



Legislative Assembly of Alberta

The 27th Legislature
Second Session

Standing Committee
on
Resources and Environment

Department of Sustainable Resource Development
Consideration of Main Estimates

Monday, April 27, 2009
6:30 p.m.

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Second Session**

Standing Committee on Resources and Environment

Prins, Ray, Lacombe-Ponoka (PC), Chair
Blakeman, Laurie, Edmonton-Centre (AL), Deputy Chair

Berger, Evan, Livingstone-Macleod (PC)
Boutilier, Guy C., Fort McMurray-Wood Buffalo (PC)
Drysdale, Wayne, Grande Prairie-Wapiti (PC)
Griffiths, Doug, Battle River-Wainwright (PC)
Hehr, Kent, Calgary-Buffalo (AL)
Mason, Brian, Edmonton-Highlands-Norwood (ND)
McQueen, Diana, Drayton Valley-Calmar (PC)
Oberle, Frank, Peace River (PC)
Webber, Len, Calgary-Foothills (PC)

Also in Attendance

Anderson, Rob, Airdrie-Chestermere (PC)
Notley, Rachel, Edmonton-Strathcona (ND)

Department of Sustainable Resource Development Participant

Hon. F.L. Morton Minister

Support Staff

W.J. David McNeil	Clerk
Louise J. Kamuchik	Clerk Assistant/Director of House Services
Micheline S. Gravel	Clerk of <i>Journals</i> /Table Research
Robert H. Reynolds, QC	Senior Parliamentary Counsel
Shannon Dean	Senior Parliamentary Counsel
Corinne Dacyshyn	Committee Clerk
Erin Norton	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Communications Services
Melanie Friesacher	Communications Consultant
Tracey Sales	Communications Consultant
Philip Massolin	Committee Research Co-ordinator
Stephanie LeBlanc	Legal Research Officer
Diana Staley	Research Officer
Rachel Stein	Research Officer
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

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Monday, April 27, 2009

[Mr. Prins in the chair]

**Department of Sustainable Resource Development
Consideration of Main Estimates**

The Chair: Well, good evening, everyone. I'd like to call this meeting of the Standing Committee on Resources and Environment to order. This evening the committee has under consideration the estimates of the Department of Sustainable Resource Development for the fiscal year ending March 31, 2010. I'd ask that all members introduce themselves for the record, and I would also ask the minister to introduce his officials when we're finished.

My name is Ray Prins, MLA for Lacombe-Ponoka.

Ms Blakeman: My name is Laurie Blakeman, and I'm just delighted, as always, to welcome each and every one of you to my fabulous constituency of Edmonton-Centre.

Mr. Griffiths: Doug Griffiths. I'm the MLA for Battle River-Wainwright.

Mr. Anderson: Rob Anderson, Airdrie-Chestermere.

Ms Notley: Rachel Notley, Edmonton-Strathcona.

Mr. Hehr: Kent Hehr, Calgary-Buffalo.

Mr. Berger: Evan Berger, Livingstone-Macleod.

Mrs. McQueen: Good evening. Diana McQueen, Drayton Valley-Calmar.

Mr. Oberle: Good evening. Frank Oberle, Peace River.

Mr. Drysdale: Wayne Drysdale, Grande Prairie-Wapiti.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: Minister, I'll go through this little gig here. Then you can introduce your guests and do your presentation at the same time.

Thank you, everyone. Before we proceed, I'd like to take a minute to briefly review the new process for consideration of the estimates. First, I'd like to remind members that the vote on the estimates and any amendments moved during committee consideration of the estimates will be deferred until we are in Committee of Supply, scheduled for May 7. Also, members wishing to propose amendments are reminded, once again, to consult with Parliamentary Counsel no later than 6 p.m. on the day the amendment is to be moved. That's mostly information for the next meeting.

The standing orders of the Assembly governing who can speak apply during the consideration of the main estimates. Members of the committee, the minister, and other members present may be recognized to speak. Department officials and members of staff are permitted to be present during consideration of the estimates but are not allowed to speak. Members may speak more than once; however, speaking time is limited to 10 minutes at a time. A member and the minister may combine their speaking time, for a total of 20 minutes. I would remind members to advise the chair at the beginning of their speech if they wish to combine their speaking time.

This evening we have three hours to consider the estimates of the Department of Sustainable Resource Development; however, if prior

to this time we should reach a point where members have exhausted their list of questions, the department's estimates shall be deemed to have been considered for the time allotted in the schedule, and we will adjourn.

Points of order will be dealt with as they arise, and the clock will continue to run while these points are dealt with.

If there are no objections, we will have a five-minute break after both opposition parties have spoken.

With that, I'll invite the hon. Minister of Sustainable Resource Development to begin his remarks and introduce his guests. Thank you.

Dr. Morton: Thank you, Chair. Sitting on my right is my deputy minister, Eric McGhan. Immediately on my left is David Bass, assistant deputy minister, corporate services division, and on the left of David Bass is Debra Ranville, who's the acting executive director of the finance and administration branch.

Would people indicate who they are when I call your name. I have with me tonight Carol Chawrun, executive director of the communications branch; Doug Sklar, ADM, forestry; Craig Quintilio, ADM, lands division; David England, ADM, fish and wildlife; Morris Seiferling, ADM, land-use secretariat; and then Mike Boyle, executive director, human resources branch; Darin Stepaniuk, director, environmental law; Gary Braeuer, director of planning and policy co-ordination; Brian Gifford, chair, Land Compensation Board and Surface Rights Board; and Vern Hartwell, chair of the Natural Resources Conservation Board.

Thank you all for being here.

The Chair: Go ahead, please.

Dr. Morton: Thank you, Chair. It's my pleasure this evening to present the estimates for Sustainable Resource Development for 2009-10. My ministry's operating budget for the fiscal year is \$335.9 million for four core businesses: forests, lands, fish and wildlife, and the three quasi-judicial boards on nonenergy resource development, surface rights, and land compensation.

This year 2,001 full-time equivalent staff, scientists, officers, firefighters, and program experts, many in field offices, will manage Alberta's forests, public lands, and biodiversity as a resource and a heritage for all Albertans. They will protect habitat, fight wildfires, manage forest health, manage wildlife, support hunting and fishing, and process thousands of land dispositions that will benefit our economic future. They will also ensure that resource development respects both the environment and landowners' rights.

The Premier's mandate letter recognizes my ministry's dual role in both resource protection and opportunity. I am to lead implementation of the land-use framework, improve its information management systems, and lead in strengthening Alberta's forestry sector. I will also work with my colleague ministers on environmentally sustainable resource development to enhance value-added activity, increase innovation, and build a skilled workforce.

My 2009-10 operating budget includes increases to meet these mandated priorities. These are the increases in the budget: \$8 million more goes to the land-use framework; \$1.6 million is for GeoDiscover Alberta, a data system to consolidate and share land-related information, which is part of that \$8 million; \$10.1 million more goes to forest dependent communities for retraining and to support FireSmart initiatives. The increases for my mandated priorities add up to \$19.7 million. These increases are partly offset by cutting bonuses worth \$2.2 million and reducing \$3 million from grants, still leaving \$18 million in grants for priority activities. There was also a reduction of \$3.9 million for supplies and services.

