minutes. Okay. Thank you very much, and thank you for the information provided so far. I'd like to open with a question, and perhaps the office of the Auditor General could help in the answer. I noticed some of the information provided to the Standing Committee on Public Accounts just on a status update. It's a status report. There were a number of recommendations that were repeated from 2008 all the way to 2014 in the areas of climate change, sand and gravel, those two specifically, I believe, and on climate change from the recommendations of the office of the Auditor General in 2009 and repeated in 2011. The question is: what actions have been completed to date? Noting a follow-up meeting with the office of the Auditor General held in the month of February, does that mean that since 2008 and the repeating of the recommendation, that was the first time that the office of the Auditor General met with Alberta Environment and SRD to review some of the recommendations, for example, from seven years previous? That's my first question.

Mr. Fawcett: Okay. I don't know if the Auditor General wants . . .

Mrs. Sarich: I'm asking the Auditor General.

Mr. Fawcett: Oh, you are asking him. Okay. We'll let them respond.

Mr. Leonty: Yes. We actually met a number of times after the audit was concluded just to get an understanding of what progress has been made on the outstanding recommendations. The meeting specifically referred to here was to establish exactly when the follow-up could be completed. We were informed that some of these recommendations will be closely tied to the strategy renewal, and the discussion was premised on: is it best to do the follow-up once the strategy renewal is complete or to begin now? So that's the status of the discussions between our office and the department, and that's what these comments, I believe, are referring to.

9:00

Mrs. Sarich: All right. It's our understanding as the Standing Committee on Public Accounts that the pace of responding has been dramatically slow, and the department is still preparing the first public report on the progress regarding the 2008 strategy. I'm just wondering if you can shed some light on that, because this is seven years after the fact.

Mr. Fawcett: Sure. I'll turn it over to staff to answer the majority of this question. But as I mentioned in my opening comment, we

are working with the Auditor General to develop an audit plan to implement a number of the recommendations, and an implementation plan will be developed subsequent to the release of the new climate change renewal that we are currently working on.

I'm not sure. Bill, do you want to answer?

Mr. Werry: Thanks for the question. We have had a couple of meetings this year with the office of the Auditor General. There are 22 outstanding recommendations with respect to ESRD. We do have a plan in place to deal with 11 of those over the next year. At the end of this upcoming year we anticipate that we'll have 11 of those addressed in the overall list of 22 outstanding recommendations. In our discussions with the Auditor General we'll be providing them with an opportunity to come back in earlier than they normally would, so we've had conversations about: sometimes they will wait a year or longer to come back. We've got a couple of areas where we're asking them to come back in six months.

Mrs. Sarich: Okay. Yeah. Thank you.

Moving right along . . .

Mr. Young: Forty-five seconds.

Mrs. Sarich: Oh.

AEMERA, Alberta Environmental Monitoring, Evaluation, and Reporting Agency. Could you speak to – it has a level of responsibility. How do you ensure their independence? What are the activities for this particular monitoring group in terms of: how will their monitoring be conducted, and how will you assure that? Who is ultimately responsible for AEMERA?

Mr. Fawcett: The Alberta Environmental Monitoring, Evaluation, and Reporting Agency reports to me as the minister but is an arm's-length organization that is governed by a board that has been appointed. The focus of AEMERA is to ensure that the monitoring, evaluation, and reporting of ambient environmental results is done in a way that's scientific and based on the best scientific knowledge. In doing so, they've been able to put in place a scientific panel. They're in the process of hiring a CEO to run the organization as well as a chief scientist to work with their staff to make those operational determinations.

The focus of AEMERA is to conduct the obligations that we have under JOSM as well as to do all of the other environmental monitoring as part of our environmental management frameworks in our regional plans that are being developed. That's what they're focused on, and I can assure members of this committee that the amount of money that Alberta spends on environmental monitoring is significantly higher than most other jurisdictions.

Mr. Young: Okay. Thank you very much.

I'm going to hand it over to the chair.

The Chair: Great. We'll next go to the Official Opposition, Mr. Stier, and he'll have 16 minutes to ask questions.

Mr. Stier: Okay. Well, good morning. Minister, thanks to all of the people you've brought in today, and thanks to you for coming in. This is an enormous ministry, and I have a lot of respect for all the things that are done by this ministry in terms of public safety and all the other aspects of wildlife, et cetera. It's a wonderful ministry to be working with.

I'll get right down to where we're going here this morning, I think, the main thrust, and that is AEMERA and the monitoring program between the federal government and the provincial

government, et cetera. I'm going to talk about, firstly, the report of the Auditor General, October '14. There's some information in there that gives us a little concern. I note that on page 25 it talks about some weaknesses in the project management, et cetera, and there was a delay in the implementation of some projects in the overall plan, I understand.

So I was just wondering. First question, therefore, would be: were the Auditor General's findings and recommendations considered by AEMERA in the process of preparing the 2013-2014 ESRD annual report? I am going to combine an extra question there. If they were, what improvements have been made to the project to increase the accuracy and improve the project management?

Mr. Fawcett: Sure. Thank you very much for the question. Now, because I wasn't the minister at that time, I'm not entirely sure whether the Auditor General's report came out after or before we did our annual report, so I'll turn some of this over to staff.

Ms Flint: With respect to the Auditor General's recommendations some of the things that we took into account to address these issues moving forward included a detailed annual work plan tracking all projects. That was established in 2013-14. For 2014-15 we outlined defined roles and responsibilities and measurable timelines and deliverables for all projects. We have developed individual work plans, and progress reports are required for each project, and AEMERA has instituted quarterly reporting requirements to track project status for external organizations.

The component advisory committee leads are now responsible to monitor the status of all projects and report to senior management, and formal discussions began in the fall of 2014 between AEMERA and the government of Canada on the approach to managing the program and around future desired outcomes and commitments. So we have tried to address the Auditor General's recommendations with respect to overall project management.

Mr. Stier: Okay. Thank you very much for that, and I appreciate the enormity of this situation. The whole world is focused on this type of stuff, so I understand where you're at and the newness of this overall project.

Moving on, then, I'm just wondering, with the province being involved with the federal government, has there been an agreement with AEMERA and the government of Canada to continue with the monitoring partnership?

Mr. Fawcett: Yeah. What I will say is that we are having conversations with them, but those will be ongoing conversations, and it doesn't necessarily pertain to the 2013-14 report, but we do see the benefit of the monitoring, as I mentioned in my opening statements around the additional monitoring we've been able to do through this initiative, and it's our desire to continue to do that monitoring through this joint program with the federal government.

Mr. Stier: Okay. Thank you very much.

So now we can move to a little bit more towards the climate change topics, and I'm talking about the report of the Auditor General, 2014, Mr. Chair, page 130, and it's talking about improving planning. Again, the recommendation that appears to be outstanding is that they recommend the Department of Environment and Sustainable Resource Development improve Alberta's response to climate change. So the question comes up, then: has ESRD accepted the recommendations from the Auditor General, and if they have, what are the factors that are contributing

to the recommendations not being implemented in spite of the fact that the recommendations originated in 2008?

Mr. Fawcett: Yeah. Again, I'll provide some brief comments and then turn it over to staff to provide some more detail. As I mentioned, we are working with the Auditor General to implement a couple of those recommendations that were made. I can tell you that I've made it very clear as part of our renewal strategy for climate change, that we are currently working on, that the new strategy and implementation of this new strategy should address all of the recommendations and concerns laid out by the Auditor General in his report.

Mr. Stier: Okay. Thank you very much. Is there another speaker?

The Chair: Just to interrupt here. Just maybe focus on the question about why the recommendations that originated in 2008 weren't implemented. If you want to respond to that part.

9:10

Ms Flint: Part of the recommendations coming out of the 2008 report focused on monitoring of results with respect to the 2008 strategy, and as the minister has mentioned, the government of Alberta is looking at reworking the overall strategy, and once that strategy is completed, a report will be released in terms of how the government of Alberta is doing overall with respect to the climate change strategy and the 2008 strategy.

Mr. Stier: Okay. Just to follow up with that, are we seeing some improvements with what's taking place so far, then, as a result of that?

Mr. Fawcett: Yeah. I think that it is fair to say that through the work done by the Auditor General's office, our staff, particularly at the highest levels, including myself as the minister, are more aware of the need to do a better job of reporting on the strategies that we're implementing, and that includes everything from being very clear around what the intended outcomes of the program are, having specific measurables in place for those, and reporting against them and making that information available to the public. It is an area where improvement is needed, and that's why we're working toward implementing those recommendations.

Mr. Stier: Okay. Thank you.

Let's just move now back to AEMERA and the mandate and the commitment to the government as perhaps maybe an arm's-length agency to look at the different type of environmental monitoring and the reporting and the regulatory activities. I'm just wondering: what assurances can the minister provide that AEMERA is able to function at arm's length with the government?

Mr. Fawcett: Well, we've made it very clear, and I've met with the chair and the board a couple of times and made it very clear that the expectation of the government is that this monitoring is done with the scientific rigour that will be acceptable amongst their peers and be able to be reviewed by the scientific community. You know, I could tell you that the Premier has made it very clear to myself as well as a number of our cabinet colleagues that the best thing that we can do as Albertans when it comes to telling our story around the environment and the level of protection that we have in regard to the development of our resources is to base that information on science. This is a fundamental pillar of our integrated resource management system, which includes the Alberta Energy Regulator, our land-use planning, and the environmental frameworks that result from those regional plans, and AEMERA will be the agency that will let us know whether we're doing an effective job in this,

both from an industry and resource development standpoint but from also a cumulative effects management standpoint.

The Chair: Sorry to interrupt you there. He's got a lot of questions left, you know, just in relation to independence, so if you want to continue with that line of questioning.

Mr. Stier: Yes. Well, thank you very much, Mr. Chairman. Independence is important, and we're looking at also perhaps other influences that could come into play. Are there steps to monitor influences from the industry itself, and/or are there as well some ways that those things are dealt with?

Mr. Fawcett: As far as . . .