These savings will come from more competitive contracts, more efficient use of pooled vehicles and telephone technology, cutting back on travel, and focusing on priorities. We will take a closer look at these efficiencies as I look at the budgets for each core business.

I'll speak first, then, about the core business of forestry. Together, Alberta's forests cover an area larger than the entire state of Montana. Our forests protect Alberta's watersheds, provide habitat, and support recreation, tourism, and a forestry industry that add to our economy. Almost half of my budget's operational budget, \$150 million, is to protect and manage Alberta's forests, and two-thirds of that, \$99.5 million, is to prepare for this year's wildfire season.

To fight wildfires and mountain pine beetles, we access emergency funding from the sustainability fund, as we have in the past. The 2008-09 forecast includes last year's emergency funding for 1,700 fires that burned over 21,000 hectares. So if you were wondering about the discrepancy between last year's forecast and this year's budget, that explains it in part. This year we're using the same approach for mountain pine beetles, with \$5 million in the forest management budget for preparedness. We will access emergency funding as needed for program delivery. In 2008-2009 the \$55 million for beetles was included in delivery; that is, the control operations in the field.

The forest industry had been hard hit by market forces even before the current economic downturn. Under the terms of the softwood lumber agreement, Canada and its provinces may not directly support the industry or any specific company. However, Alberta is targeting federal community development trust funding to resource dependent communities, including forestry dependent communities. This year we are directing \$10.1 million of community development trust money, an increase of \$7.1 million over our forecast for last year. Working with the Ministry of Employment and Immigration, we will support retraining programs, and with the Forest Resource Improvement Association of Alberta, FRIAA, we are supporting local FireSmart initiatives that keep people working.

I'll turn now to a brief summary of our lands division and their budget. Sixty per cent of Alberta is public land. That's almost 400,000 square kilometres. On public lands my ministry processes and inspects resource dispositions – oil and gas, gravel, coal – that are the foundation of Alberta's resource economy. In addition, we manage grazing on 3.4 million hectares of rangeland. We manage wildlife habitat and conserve, maintain, and reclaim the heritage landscapes that define our province. Our budget of \$64.7 million is, basically, the same as last year's. Our challenge is to do this year's work with last year's funding.

6:40

A brief word about the land-use framework. The land-use framework goes beyond managing the land to include the impact of all human activity on our air, land, water, and biodiversity, and on the capacity of our environment to support and sustain growth. In the past decade we've seen the challenges of hypergrowth. Regional planning, as proposed under the Alberta Land Stewardship Act, will prepare us to meet our future economic, environmental, and social objectives. This year's \$15 million allocation is an increase of \$8 million over last year to cover the first full year of the land-use secretariat and develop the first two high-priority regional plans. The planning for the lower Athabasca region, centred on the oil sands, is already under way, and the planning for the South Saskatchewan region, which has Alberta's highest population base, will start this year.

Turning, then, to the fish and wildlife division. Fish and wildlife have significant economic and social value as watchable wildlife, for recreation, study, and food. Recreational fishing alone directly

benefits about 330,000 people and adds \$400 million to our economy. Species at risk is a priority for our fish and wildlife division and has a dedicated budget of \$1.4 million under wildlife management, an increase of \$100,000, or 7 per cent, over 2008-2009. Total funding for fish and wildlife is \$55.2 million, which is \$2.8 million less than the forecast for the previous year. The forecast included two approved supplementary one-time increases, one for the chronic wasting disease program and the other for addressing wildlife issues. Those were one-time increases not carried forward. The CWD surveillance program will concentrate in the coming year on testing hunter-harvested samples.

Most of the decreases in grant funding are under the fish and wildlife core business. My ministry supports the Alberta Biodiversity Monitoring Institute, which monitors plants, animals, and all living things and activities that affect them. Last year our grant to ABMI was \$4.2 million. This year the grant will be only \$2.2 million, and we will be asking them to focus their activities on the two priority land-use regions. The other \$1 million reduction in grants is mainly from smaller one-time grants that are not being continued.

Turning then, finally, to our fourth core business, quasi-judicial boards. These are the three quasi-judicial boards that make land-use and compensation decisions. The Natural Resources Conservation Board has a small decrease of \$500,000 as we anticipate a reduction in activities during the current economic downturn. This decrease partly offsets a combined \$1 million increase for the Land Compensation Board and the Surface Rights Board. This increase will help us address the backlog of applications that accumulated during Alberta's recent economic growth.

The Chair: One minute left.

Dr. Morton: Yeah. To close, my ministry's 2009-10 budget supports the management of Alberta's forests, public lands, fish, and wildlife. We feel that the value of those activities for our resource economy, our environment, our biodiversity, Alberta's recreational opportunities, our ability to make a living and have a quality of life are all important and core to the ministry. Given those responsibilities, I would suggest this is a frugal budget for challenging times that focuses on the ministry's core businesses and priorities and supports necessary increases primarily through efficiencies and targeted actions.

I welcome debate on the estimates for Sustainable Resource Development for 2009-10. Thank you.

The Chair: Well, thank you very much, hon. minister. That was just perfectly on time.

We'll now move to the Official Opposition. They have one hour to debate, and I believe they can go back and forth. They can talk for up to 10 minutes but not longer than 10 minutes at a time. That doesn't mean you have to talk for 10 minutes, but I would imagine that you would combine your time for one hour.

Mr. Hehr: Well, if it's okay with the hon. minister, we can combine our time. I'll, obviously, at some stages rattle on about five different questions that I think are in the same topic area to you, and you can try to pick up the ball. Most likely, you'll no doubt be able to, and we'll be able to discuss a few things. Does that sound all right with you?

Dr. Morton: We're here to please.

Mr. Hehr: That's what I like to hear, hon. minister.

If we look at the outline of what you're budgeting for, there is no doubt that this is a particularly difficult portfolio in balancing all the challenges that currently exist in Alberta. The ability to have a Sustainable Resource Development department is measured against, basically, man's activities and our wildlife's necessity to coexist with us. I really appreciate, actually, the language coming out of some of the minister's documents, recognizing that we are probably at a tipping point here in Alberta, recognizing that almost unencumbered growth can no longer happen here in Alberta unless we have some real direction and some real foresight and some real ability to plan. That's what I sort of like about what he's implementing here on the land-use framework, which is what we'll hopefully discuss first.

I realize that this hit the Order Paper today. I've only looked at a brief portion of it, but I've looked at primarily what your department has supplied to us beforehand, and it really is an ambitious plan, that most likely this time we'll be supporting. You've already answered some of those questions in your initial introduction, but if we can go through some of that, that'd be most kind.

Just to start off, will the Land-use Secretariat be fully up and running this year? What major tasks will it be undertaking? A question that's on a lot of people's minds: how much public input will be put into the various regions and the shaping of the land-use plan? If we could start with those three, I guess, that would be perfect with me.

Dr. Morton: Okay. I might have missed one: up and running, public input. What was the third?

Mr. Hehr: Just almost the goals of the secretariat this year, what the secretariat's plan is for the first year. A lot of these may intersect and actually overlap each other, those three questions.