Mr. Stier: Influences from the oil sands companies, et cetera, in how the reporting is done and monitoring and so on and so forth. Are there concerns there, and are they being looked at with some sort of review?

Mr. Fawcett: Well, I can ask our staff to provide some additional comment, but what I say is that the board and the chair of the board report directly to me as the minister, and it's our department that provides the funding. There are expectations as to the type and quality of work that's to be conducted through their activities. I don't know if Bill will add something.

Mr. Werry: Just to be clear, AEMERA has a responsibility to monitor consistent with the regional plans that have been developed, so in the case of the oil sands region, there is an approved regional plan, the lower Athabasca regional plan, and that sets the agenda for AEMERA. Obviously, that plan was developed through broad public input and reflects the wishes of Albertans. It's been approved by the government of Alberta, and that's what sets the agenda for AEMERA.

Mr. Stier: Okay. Just lastly on this aspect, are there systems in place to address poor performance, then, if it is noticed?

Mr. Fawcett: Poor performance as far as . . .

Mr. Stier: Their monitoring and reporting. Is there a way to look at that and say: okay; we need to improve that type of stuff?

Mr. Fawcett: One of the things that AEMERA has done is put in place a scientific panel that will review all of its monitoring programs and its reporting of results to ensure that it does meet the highest of scientific standards and that it's reviewed by peers. That is one of the mechanisms that's in place in order to ensure that the monitoring is being done properly and with scientific rigour.

Mr. Stier: Okay. Thank you for that.

I'd like to move on now to, again, the report of the Auditor General, October 2014, page 29. It's talking about the Alberta and Canadian governments jointly preparing annual work plans detailing projects, some entities responsible for them, and the government budgets. So three questions here. Has AEMERA developed a funding model yet, and if so, what does the framework for the funding model look like?

Mr. Fawcett: Are you speaking specifically of AEMERA as a whole – you referenced the federal government – or are you talking about the joint oil sands monitoring program?

Mr. Stier: The joint one.

Mr. Fawcett: Okay. I'm not familiar with the details of that funding model, so I'll hand it over to Bill.

Mr. Werry: To answer your question, we are in conversation between AEMERA and the government of Canada on the continuation of JOSM beyond the current year. Those conversations have been held at the Deputy Minister of Environment level and my level and the CEO of AEMERA. So we've had the discussions, and we're working towards a model going forward that would have that funding model clear with respect to JOSM.

Mr. Stier: Okay. It's a little bit vague, sounds like. It hasn't necessarily been all worked out, I guess. That's what I'm getting from that. How do we know it's going to be sustainable? How do we know it will be sustained?

Mr. Werry: Just to be clear, the government of Canada has committed for the next three years to be engaged with the JOSM model, and industry has committed their funding for the next three years. What we're working out with the emergence of AEMERA as an arm's-length agency is what the role of the government of Canada will be. Up until now they've been co-chairs of the endeavour, and we're just in the final stages of clarifying their role going forward. AEMERA's role is clear, that they'll continue to be the active managers of the initiative.

Mr. Stier: Okay. All right. Thank you.
Mr. Chairman, how's my time?

The Chair: You have about two minutes.

Mr. Stier: Okay. Thank you very much.

I'm just going to move over to the annual report for ESRD, pages 13 and 14, with respect to performance measures if I could. You know, there are some roles and responsibilities outlined and so on and so forth, but it appears there are no performance indicators or targets in the annual report to measure. I'm just wondering to what degree AEMERA is achieving its objectives. If AEMERA is accountable to the minister, have they developed any performance indicators and targets to assess AEMERA's efforts? If they haven't, why? If so, are these going to be available to the public, and what process is in place to perhaps address some of the performance levels?

Mr. Fawcett: Yeah. Part of the accountability piece is that AEMERA is responsible for producing an annual report that will be made public and that I as the minister will have access to. In there they need to establish necessary performance measures in accordance with accountability expectations as set out by the government of Alberta. Again, as I mentioned, there have been some challenges around that, particularly through the implementation of the JOSM project, as identified by the Auditor General. We've decided to split that report into two pieces. One is the implementation and the plan and measuring against what the plan for implementation is and whether we're meeting timelines and targets. The second piece will be to report on the scientific results that are being generated through the monitoring programs that they have in place.

9:20

The Chair: Thank you, Minister, that's the end of the questioning for the Official Opposition.

We'll now go to the Liberal Party for eight minutes.

Mr. Hehr: Well, thank you, Mr. Chair. Mr. Minister, any objective reading of the Auditor General's reports, both this summer and throughout the last seven years, can only point to an abject failure of this ministry to move forward on any type of monitoring, evaluation, or climate change strategy. Have you read these reports, and would you agree with that statement?

Mr. Fawcett: Thank you for the question. As I indicated earlier, you know, I think that through, actually, several of the Auditor General's reports going back over the last couple of years, it has become obvious to me that our department must do a better job of evaluating the strategies that we have in place to achieve the mandate of the ministry, whether it be on climate change, on public safety, on environmental monitoring. That's not to say that the work is not taking place. I can tell you that we have great staff in our department that are doing a lot of the work that we have laid out in our strategies, that are implementing and operationalizing those. Now, what we do . . . [interjection] Just let me finish.

As I mentioned, we do need to improve on our ability in documenting that work, setting performance measures that measure against those strategies that we've set as a ministry, to ensure that the work that is being done is accomplishing exactly what we set out to do.

Mr. Hehr: I don't know. That was sort of an admission but not really. I'll ask you again. In 2008 the Auditor General audited the system used to develop a report on Alberta's climate change strategy. Then they concluded that the department did not have a plan that identified virtually anything on target monitoring or on how to do this. This is essentially confirmed again seven years later, that your department still has no plan and still has no ability to monitor climate change and the emissions that are happening. Can you not see that this department has failed miserably in doing an adequate job? It's a simple question, Minister, and if you read the report – you're a smart guy – you can conclude that for yourself. Can you not conclude that?

Mr. Fawcett: Well, I'm glad the hon. member thinks I'm a smart guy. Certainly, I will indicate again that our ministry does do a lot of this work. We do have plans in place. We do monitor greenhouse gas emissions from industrial emitters, and we work closely with the Climate Change and Emissions Management Corporation to ensure emissions reductions are tracked from the projects that they do fund. Specifically, you can go online, onto the ESRD website, and track emissions from the large industrial emitters that fall under the specific gas emitters regulation.

What I will say is: do we need to do a better job of wrapping that up and monitoring those results against the strategy that was laid out in 2008? I would agree with the Auditor General. We could do a better job of that. That comes from leadership at the top, and I can assure that it's part of our climate change renewal strategy. I made it very clear to our staff that this will be part of the new strategy moving forward, that we do this work at a higher level.

Mr. Hehr: Do you accept responsibility on behalf of this government that the world doesn't believe that we have any plans in place to monitor climate change and monitor emissions, as the Auditor General confirmed, and that this is a serious breakdown in your duty to the Alberta public and that if we're ever going to get a clear story, maybe your department should actually publish a report once in a while that actually has some scientific measures and process in place? Look, this has been going on for seven years. It's ridiculous, from my perspective. Frankly, any objective reading of the Auditor General's report leads a reasonable person to that conclusion.

Mr. Fawcett: I will commit that as part of our new climate change strategy renewal we will be providing ongoing updates toward our targets that we set out in that strategy around the particular initiatives that we are taking. Again, I want to reiterate that we do monitor greenhouse gas emissions, the carbon emissions, from those that are covered under our strategy in the areas of the specified gas emitters regulation and through projects that are funded through the Climate Change and Emissions Management Corporation. Are there some other areas where we need to do a better job and make sure that we're reporting back to the public on how those meet towards our end goals in the strategy? We will be making improvements in that area.

Mr. Hehr: Well, you know, I'll wait to see that.

Nevertheless, let's ask the real question here although I don't think we can base this on science and reason and what has happened in your department over the course of the last seven years, whether we can even get a valid answer on this question I'm going to ask, because we don't have any data on what is actually happening here in Alberta at this current time if you read the Auditor General's report. Is it still possible for Alberta to achieve the 20-20 emissions reduction target from the 2008 strategy? Many people have claimed that that's just bunk. Will you admit here today where we are on that 20-20 plan? Are we just going to blow it right through the roof and get started maybe in the next five or six years from now on actually trying to get a handle on this?

The Chair: You have about one minute, Minister.

Mr. Fawcett: Yeah. I just want to remind the member that the province did meet its 2010 target, and we do report Alberta's total greenhouse gas emissions in our annual report. Currently we are developing a climate change strategy renewal and will make it very clear in that strategy renewal our intentions to meet the 20-20 target and how we plan to get there. As I said, with the work that we have done on this so far, I have made it very clear to our staff that there needs to be appropriate measurement and reporting to meet the Auditor General's satisfaction in the new renewal strategy.

The Chair: Thank you, Minister.

We have one new member that has joined us. If you would just like to introduce yourself to the committee.

Mr. Luan: Jason Luan, Calgary-Hawkwood. Sorry I'm late.

The Chair: Thanks for joining us.

We'll now go to the NDP caucus, and they have eight minutes.

Mr. Bilous: Thank you, Chair. Mr. Minister, if I end up cutting you off, it's not out of a lack of respect. It's that I have many questions to get to, and I'm hoping to get through as many as I can. So just following up. If you could, Minister, a simple yes or no. Is it possible for Alberta to achieve the 20-20 emissions reduction target from the 2008 strategy?

Mr. Fawcett: We're currently, as part of the climate change strategy renewal process, looking at that, looking at where we're at as far as our progress in meeting that target and what will need to be done over the next five years to be able to do that. That will be part of what goes out as part of that conversation.

Mr. Bilous: Okay. So I'm going to assume that that's a no to start with.

The strategy renewal that you mentioned when answering the previous members' questions: do you have dates of when that will be completed by or released, and will that be made public?