Dr. Morton: Of course, this all presupposes that the opposition parties recognize the wonderful merit that's in Bill 36, and it sails through with approval in the next four or five weeks.

Mr. Hehr: I've only tentatively looked at it. We might have a few amendments on that.

Dr. Morton: We'll welcome constructive criticism.

Making that assumption, I suspect that the secretariat is informally up and running already. We have an acting ADM, Mr. Morris Seiferling. He has already hired several assistants. There are plans to hire several more project managers.

We can give you a sense of the internal budget for this coming year. That would include 15 FTEs, full-time equivalents, currently 12 being filled and recruiting for one more. The budget includes three secondments. It includes supplies and services. Okay. Excuse me; I'll back up. What I just described, the 15 FTEs and the secondments, is a \$2.1 million component; supplies and services we're estimating \$500,000, a half a million dollars; and contracts up to as high as \$10.8 million, so a fair amount of outside contracting. Also, data acquisition and the development of the GeoDiscover database has an allocation of \$1.6 million. There's sort of a financial profile of the secretariat.

We've already appointed and announced the first regional advisory council for the lower Athabasca. It's met twice. We anticipate announcing the membership of the South Saskatchewan, I would hope, within the next month and get them up and running. Our goal is to have draft versions of their plans finished by the end of the calendar year.

Now, in terms of public input, I began by pointing out that the bill that was introduced for first reading this afternoon represents the culmination of almost three years of public consultation that has already taken place. Most of that was into the design and production and the contents of the land-use framework policy document that was released in December of last year, and then what the Alberta Land Stewardship Act, Bill 36, introduced today, does is create the tools for implementing that policy document.

6:50

There has been a large amount of public participation and comment already: municipal authorities, business and environmental stakeholders, individual Albertans. That will continue. The regional advisory councils that have been struck for the first two represent a cross-section of stakeholders in communities: rural and urban municipalities, business interest, environmental interest. There's a cross-section, we believe, that is representative on those regional advisory councils. The councils themselves will hold public meetings in their regions to assess and gauge local priorities, and then the recommendations that come out of that regional advisory council, there'll be a draft version and then a final version. So there'll be opportunity for comment then.

Then what the regional advisory council produces, of course, is an advisory report to the secretariat and to the government. Out of that will come, again, another draft regional plan, and I would anticipate another window of opportunity for public comment on that before cabinet finalizes that. The final legal form of a regional plan will be an order in council.

Mr. Hehr: Just following up on that, you've touched on this briefly, but the capital and Calgary regions have already been having metropolitan plans that have been proceeding. Do you have timelines of integrating those plans with the regional plans that are coexisting? Are there any timelines that those two plans are going ahead with your department?

Dr. Morton: The answer is yes to both. We've had ongoing and productive channels of communication with both the capital region and the Calgary Regional Partnership. First of all, I'd say for the public record that we respect the large amount of work and achievement that both of those groups have done. They've both overcome ancient feuds, let's call them, to varying degrees to begin to conceive of themselves as a region and look to the future rather than to the past. We anticipate both of these regions, which together would constitute over two-thirds of the population of Alberta – so how the capital and Calgary regions co-operate on regional services and growth issues is critical to the future of Alberta.

We anticipate that as those regional plans are finalized, they will be adopted as subregional plans into the respective regional plans. In the case of Calgary it would be part of the South Saskatchewan, and in the case of Edmonton it would be a subregional component of the North Saskatchewan plan. If we stick to our schedule, the third region that would be proposed – in other words, after the two that have started this year – will be the North Saskatchewan, which includes the capital region.

Mr. Hehr: I guess just sort of a question or more even a comment. With the land-use framework coming into being over the course of the next little while, will this policy need to be integrated more with, say, the Municipal Government Act? Are you guys looking at reworking that so the two plans work better together? They're already discussed in places. With these goals and us trying to utilize

our land space more wisely, I see a lot of synergies that could emerge from those two groups working together.

Dr. Morton: The answer again is yes. The copy of the bill that was distributed in the Assembly this afternoon I'm sure shocked everybody by its thickness – it looked like a small novel – but if you actually look at the contents of it, you'll see that three quarters of it is consequential amendments to other acts. I believe it's 26 other acts. So there has been a considerable amount of work, considerable amount of thought given to how to co-ordinate and align in this case 26 other statutes that touch upon land use, economic development, environmental protection, pretty much the whole landscape.

Mr. Hehr: I'll look at that more closely. I just had a chance to briefly look at it before I came in here, but thank you for the heads-up.

If we just sort of move on to wildlife protection, I note that there's \$9.7 million budgeted this year for wildlife management. However – and I think I've asked you about this in the past – we did not see any line items specifically dedicated to species at risk. You can probably explain that better to me. At page 272 the business plan briefly mentions habitat at risk as a significant challenge for this ministry, and a number of strategies and goals in the business plan discuss wildlife and managing threats, but we, unfortunately, do not see a specific line item for this. I'll just ask some specific questions there. How much will be spent this year on species at risk initiatives, how much money will be spent on the grizzly bear recovery plan, and how much money will be directed towards caribou habitat protection initiatives?

Dr. Morton: Thank you. The species at risk component of the budget is, again, core to the mandate of the fish and wildlife division and also will be addressed by a focus on protection of habitat under the land-use framework. The program spending is estimated at \$1.4 million for this year. That compares to the '08-09 budget of \$1.3 million. Those numbers, however, do not include biologist or officer staff time or support, of which there is a fair amount.

I could go through all of the various endangered, threatened, and special-concern species and talk about the dollar figures that are allocated there. That's probably more detail than you want here.

Mr. Hehr: Would you be able to provide that to me?

Dr. Morton: I think we could. It's pretty specific: lake sturgeon recovery teams, \$3,000; burrowing owl and Ord's kangaroo rat recovery teams, \$4,800; short-horned lizard; western spiderwort; sand verbena.

Mr. Hehr: You know, Her Majesty's Loyal Opposition cares about all the creatures, big and small, of this province, so I think we'd probably appreciate that information. You probably would have the grizzly bear recovery plan on there and the caribou habitat protection initiatives. If you could photocopy that page, that'd be all right, if you don't mind.

Dr. Morton: We'd be happy to do that. I think I made that commitment to you a few weeks ago. I could give you a little more detail on the grizzly since I think that, for a number of reasons, tends to be one of the higher priorities in this area. On the policy level, as you know, we've essentially finished the DNA sampling process, and then the biologists at the Forestry Research Institute are compiling that data. We expect to get it later this year, and then we'll make a decision in terms of how we proceed there in terms of,

possibly, endangered status or whether or not we reinstate the hunting season or continue the suspension. All of those decisions will be made after we get information, the results and the recommendation from the Forestry Research Institute.

7:00

In terms of a specific budget, though, this year there is an apparent reduction in terms of spending on grizzly bear, but almost all of that is due to the fact that the grant funding that went to the DNA study last year, which was \$733,000, is not carried over into this year because at least the field part of that research is done. The budget specific to grizzly last year was \$1,751,000; the budget this year is just under a million, \$925,000 – I'll give you this information, too – so about an \$800,000 difference. And \$733,000 of the \$800,000 is due just to the fact that the field research on the DNA studies finished. That did not continue over to this year.