Mr. Fawcett: You know, this is incredibly complex work. There's a lot of good things that the government has done in this particular area. Certainly, in 2008 we were one of the first jurisdictions to actually put a price on carbon and regulate limits on large industrial emitters. What you see as a result: over \$500 million has been put into the climate change and emissions management fund and a number of investments in clean technology projects. We're also seeing a greening of our electricity generation source, and we're working through the details of all of this. This is going to be a long-term framework on which I would say that we're very, very close, but we're not going to put something out there unless we know it is exactly complete and done.

9:30

Mr. Bilous: So can we expect it this year? I'm even looking for a broad timeline.

Mr. Fawcett: Yeah. Sure. What I would say is that there is a very key international date in early December for which Canada will be negotiating our nation's position on climate change, on which the provinces are going to be asked to provide a very, very important piece. You've seen that we have extended the specified gas emitters regulation until the end of June, so I would suspect you'll see the renewal of the climate change strategy out sometime before the end of June.

Mr. Bilous: Okay. Minister, I appreciate your comments, but because I only have five minutes and I have multiple questions I'd like to get on the record, if I can request a written response to this committee, that would be greatly appreciated.

The Chair: That's allowable, for sure.

Mr. Bilous: Regarding flood mapping, very briefly here, with the \$8.7 million that was allocated toward flood mapping, I'm wondering if your ministry created timelines and targets for the completion of this initiative, if the plan is going to be publicly available, and if we can get some specific dates on when it's going to be made public, if you have, as well, performance indicators and targets that are set specifically to monitor the progress on flood mapping.

Talking about AEMERA, a previous member asked a question, but I still didn't get the answer on: what assurances does the ministry provide that AEMERA is actually arm's length? I appreciate that AEMERA reports to the minister. I'd like to get clarification around that. Does AEMERA report to you directly and then you send out the report? Not that I would ever accuse you of interfering or tampering with the report, but is the report made public at the same time you receive it? Does it go through your ministry before it goes public? Just to make sure, you know, that AEMERA operates independently, with absolutely no influence from government, is what I'm after here although a flag for me is if AEMERA is reporting to the minister.

I take this from the Auditor General, who's always asking about systems and what systems are in place to ensure that they are independent. You know, have they taken the necessary steps to ensure that they'll operate independently from not just government but from influence in industry as well? If those steps are outlined, who's responsible for ensuring that they're followed, and if they aren't, who's responsible for either issuing consequences or, again, rectifying that problem?

The Chair: Sorry to interrupt the member. You have about three minutes, but if there are some questions that he can answer here

instead of reading them, let's try that. I'll give you maybe a one-minute warning.

Mr. Bilous: If I had more time, I would love to go that route.

Again, switching gears and looking at measures, performance standards – and I will give you an opportunity, Mr. Minister, to respond to this – the Auditor General's implemented recommendation about drinking water information systems. Now, we're going back a little bit in time here, but in October 2006 the Auditor General released a recommendation on information systems to manage drinking water businesses. We see that this recommendation has been fully implemented and is ready for an audit by the AG, but I have some questions about your ministry's commitment to remedying the serious problems about drinking water on reserves in this province.

In 2014 three Alberta First Nations filed a lawsuit against the federal government to try to force them to upgrade their water systems and provide continued support to keep them operating safely. Does this system track, have information about, the drinking water on reserves in Alberta and the state of water systems in Alberta on reserves?

Mr. Fawcett: There were essentially three questions there: one on flood mapping; one on AEMERA's independence, what systems are in place; and questions about drinking water. On the flood mapping I mentioned a number of communities that we're working on right now. We also have completed technical work on flood mapping, and we're waiting for final community engagement on Whitecourt, Nisku, Banff, Penhold, Rycroft, Thorsby, Two Hills, Irvine, Walsh, Pine Creek in Calgary, and McDougall Flats upstream of Sundre. Again, we're making significant progress on that.

As far as AEMERA, again, I made earlier comments on the independence. One of the things that's very interesting, one of the challenges that we have, is that when you create an independent agency, they have to have a whole bunch of new, I guess, corporate systems, a new HR system. They have to have their own benefits. There are issues with pensions. There's a real clear line. They have to use their own legal services. It causes some cost pressures, frankly, when you move a bunch of stuff over to an arm's-length entity, and it's for those particular reasons.

The Chair: Sorry to interrupt, Minister. You have about 30 seconds if you have any other final questions.

Mr. Fawcett: I was just going to turn it over to staff to see if they can make some comments on the drinking water issue.

The Chair: Mr. Bilous, it's your choice here.

Mr. Bilous: Minister, if you'll indulge me, I just have two other questions that fit with the drinking water.

Mr. Fawcett: Yeah.

The Chair: And you'll only have time to read these in. You're done.

Mr. Bilous: Yeah. Despite difficulties due to the fact that primarily this is federal jurisdiction, which I acknowledge and realize, I'm just curious: from your ministry is there anything that could be done to address the state of water on reserves or to lobby the federal government to address it? Again, jurisdictional difficulties: is there anything that could be done to take greater responsibility with regard to drinking water on reserves to ensure that everyone in the province has access to safe drinking water?

The Chair: So he has read that question in and the ones before.

Mr. Fawcett: I believe I answered the first two questions. We'll get back to him on the third.

The Chair: Great. Thanks.

Next we have the independent member. Mr. Anglin, you have five minutes.

Mr. Anglin: Thank you. I'm going to ask a series of questions, and when I've completed, then I'll ask you if you want to comment or answer, so get out your pens. You talked about it briefly – and I believe the Liberals did – the specified gas emitters regulation, which is generally referred to in the industry as SGER. That is expected to expire in June, and its revision date has been moved out. I think we're now on the third time. Clearly, the offset market is based on this. They need to know. So one question will be: when will this be reintroduced, and will that be a firm date so the market itself can rely upon that?

Second, on your website, because that's all I have to go by, the data that you provide, which is your offset system website for trading carbon offsets, a number of projects now have come to a standstill as far as new projects being introduced. The only thing we're seeing is the existing projects going back from 2012 and prior, yet the government is three years behind in its acceptance of these projects. Do you have a timetable for accepting projects and verifying these projects, and will that be shortened? What will that be?

Third, you made a comment that you met your 2010 targets for your carbon offsets, or your CO₂ reduction. I want to point to two examples in your carbon trading system that maybe you could address because it has to do with the verification that the Auditor General has raised. There's a company, Suncor, who we all are familiar with. They did a project on a facility that is registered under the federal greenhouse gas emissions program, which is sort of a parallel program to your carbon offset trading system. They're registered federally with a facility that only produces 50,000 tonnes of CO₂ annually. When you look at the record on our website, our provincial website, Suncor offset 14,000 one year – that would be 2007 – 7,000 in another, 3,000 in 2009, 18,000 in '10. So they're all small offsets. How the heck did ARC buy that same project out of the same facility that's registered to produce only 50,000 tonnes and somehow retire 146,000 tonnes on the provincial system? That doesn't add up. That needs to be reconciled. But the question is: how does the market reconcile that?

Another example of our system, because you took credit for 2010's successes. KPMG, a credible accounting firm who does audits for this system, failed an audit and submitted that failure as: this project fails. But the ministry overrode that, and we don't know why or can't verify why the ministry overrode a KPMG audit. When I phoned KPMG, they weren't very co-operative. They just didn't want to talk, but they said: we stand by our audit. So as a businessperson dealing in this system on these offsets, how do I know that this thing is operating effectively and efficiently so that I can actually deal with this? This goes to the 2008 strategy.

9:40

The Chair: You have a little bit over a minute left.

Mr. Anglin: I know. I'm going to take it all. Don't worry. You don't even have to jump in on the 30-second part.

How do we meet this 2008 strategy? I mean, seriously, you've got all the programs that you put in place, but we have businesses out there investing money. Projects are on hold waiting for this complete strategy to be put in place, and they need to rely on it.

With that, just a couple of more things here. I'm just going to change quickly to flood hazard mapping. Did the ministry create a project plan and timelines and targets for completion of your flood mapping strategy? What are those timelines? Are they firm, and can you provide a date?

Another question is: how did the ministry establish the priorities for, you know, the mapping updates? What are the priorities? How did you establish the priorities? We have competing communities dealing with this issue. Second, what is this ministry doing to sort of co-ordinate with other ministries? The example I brought up in the House the other night was that your ministry paid for flood mitigation, which was a dike system . . .

The Chair: Sorry. I'll have to interrupt the member here. Your time is up. You know, in the future, if you have questions, let's see if we can get some answers right on the spot.

Mr. Anglin: Well, Mr. Chair, then we need time. I mean, we need time. If you want answers, we need time.

The Chair: Yeah. The minister has been very good at keeping answers very short when needed.

We'll start with the PC caucus, and you have about 15 minutes left.

Mr. Young: Okay. MLA Allen.

Mr. Allen: Thank you, Deputy Chair, and good morning. Thanks for being here today, Minister. We don't always get a minister at Public Accounts, so it's great to have you here. Your ministry, of course, is a particularly important ministry for my riding of Fort McMurray-Wood Buffalo as we encompass the largest portion of the Athabasca oil sands. How your ministry performs, of course, is a significant factor in how industry is perceived in our region.

There are a lot of perceptions out there, and quite often we're considered to be looking something like Mordor and have been referred to as Hiroshima, you know, things like that, but the analogy I like to use is that the amount of disturbed land up in the Athabasca oil sands is equivalent to about half the size of the city of Edmonton, the difference being that the oil sands areas are going to be reclaimed – and they're doing some great work in that reclamation process – and the city of Edmonton will never be reclaimed.

I guess my question here is around that reclamation process. With the slowdown, we're seeing some concerns in the region about some of the smaller companies that may not be as financially stable as others. I'm just wondering what the ministry does right now about any of the mine-closure costs. If they shut down, if they're not completed, or if they've reached their life cycle, how do those mine-closure costs impact the public dollar? Do we have something in place to ensure that it doesn't fall on, that there's no liability on the Alberta taxpayer?

Mr. Fawcett: Sure. That's a very good question. Certainly, there are always two aspects when it comes to these issues, and one is the environmental risk that we have when developing these resources and ensuring that we do what's appropriate to maintain a healthy environment, maintain the biodiversity in the area. But there's also a financial liability to future taxpayers should proper reclamation of these developments not take place. We do have the mine financial security program in place, and I'm going to ask one of our staff to maybe make some comments on some of the details of that program to help reduce that liability to the government of Alberta.