I would draw your attention, though, to I think a very important new item in the grizzly bear budget, and that is our intention – and we've budgeted for this and are going to do this – to hire a carnivore specialist, a new biologist that specializes not in grizzlies per se but in carnivores. We think that will be an important addition to that effort.

Mr. Hehr: Can I ask one more question before I make my amendment? You're right; people are very interested in the grizzly bear. Darlene from Calgary, Wendy from Banff, and Matt from Canmore, all people who have written me to discuss this.

Dr. Morton: They've written me, too.

Mr. Hehr: Yes. Exactly. On that note, you're going to be making the decisions on threatened species and all that towards the end of the year and whether you're going to be able to continue the grizzly bear hunt or not. Okay. That's fair enough.

At this point in time I'll just make my amendment, and I'd ask a page to come here and help me distribute it.

I believe it got to the chair in time. Is that true?

The Chair: If Parliamentary Counsel had the amendment prior to 6 o'clock tonight, then it will be in order.

I would also ask that the written information that's going to be presented back to the opposition probably should be to the opposition prior to the day of the voting so that you can actually make an informed decision using that information when you go to vote.

Mr. Hehr: I'll just read this into the record. I move that the estimates for communications under reference 1.0.3 at page 378 of the 2009-2010 main estimates of the Department of Sustainable Resource Development be reduced by \$325,000 so that the amount to be voted at page 375 for expense and equipment/inventory purchases is \$335,568,000.

Thank you very much. We can continue later.

The Chair: I'm going to add one more comment to the one I just made. The information that you're going to present back to Mr. Hehr should be presented through the chair to be distributed to the other committee members so that all committee members would have that information. Thank you.

Go ahead, Mr. Hehr, and speak to your amendment.

Mr. Hehr: Well, it's just a simple cost-cutting measure in these times of government tightening the belts. I know the hon. minister

is big on small government, so maybe he'll take a look at our amendment as it stands and maybe see if any belt-tightening can be done on that front. Maybe there are some other areas, but I'm sure he's looked at that.

Dr. Morton: I can assure you that we won't be putting any pictures of African lions or Indian leopards on our website.

Mr. Hehr: That's very good. I think the public would be happy, too. They prefer Alberta-based scenes; at least, that's what my spider sense tells me. I could be wrong.

You talked about chronic wasting disease a little bit in your opening remarks. We've asked the odd question about this, too, in question period, and it doesn't seem to go very far. The business plan notes on page 271 that chronic wasting disease . . . [A timer sounded] We'll continue on that after some other members have had the opportunity.

The Chair: The first 20 minutes is concluded, but you can continue if you want to be the same member on the next 20 minutes. Go ahead.

Mr. Hehr: There we go. Well, thank you very much. Just to continue on chronic wasting disease at game farms. Many people indicate it raises serious concerns as it can then spread to wildlife and make the spread of the disease very difficult to control. I know there have been various comments as to whether that is in fact happening at all. Some responses say no.

Just to be clear, what resources will be dedicated in this budget to chronic wasting disease? Will the minister be advocating for an end to subsidies to game farming? What has the Ministry of SRD done in co-ordination with the department of agriculture to curb or to contain the spread of chronic wasting disease? Has the ministry done any recent studies, either in its own department or along with the Department of Agriculture and Rural Development, on any new measures that could be taken to stop the spread of chronic wasting disease? A lot of those four things sort of dovetail and overlap.

Dr. Morton: Well, I think I'll begin, maybe, with your last point. There's an important distinction that should be made here between farm cervids, deer and elk, that are raised in effect like domestic animals, and wildlife. As you have indicated, there's a split, or shared, jurisdiction there between Agriculture and SRD. Everything that takes place inside the fences of a game farm is under the jurisdiction of Agriculture. Everything that takes place outside the fences is under the regulation of SRD and fish and wildlife.

In particular, the transportation of farm cervids, elk or deer, is very closely regulated precisely for detection and prevention of the spread of CWD. I'd think it appropriate that the record show that in the last seven or eight years every domestic cervid that is slaughtered in Alberta has to be tested, and the numbers there are 40,000. Out of 40,000 domestic cervids there have been only three confirmed cases of CWD, all in 2002.

At the risk of patting both the ministry of agriculture and the fish and wildlife division on the back, I'd say that compared to Saskatchewan, which has a very serious problem of CWD both in farm cervids and in wildlife, Alberta has done remarkably well.

Now, where the problem is in Alberta is on the Saskatchewan border. Again, as your question indicates, you're quite well aware that we have had an increasingly active CWD detection and control program on the WMUs, the wildlife management units, that are adjacent to the Saskatchewan border. We are decreasing the funding, from approximately a million dollars spent on head

collection, disease testing, population monitoring in the 2008-09 budget to the 2009-10 estimate of only half a million.

The focus is shifting towards a greater reliance on hunter harvest as opposed to either using our own fish and wildlife officers to do winter culls or hiring others to do that. Increasing the opportunities for hunters reduces the need for government expenditures in that area, but where we are increasing expenditures, we're increasing the number of 24-hour freezers and mobile trailers. We're adding three more of those to make it easier for hunters to have their animals tested. We're upping significantly the amount of hunter harvest, both in terms of the number of tags made available and also the length of the season, and also increasing the convenience of having that tested.

I do have some new information here, if you want to get it, on the results of testing that aren't on the public record yet, that I'd be happy to give you.

7:10

Mr. Hehr: If you give me two seconds, I could ask you just before you go on to that – I am very interested – if you can give me the increase in licences sort of given out to hunters as well as the details about the hunter harvest related to, I guess, my questions on chronic wasting disease. Will they be patrolling, then, the border on behalf of Alberta? How will that integrate? We've been very successful at keeping chronic wasting disease out of Alberta. As a hunter you're cutting the budget. Is this going to enable us to do it? Tell me how that's going to work, you know, to continue the success rate of keeping that out of Alberta.

Dr. Morton: Well, I don't have the regulations for 2009-10. They have not been formalized yet. My recollection of the 2008-09 – you were looking for numbers of tags specific to the CWD, not to hunting licences generally, right?

Mr. Hehr: No, I actually am looking for the hunter licence specifics.

Dr. Morton: Oh, well, there's a good story.

Mr. Hehr: Yeah, that's why I'm here: to learn, hon. minister. I want to know how this program is going to work. I want to know how much the increase is, how it's going to stop CWD, all this stuff. I'm giving you the platform you probably want here. Tell me about this.

Dr. Morton: Okay. You're exactly giving me the platform I want.

Trout Unlimited has a saying that a stream without a fisherman is a stream without a friend. We've embraced that both at fish and wildlife and over at Alberta Conservation Association. We think that hunters and fishermen are the most reliable supporters of habitat conservation because they understand the connection between our fisheries and our wildlife and good habitat. Unlike other types of environmentalists they put their own money where their mouth is, raising hundreds of millions of dollars across North America.

We're into a big drive to recruit both new hunters and new anglers, and I can report that the trend is in the right direction. Fishing licences sold in '07-08 increased from 238,000 to 249,000, and the number of hunting applications received went from 404,000 to 420,000. The largest increases were in younger hunters and in the number of women hunters. Both of those are very positive trends, in my view.

Now, would you like some information specifically on chronic wasting or not?

Mr. Hehr: I want to know how your cuts to the chronic wasting disease – but you launched in with sort of the hunting program. At the same time you were telling me about the chronic wasting disease. I assume there's a connection on patrolling our Saskatchewan-Alberta border and the new hunter program. Can you tell me how that's going to work vis-à-vis what seems to have worked well coming out of, at least, a publicly run border monitoring system?

Dr. Morton: The science on CWD is a bit complex, but for the sake of simplicity the core premise is that the most important factor is herd density or proximity of animals to one another. It's spread by contact or sharing the same area. So the objective of CWD control is to thin the herd, to make densities lower, and that explains both the use of postseason culls in the past and moving towards increased hunter harvest now as a more economical way to achieve the same results. If I could, I could report some positive numbers, which we haven't reported before, which I think indicate the success of our program.

Mr. Hehr: Fair enough. As long as we can – I'm not quite sharing your exact enthusiasm on the hunter program without the results being necessary. I share some worry about, you know, the numbers of population in gaming that remain out there, grizzly and otherwise. Nonetheless, feel free as long as you have a plan to sort of map out that these animals aren't, I guess, overharvested, as has happened in the past when man has self-monitored in this way, and how you're going to make sure that that monitoring continues. So go ahead.

Dr. Morton: What I have for you are some numbers on the number of heads tested for '05-06, '06-07, '07-08, and '08-09, so we can see some trends. I won't give you all the details. The number of heads tested goes up for the first three years and then drops the year we've just finished because we did not do the postseason cull.

The number of heads tested: 1,700, 4,500, 8,000, and then down to 4,000, okay? The number of positives found: 13 the first year, 16 the next, 24 the next, and eight this past year just finished. But the real significance is not in the raw numbers but in the number of positive heads as a percentage of the total tested, and that number has been going down every year, from a percentage of .76 in '05-06 to .36 to .29 to .20. I just got those numbers today. There was an appearance, given the fact that new cases kept being discovered and the total number of deer kept going up, that our program was being ineffective, but I think what this shows is that the incidence of positive heads per thousand is going down, so the effect of the thinning is working.

Mr. Hehr: You're monitoring the number of, I guess, animal species that are out there. These would be the number of hunting tags you're giving out. There's some monitoring going on, I assume.

Dr. Morton: Absolutely.

Mr. Hehr: Okay. Fair enough. Of course, I trust the ministry is happy with what has been going on, I guess, vis-à-vis those numbers that are being reported and existing game that is out there and the hunter program so far.

Dr. Morton: Are we back to province-wide right now, or are you still on the Saskatchewan border and the WMUs?

Mr. Hehr: I'm mixing them all up, so why don't you help me and give me them both?

Dr. Morton: Well, our cervid populations, deer and elk: I can say with absolute confidence that white-tailed mule deer and elk populations have never been higher in the history of this province.

Mr. Hehr: Good. It's a success.

Dr. Morton: There are certain locales where the herd is thin, but in terms of overall numbers they've never been higher. Ask any autobody shop.

Mr. Hehr: Thank you. They've got it written on the wall there, eh? Okay.

Well, here, if we can move to, I guess, a few more things. The open spaces Alberta. The background is this from the My Wild Alberta website. The open spaces Alberta recreational access management program is a pilot program that's administered by SRD, and it's intended to evaluate methods to improve access on private land for recreational activity, help landowners maintain and preserve wildlife and fisheries habitat, and all that stuff. Was this program sort of what you have just briefly been describing to me as part of what's happening on the Alberta-Saskatchewan border and how we're moving toward privately owned agricultural land? Particularly, rangelands are going to more of a hunter-controlled population by farmers being able to give out tags and the like.

7:20

Dr. Morton: Thank you. This is something quite different from the CWD control on the Saskatchewan border. This is proposed as a pilot program in only two WMUs, two wildlife management units, the two in the southwest corner of the province: WMU 300 south of Pincher Creek down to the border and WMU 108, which basically runs kind of a triangle below Lethbridge to Cardston and Milk River.

There has been some confusion on this. At one point there were two different programs. We've dropped the open spaces one and are focusing now just on the recreational access management program, RAMP. This is a three-year pilot project which is intended to increase both the quantity of wildlife and recreational access, including hunter access, on private lands. The premise of the program, one that I believe strongly in, is that given the fact that two-thirds of the land in central and southern Alberta is privately owned, if you care about the future of Alberta's fisheries and wildlife, then you have to care about the quality and quantity of the habitat they depend upon. If you care about the quality and quantity of the habitat they depend upon, then you'd better start thinking about the private landowners, who basically control the quality and quantity of that habitat.

Hunting and fishing access to a landowner, whether it's a farmer or a stockperson is, frankly, a fairly major economic negative or drag. A large number ungulates, elk and deer, break fences, eat crop. A large number of hunters break fences, call on your telephone, knock on your door. The good ones knock on your door and ask permission. Some of them trespass. So the incentives for landowners to keep habitat, woodlots, caragana rows, other types of cover, that are the basis of good riparian areas, watersheds, and also cover and food for waterfowl, upland birds, deer, and elk, are all negative. I would suggest to you that, again, in certain areas, particularly in the upland bird possibilities and to some extent waterfowl, the negative incentives for landowners has resulted in reduced populations, the opposite of what I've said about deer and elk.

The RAMP program as presently conceived as a pilot project will, operating in these two WMUs, allow landowners to sign up to participate in this. Anyone who signs up has their land evaluated for

both the quality of habitat and also the quantity, and they're eligible up to \$20 a hunter day for compensation, depending upon the quality and quantity of their habitat: \$10 for the quality, \$10 for the quantity. That will be monitored, and then we'll decide after three years whether it's successful or not. We'll be interviewing both preprogram and postprogram the landowners who participate and the hunters who participate.

Again, going back to the question of hunter recruitment, we think that this will be an important factor in allowing particularly new hunters, which are often younger people, or maybe women hunters who don't have the contacts and the network from a hunting set of friends to be able to go on a public website, see what landowners are participating, go out, and get access to where hunting has already been preapproved by the people who participate in this. The budget for this in the 2008-2009 budget, when we were just designing and beginning to set up the program, was \$200,000. The 2009-10 estimate is for \$300,000.

Mr. Hehr: It sounds a lot like the hunting for habitat program that was essentially scrapped. [A timer sounded]

The Chair: That means we have 20 more minutes for the first section here. Go ahead.

Mr. Hehr: Is this just sort of a more timely reworking of that program?

Dr. Morton: There's a very important difference. The hunting for habitat, which was a similar program, was going to be financed by allowing landowners to sell tags. That drew a lot of criticism, so we dropped that. In this case the compensation paid to landowners comes from the government of Alberta, so there's absolutely no so-called paid hunting where an individual pays a landowner directly to get preferred access or exclusive access to hunt on private land.

This is a government program, and I've stressed in my comments so far its benefits from a recreational hunting and biological diversity point of view in terms of habitat supporting both fisheries and wildlife. But I think it can also be viewed as a form of an agricultural program which would allow landowners, farmers or ranchers, to diversify their business plans, create a new stream of revenue if the program goes forward.