Ms Flint: The total reclamation liability that was held as a result of 2013-14 was \$1.17 million, but the operators are required to

actually post security, and those are done on four types of security deposits. The first is a base security deposit, which is that oil sands mines are obligated to post \$60 million in security; the operating life deposit, which addresses the risks at the end of the mine's life; the company is required to start posting financial liability security when there are less than 15 years of reserves left; and then the asset safety factor deposit, which strongly regulates companies to have an asset to liability that doesn't fall below 3 to 1. If they do start to fall below that asset liability ratio, then they are required to post full deposits. The other thing that also happens is that we do have a number of things that are in place to make sure that that doesn't happen. Companies are required to file reclamation plans on an annual basis so that we can rest assured that reclamation is happening in a timely manner.

Mr. Allen: Okay. So this base security that they're posting and that we keep on file or on record, the 3 to 1 ratio: is that the tool that we use to ensure that the program is achieving its objectives?

Ms Flint: Sorry; could you repeat the question?

Mr. Allen: Well, your base security, or this 3 to 1 asset ratio: is that the tool that we use? Is that the measurement? I mean, is there any way to prove that that is the correct amount?

Ms Flint: Yes. When we reviewed the mine financial security program and instituted it, there was an analysis done in terms of making sure that we had enough security, and the analysis that was done provided the 3 to 1 ratio. We believe that the 3 to 1 ratio provides stability to make sure that mines are reclaimed in a timely manner and that we do have the financial capacity in place to make sure that that does happen in case the ratio does fall below 3 to 1.

Mr. Allen: Okay. Thank you.

Mr. Young: Thank you.
Wayne Cao.

Mr. Cao: Well, thank you very much. Minister, I'm interested in the Alberta Environmental Monitoring, Evaluation, and Reporting Agency, AEMERA. The monitoring of the environment is very important for Alberta because of our oil sands development. We talk about pipelines across North America, and our reputation, in fact, on the environment is very important. We have this AEMERA in place, and I would like to ask you regarding its sort of independence in terms of work, in terms of reporting, in terms of funding.

How are we assured that there's no influence from the government? If there's any trace of that, the image of the resulting reports will be sort of dismissed, so ensuring that there's no influence from the government. Do you have a process or system in place that provides that independence? Also, when we look at the funding, how is that sourced, and how does the payment make sure that the work is done independently and accepted by, I could say, a defined standard?

Thank you, Minister.

Mr. Fawcett: Sure. Again, there have been a lot of comments regarding the independence of AEMERA and how we ensure that. As I was mentioning earlier in response to another member's question, whenever you create an arm's-length entity, there are a number of things that you have to do from an organizational standpoint.

9:50

You have to remember that in 2013-14, when we went to put AEMERA into place, what we needed to do – and this was an ongoing process, and we believe that we've come to the conclusion of this work – was move all of those monitoring functions from the department over to the agency. When you do that, there's a whole lot of logistical stuff that has to happen.

One of the challenges is that you have to create a whole new level of administration regarding human resources, corporate services, benefit packages, all those sorts of things, that are required to ensure the arm's-length nature of the organization, meaning that those types of things can't be controlled or influenced by the department. It provides an extra level of cost, for sure, but it's a necessary cost associated with making sure that you have those clear lines of independence.

Those are the challenges that we have been working through over the last couple of years. We believe we've identified all of the work that needs to be moved over, and those folks have been moved over to the agency. As I indicated in my opening remarks, we believe the agency should be up and running and fully operational today.

As far as the reporting, I'll see if any of our staff can make some comments on the specific reporting initiatives that are required by an arm's-length entity like AEMERA.

Mr. Werry: Just to be clear, again, the agency has the mandate to report on the ambient condition of air, water, land disturbance, and biodiversity, and that's set out in their mandate. The issues around that are set out in the regional plans. The agency will be reporting on those regional plans, and they'll be reporting directly to the public. So as the system is set up, it will have a transparent, open-data model, which will allow the public to access that information.

Mr. Fawcett: Just to add, one of their initiatives that they've recently, over the last three or four months, released is a website called AEMERIS, which is the Alberta environmental monitoring, evaluation, and reporting information service, where Albertans can go and access data that is being collected by AEMERA. So part of this initiative is being transparent and providing directly to the public the information that is being collected through this data portal.

Mr. Young: Okay. Thank you.

I have a couple of questions here. With regard to the Canada-Alberta joint implementation plan for the oil sands monitoring my concern is about effective project management. The Auditor General's report found that there was insufficient evidence to support the reported project status. Can you tell us what the project status is today and the plans regarding that?

Mr. Fawcett: Yes. As I've mentioned in earlier comments, there were some challenges in getting that initial report out, specifically related to just the complexity of what I just talked about, about trying to move all the appropriate functions over . . .

Mr. Young: Sorry, Minister. My question is on the status now.

Mr. Fawcett: Yeah. I'll get to that.