It can also be seen as having a positive effect on rural development. Hunting is a form of tourism. Hunters bring a lot of cash into a community in terms of groceries, gas, the occasional beer: stimulus for rural communities, particularly in the fall, which is after the normal tourist season.

Finally, it's a good environmental program because the same habitat that supports pintail ducks and mallards and pheasants and grouse supports all sorts of other plants and animals that have value intrinsic to themselves and also has other positive environmental effects.

We'll see how the pilot program goes, but I think it's one of our worthwhile new initiatives.

Mr. Hehr: Essentially, if I'm hearing right, this is a good way for, I guess, our rural communities to diversify themselves economically. Do you see, like, some possible future troubles with companies buying up land rights and, say, offering these tourists hunting here in the region? Will the government continue to play a role in monitoring that? Of course they will, but do you see that as happening? Do you encourage that to happen? Will large farm owners do this as a matter of course? I want to know what your vision for this is other than sort of right now as a way to, I guess,

keep track of the agriculture population and get farmers some dollars for doing this as well as protecting their land. I realize that's a disjointed question, but if you could do your best to sort of answer.

Dr. Morton: The other reason that these two WMUs were chosen, 108 and 300, was that both quality- and quantity-wise they have significant wildlife habitat. They also have some of the larger ranches in southern and central Alberta in terms of size. There's a trend for larger ranches and farms to be broken up and dismembered into smaller plots, often for subdivisions and so forth. Again, from an environmental, ecological, wildlife perspective that fragmenting of the rural areas generally has a number of perceived negative effects.

To the extent that one aspect of this is economic diversification, I think the primary beneficiaries may be family farms. If the thing develops the way it might, there might be sons and daughters that stay on a property not just to farm but also to run hunting access opportunities. Again, the two primary criteria for participation being paid are, one, habitat protection and enhancement, which is an environmental good, and two, equal public access for everybody who wants to hunt there. On the question of whether it's an individual or a larger group, if the habitat has been improved and if there is equal public access, then it's a bit beside the point who is running it.

7:30

Mr. Hehr: And I understand. As long as the government maintains some sort of role in making sure that this doesn't run amok. Again, if you continue that ability, that's fair enough, but, you know, the system without some oversight could be fraught with peril. That's the only caution I bring up.

I know you've taken a good stab at answering this, but just for the record, if I could, because the Alberta Liberal caucus has been reaching out to Albertans, I'd like to frame this sort of in a different way, and you can just try it again. You bring up 108 and 300, so I'll just rephrase this again. SRD plans to implement a pilot project in the extreme southwest corner of Alberta, in wildlife management units 108 and 300.

Dr. Morton: Not the extreme.

Mr. Hehr: Well, it will pay landowners who agree to provide hunters and anglers with access to their property. The cost is estimated at \$500,000 and comes from the general budget of SRD. In the past two years the Alberta Fish and Game Association, 19,000 members, has rejected the idea. In 2008 it was also rejected by the AAMD and C and municipal governments. Anyway, on this note, Gordon wants to know: why is the government proceeding when the people proposed to be served don't want it and there are serious concerns regarding CWD, chronic wasting disease, in the deer and elk, and grizzly bear population concerns, and other matters more pressing in need of action are being set aside? Maybe you could alleviate Gordon's concerns in much the same way you have alleviated mine. That would be most helpful.

Dr. Morton: One correction to what you said. The basis for compensation to landowners is 50 per cent access, 50 per cent habitat protection or improvement. Okay? It's partly hunter recreational access, partly enhancement or protection of habitat with an environmental value.

The fish and game associations of Alberta are an important constituency for wildlife issues such as this, and we listen to them carefully and take their advice seriously. However, I can say with

many years of experience that the people that participate in fish and game associations have typically hunted and fished all their lives. They know all the landowners they need to know. They have all their connections, and of course they say that there's no problem with access whatsoever. For them, there isn't, but for new hunters or people who don't come from a hunting background – and there are lots of new Albertans coming to this province every year who don't have those networks and contacts – access is an issue.

Here is a program where the participating lands will be on a website available to the public and which offers new hunters, people who don't have those contacts, the opportunity to get out and enjoy some of the best recreation that Alberta has to offer. Particularly, since I've become the Minister of SRD, I value the advice and recommendations of the fish and game associations even more, but on this particular issue I think their perspective is not representative of the entire hunting and fishing community.

I guess, just for the record, I'd point out that Pheasants Forever, which is a key habitat organization, has sent us a letter strongly supporting the RAMP program. The hunting and fishing community is, not surprisingly, not of one mind on this issue.

Mr. Hehr: I appreciate your comments. Just following up there, do you really foresee this industry more for new Albertans than people who have been traditionally accessing it, or do you see this new sort of industry being set up more for international tourists, in a way to have part of the wildlife become more of our economic engine?

Dr. Morton: No. I see it for new hunters and new Albertans who don't have the networks, the contacts, but also for improving – particularly for waterfowl and upland game, habitat has been an issue, both wetland and upland habitat. Here's a program that will incent landowners to protect or even enhance the habitat. It's not just the new hunters or people who've moved that will benefit from it. To the extent that game populations increase more generally, everybody benefits.

Mr. Hehr: I guess that on that note, with the new Alberta tourism council being formed, are there any cross-ministry initiatives that you're currently engaged in with that program to market this initiative or any new stuff that you could provide us information about at this time?

Dr. Morton: Well, most nonresidents that come in to hunt – I'll stick to hunting – hire guides. Typically I doubt they would be major users of this program. I've been talking to the minister of tourism, thinking that her promotion needs more pictures of people enjoying fall sports, but so far she has resisted my wily arguments.

Mr. Hehr: So right now no concrete plans with the two ministries, then, promoting this?

Dr. Morton: No, but I'll continue to persist.

Mr. Hehr: Okay. There we go.

If we could go on to forestry. I began to understand this a little bit last year, and you brought it up again at the start. Much of this forestry budget always turns up as a big spending item because it's contained in the emergency protection fund. I guess that if you could break that down a little bit more for both myself and those following along at home and my office staff as to where this money is spent, why it keeps happening year after year. Does the minister expect a similar case this year, where actual money spent will be much greater than the \$99 million budgeted for forest protection?

That's line 2.0.1, page 378 of the estimates. How much of that is set aside for forest fires? How much of this amount will be going towards initiatives to combat the mountain pine beetle? I'll continue from there after you've been able to sort of try and take a stab at those.

Dr. Morton: This is a budgeting peculiarity in the forestry division that needs to be explained every year because it's not self-evident. The simple explanation is that the budget request that goes in at the beginning of the budget year is the cost of preparedness for firefighting; in other words, personnel, equipment, uniforms, the whole ball of wax. It does not include the actual cost of fighting fires because we don't know in advance what kind of fire season it's going to be. The actual cost of fighting fires, once they begin to happen, is funded out of the emergency fund that's provided under the Environmental Protection and Enhancement Act. You will see in the next month or sometime before we leave that I will probably go to cabinet and request a – I'm switching topics now. I was going to say a pine beetle emergency because we do the pine beetle on the same basis.

The base funding, or the core funding, in the original budget is just for preparedness. Then the actual cost of going out and doing the field work is done through the declaration of an emergency to access the funding in the sustainability fund that's authorized for these types of emergencies.

Mr. Hehr: I guess that helps me a little bit. Hopefully, I won't have to ask that question next year, but I probably will again. So there we go. I don't know if you'll be able to answer that next year, if you'll still be the minister here. Nonetheless, I'll probably ask it to either you or someone else.

Anyway, if we could sort of go on. How was this year's winter towards the pine beetle? Do we have anything planned for this summer to continue our battle against them? Can you bring us up to date?

7:40

Dr. Morton: Probably, I should begin by apologizing to Albertans for the remark I made I think on February 18 in answering one of your questions – I think it was one of your questions – when I said: let the global cooling continue, and wish for three more weeks of minus 30. I didn't realize it would come true.

Mr. Hehr: It may have been the hon. Member for Calgary-Varsity.

Dr. Morton: Okay. I've had about enough snow now.

There are two ways to predict the effect of winter on pine beetle. One is with computer modelling, and the other is to go out in May and actually cut the bark off and do the checking. Working with the Canadian Forest Service, we have access to sophisticated computer modelling that does predictions. The predictions look pretty positive in terms of a high kill rate, but we think the prudent thing to do is to not speculate on computer simulation. We're going to wait till May, till we actually go out and do on-site field samples, particularly in the eastern slopes, to see if the fairly positive, meaning high, mortality rates that the computer modelling is predicting are actually verified in the field.

More generally, I can tell you that we feel that a combination of our efforts – single-tree removal, stand removal, and in certain cases prescribed burns – with a little help from Mother Nature in the northern portion, the Grande Prairie area, has been effective. The numbers of beetles there, while still high, are declining, which is the key. Here the trend is everything. The trend is going down, which is good.

Conversely, we're not as optimistic about the trend in the eastern slopes, particularly in the pass areas, the Bow corridor and the Crownest Pass, which are the easy access areas with prevailing westerlies coming over from British Columbia. There, while the numbers compared to the north are low, the population is trending upwards, which worries us quite a bit. It's accurate to say that our focus on pine beetle control is shifting to the eastern slopes.

Mr. Hehr: Then are you guys looking at doing some clear-cutting projects down there or some prescribed burns? You know, I understand that this battle is a difficult one. You seem to say that the trend is our friend up north, but it looks also like the trend is against us down south. Is it time to say: let's try and have our resources moved up north but also try and stop it where it is right here by doing a prescribed burn or cutting? I'm talking about things that are outside my expertise, so I hope you'll explain this to me.

Dr. Morton: Welcome to public life, I guess.

There are three main methods that we use to control pine beetle: single-tree treatment, which basically means cutting and burning; stand removal, which is the removal of an entire stand either because it's infected or because we think it's in a pine beetle growth area and it's prone, because of age or disease, to pine beetle; or prescribed burns. The mix of those three strategies depends upon the level of infestation, the age category, susceptibility of the forest in that area. There's definitely a correlation of susceptibility of older trees or older forests to pine beetle compared to younger ones. All three of those techniques have been used and will be used in southern Alberta.

Again, I know that some people in proximity to these efforts feel that the short-term aesthetic effects, of course, for them are often negative. For the record I'd point out that Parks Canada is using the same techniques, and British Columbia, which has had a lot of experience with this, is encouraging us to be forceful in stopping the spread.

The Chair: Thank you very much. That concludes the first hour. We'll go to the third party opposition. Ms Notley, I would presume that you're going to combine your time as well with the minister, so we'll just do the back-and-forth thing. Thank you very much. Go ahead.

Ms Notley: Thank you. It's a pleasure to be able to have a chance to ask a few questions in this very important ministry, that has responsibility for so many issues of great import to Albertans. I'll be quite quick because I find that these 20 minutes end so quickly. Hopefully, we'll be able to get through most of my questions.

Maybe if I could just follow up a bit really quickly on the topic that we were just discussing, which is the pine beetle and the efforts to stop it in its tracks. Not in any way wanting to predict the outcome of the efforts because I hope that we are successful, I'm just wondering if within your ministry there have been any studies or reports or discussions or work being done on the economic implications of a lack of success in terms of stopping the pine beetle as it relates (a) to our forestry industry and forestry communities and (b) to our tourism industry and the tourism communities that would be specifically impacted.

Dr. Morton: The answer is yes, again, to both, and it's not a speculative answer. All we have to do is look over to the interior of British Columbia to see the hugely negative impact both on the forestry industry, forestry communities, and tourism. There are going to be large areas of British Columbia now where somebody

born in this decade won't see a mature pine forest – by mature I mean something that's 15 or 20, 25 feet tall – until they're in their 50s. So the economic imperative to hold the pine beetle at the B.C. border is very strong both from a forestry and forestry community perspective and from tourism.

It's a winnable battle with the combination of our control efforts, some help from Mother Nature with cold weather, particularly cold weather early in the fall or late in the spring, and the decline of the beetle populations on the British Columbia side of the border. Pine beetle is endemic to the North American Rockies, both sides of the border. There will always be pine beetle here and there, but what happened in British Columbia in the '90s was not endemic but epidemic in terms of the density of beetle infestation. It was that density, then, combined with some prevailing westerlies that have pushed this huge sort of surplus of beetles across the Rockies, particularly through the passes, over to the Alberta side of the mountains. Now, the good news is that in the north, among other things the beetle population is crashing in some areas and is predicted to crash generally because there are no pine left to eat. That's why, again, I remain optimistic about holding our own in the area to the southwest and northwest of Grande Prairie.

In southern British Columbia, however, the pine beetle epidemic is not predicted to peak until 2012, so we have a couple more years where we have to do what we can to hold our own, particularly in the mountain pass areas.

Ms Notley: With respect to those reports or studies that I was asking about, are those things that you can make public, that you can provide to us?

7:50

Dr. Morton: Certainly on the forestry side. On the tourism side I don't think we have studies per se. But having just spent constituency day on Friday with some members of the Alberta Trail Riding Association – they certainly aren't people that do commercial trail rides – both for those of us who live here and also for out-of-province tourism, if what's happened in the B.C. interior happens in the eastern slopes, we will not attract tourists, and it'd be a lot less attractive place for ourselves.

Ms Notley: So that was a yes on the forestry report, then?

Dr. Morton: Yeah.

Ms Notley: Okay. I'd appreciate that. And I'm sure that would be shared with all members of the committee.

Dr. Morton: Through the chair.

Ms Notley: Right. Thanks.

If I could jump really quickly to the issue of reclamation, I wonder if you could answer me very, very quickly if reclamation is . . .

Dr. Morton: Reclamation in what area?

Ms Notley: In the Fort McMurray area. Is that something that's in your ministry, or is that Environment?

Dr. Morton: It's shared.

Ms Notley: Shared. With respect to the issue of reclamation from oil extraction work, I think it was late May last year that it was identified that we still only have about .2 per cent of land there

certified as reclaimed, about one square kilometre. I'm wondering if you could talk a little bit about what work, outside of the land-use framework, which is very sort of forward-looking, is happening within your ministry to deal with that and where we would see that reflected in the budget.