. . . as well as the complications with having another level of government involved, the federal government. As I mentioned in my earlier comments, what we've done is divided the annual report into two functions, both of which are now publicly available. They were delayed, but they are both now publicly available. One is the reporting on the implementation and status of the project implementation plan, and the second is the reporting of the actual scientific and monitoring results that they've undertaken.

Mr. Young: Okay. My next question is – actually, it's two parts – in terms of AEMERIS, and I'm always concerned whenever we have long acronyms that involve IT because those are huge dollars. What is the status of AEMERIS, and have you standardized data collection for industry, and how will data collected from industry monitoring be integrated with this AEMERIS system?

Mr. Davis: In terms of the status of AEMERIS the first version of that has been stood up, as the minister has said, established by AEMERA. It's capturing the ambient air, water, and land information we have today.

In terms of the standardization of industry reporting, that has not yet been completed. The minister spoke earlier regarding the integrated resource management system. We are working with the partners – the Alberta Energy Regulator, Alberta Energy, and ESRD as well as AEMERA – to standardize our data protocols and the data governance that we're using. That gets into understanding a lexicon so that there's a consistency to how industry would report on those.

Mr. Young: Sorry. I'm not trying to be short; I have about 30 seconds. This is not a standard space system, and it's not interoperable with industry? Is that what I'm hearing?

Mr. Davis: No. It is. We are working with industry to do that. What we are establishing right now – we're working with groups like the petroleum producers' data management association to ensure that the data standards that are used even within industry are interoperable and that that's working within the systems within government. We're working through those projects right now to be able to do that.

Mr. Young: Okay. Have we established a baseline for all the water, the biodiversity, across everything, from a caribou to sage grouse as well as air quality? Have we established a historical baseline to which we can compare?

The Chair: We'll read that one into the record, and if you can provide him with a response, that would be great.

That's the conclusion of the questioning. I'd like to thank the minister and all of his supporting staff for being here with us today. The committee really appreciates it. You're welcome to excuse yourselves while we conclude the rest of the meeting. Thank you very much.

Folks, we're going just get through the rest of our meeting very quickly. I'd like to note for the record that the following written responses to outstanding questions have been received, and – bear with me – we have a bunch of departments: Agriculture and Rural Development, Alberta Treasury Board and Finance, Alberta Executive Council, Alberta Culture, Alberta International and Intergovernmental Relations, Alberta Infrastructure, Alberta Health, Alberta Health Services, Alberta Medical Association, College and Association of Registered Nurses of Alberta, Alberta Pharmacists' Association, College of Physicians & Surgeons, Alberta Seniors, Alberta Health Services again, and Alberta Health again. They're all available on the internal and external committee websites for review under the headings Follow-up Responses – and

that's a link internally – and Supplemental Responses, and that's a link externally.

Also, back on December 2, 2014, a template for written responses was approved by this committee. All the written responses from our fall 2014 meetings have been inserted into that template. They are available on the internal committee website under recent documents.

Next week we're scheduled to meet with Alberta Treasury Board and Finance and Alberta Infrastructure. Following that, there'll be two constituency weeks, where we won't be meeting, and we currently have no one scheduled to appear before our committee after those constituency weeks.

This morning all the caucus reps met with the Auditor General, who made a recommendation for who we would bring before this committee after our constituency weeks, and we've all agreed to it. Can I have someone move that

the following groups be invited before the Standing Committee on Public Accounts in the order listed, subject to their scheduling availability, namely Service Alberta and Executive Council, with respect to the protection of information assets and disaster recovery and that any necessary scheduling changes to this list be made at the discretion of the working group.

Mrs. Sarich. All those in favour? Opposed? Carried.

Is there any other business committee members would wish to speak to? Go ahead, Mrs. Sarich.

Mrs. Sarich: Yes. Thank you, Mr. Chair. As noted in the Tuesday, December 9 meeting minutes, I did ask a question in other business regarding the timeline for the CCAF's training session with the committee. The chair of the day indicated that the training would occur prior to the start of session, near the end of January or early part of February. I would be asking you as the new chair to take a look at the training so we have something outlined, with the flexibility for change, for the future regarding the Public Accounts Committee.

10:00

The Chair: Great. Thank you. We'll put that for the subsequent meeting, next week. Thank you for bringing that up.

Finally, back on December 4, 2013, this committee discussed meeting regularly with the Auditor General following the release of each of his reports. These meetings would allow the Auditor General to present the findings in the report to the committee and the committee members to ask questions of him and his staff. You should have all received an e-mail from our committee clerk on this. Given that the Auditor General released his latest report last Wednesday, our next meeting is scheduled for Monday, March 23, at 6:15 p.m. with the Auditor General and his staff to go over his latest report.

The meeting will be followed by our regular meeting, Tuesday, March 24, 2015, at 8:30 a.m., which will be with Treasury Board and Finance and Infrastructure.

At this point I'd like someone to move that the meeting be adjourned. Mr. Allen so moves. All in favour? Opposed? Carried.

Thank you very much, everyone.

[The committee adjourned at 10:01 a.m.]