Dr. Morton: Any surface mining activity on Crown land requires a disposition, a permission or authority from the Crown, which, being on public lands, is governed by SRD, the lands division. Where the activity disturbs the surface, there is an obligation to reclaim. The specific obligation I believe is under the Environmental Protection and Enhancement Act, and parts of that are of course monitored by Environment. But the actual reclamation certificate in the end is issued by the SRD lands division.

I can give you a specific example. Last March we issued the first reclamation certificate for an oil sands property just north of Fort McMurray. That was based on sign-offs from both Environment and our field staff, looking at not just the habitat and vegetative side of the reclamation but also whether it was sufficient to support the biodiversity in terms of bird life and wildlife and so forth, and it was not until our staff were satisfied that that was the case that we issued the certificate. I'm happy to state on the record that I went up there later in the summer and inspected this area. It's certainly quite a bit more than one square kilometre; it's 104 hectares of land. I can tell you that I saw ducks, deer droppings, a beaver working on a pond on the land, lots of songbirds.

An Hon. Member: Mosquitoes.

Dr. Morton: Yeah, mosquitoes.

It was, I think, an impressive piece of reclamation. Now, the fact is that it's a very, very small percentage of disturbed land there, but the fact that it was done and can be done I think is a positive sign, and people should realize that. I think it's worth pointing out to critics and maybe even sometimes to your party that the surface mining component of the oil sands is actually a rather small component of the overall oil sands deposits. That's where the surface disturbance is greatest on a go-forward basis.

I think you've heard from the Minister of Environment, and I suspect you've been reading the clippings, that there are actually a number of quite positive reports of new technology that, at least at the testing stage, have the potential to significantly expedite the biggest problem, which are the settling ponds, to expedite that process. I'm outside my own field here, but the Minister of Environment – I'd better be careful here – put some new regulations on that that, again, expedite the settling pond recovery process.

Ms Notley: I believe those regulations are actually also on a go-forward basis. The concern is really about those parts of the land base up there that already have been disturbed, to use the terminology, whether we're talking about the existing tailings bodies of water and/or the surface mining. Surface mining may be a small piece of it, of course, but we're still only looking at .2 per cent reclamation. You know, I would be comforted to see that there were actually some active initiatives going on rather than sort of a receptive waiting for somebody to come to us so that we can certify it. I mean, there's clearly a deficit there if only .2 per cent have been certified as reclaimed. Maybe you could tell me – very quickly, though, because I want to go on to another topic – whether there are any anticipated certificates forthcoming this year.

Dr. Morton: Not to my knowledge. Again, you can probably appreciate here that we tend to get criticized for moving either too

fast or too slowly on issuing these certificates. There's some pressure usually from the companies themselves to expedite the approval, and then there's sometimes criticism from environmental groups and sometimes even from members of your party that the approval of the reclamation is given too quickly. So everything in due time.

Ms Notley: I think what we're really looking for is worthwhile approvals or accurate approvals, approvals that actually reflect it. That's what we're looking for.

Dr. Morton: Again, that's why we're not going to rush into approving something that's not properly reclaimed.

Ms Notley: Which then raises the concern about why it's not properly reclaimed.

Dr. Morton: I'd be happy to include in this growing package of material an article from the *Calgary Herald* on the weekend that previews I think four different new technologies that have already gone through the lab stage and are now moving to the test stage, each of them different technologies and all of them promising to significantly shorten the settling process.

Ms Notley: Maybe I'll just move on to the next issue, with respect to the land-use framework. I just have a couple of questions in terms of how the membership of the regional advisory councils is established. I know they're appointed. I assume they're appointed by the minister. I'm looking at the representation for the regional advisory council for the south Athabasca region. I note that there appear to be, from what I can tell, roughly five or six industry reps, but my real concern there is that it doesn't appear as though there is anybody on that advisory panel that represents communities downstream from the primary industrial area in the Fort McMurray area.

Mr. Boutilier: You mean down north?

Ms Notley: Down north, yeah. Exactly. It's confusing.

8:00

Dr. Morton: The plan for each of the regional advisory councils is to get a representative cross-section of the peoples and interests that are active in each region. That includes then, of course, aboriginal, both Indian and Métis, communities. The objective of each of these regional advisory committees is to have anywhere from two to three seats out of, say, 14 or 15 set aside specifically for aboriginal participation.

We do have a Métis member on the Lower Athabasca. We were having difficulty getting aboriginal participation there. Their leaders have a difference of opinion in terms of how best to participate in this process. As you're probably aware, they prefer what they call a government-to-government relationship and have not been particularly enthusiastic about sitting on an advisory committee with other members of the community. Having said that, I'm happy to report that Treaty 8 has now nominated somebody. There is somebody nominated and willing to serve on the committee, but it's not public yet, so I can't name names.

Your question was about somebody downstream, which is to say from further north. We certainly would welcome representation from that community, but it hasn't been forthcoming yet for the reasons I just gave you.

Ms Notley: Given the critical role that those people would play and the critical issues that their communities face with respect to the land

use in that particular area – you know, obviously, those are legitimate concerns that they raise with respect to the mechanism through which they work with the provincial government; it's not new for that community – are there other strategies in place for that regional advisory council to be able to properly reflect and accommodate the significant issues?

Dr. Morton: I think the answer is yes. Again, because of both the scrutiny that you and your party and the Liberal Party give to us and also the scrutiny we're under nationally and internationally on that particular issue – we're not complete fools – we're not going to proceed with a regional plan for the lower Athabasca which doesn't give water quality particularly, which I think is really the issue, a very, very high priority. But beyond just the instinct for self-preservation – you could check with the Minister of Aboriginal Relations – since the new year we've had two meetings with the combined leadership of the various treaty Indians in Alberta as mandated by the Premier's agreement with the chiefs last year. At the first meeting in February and then again last week I reiterated my willingness to meet informally with chiefs or band leaders as we go through the different regional plans for input that way.

Actually, I should back up, make one more step. I could give you – I don't know whether it's public record or not. We've had extensive consultation with both Métis and aboriginal groups all the way along through informal channels where the formal process hasn't worked.

The Chair: Thank you very much.

That concludes the section for the third party opposition. We'll take a five-minute break. We'll resume in exactly five minutes. The score is 2-nothing Chicago.

[The committee adjourned from 8:06 p.m. to 8:11 p.m.]

The Chair: Thank you very much. We'll reconvene the meeting. The first question, Mr. Doug Griffiths.

Mr. Griffiths: So I have 10 minutes.

The Chair: Ten minutes, and you can combine your time for a total of 20 minutes if you want 20 minutes.

Mr. Griffiths: Well, I'll combine it, then. I won't take the whole 20 minutes. But I have a combination of questions, so I'll ask them one at a time if that's all right.

My first question is on page 279 of your business plan. On expenses by core business, under Lands, your budget for '08-09 was \$82 million, forecast to come in at \$69 million. Your estimates are back up to \$92 million. Why was there a discrepancy? Was that just a short-term drop, or is that a long-term drop?

Dr. Morton: Can you repeat that once more?

Mr. Griffiths: Sorry. Under Expenses by Core Business, Lands, '07-08 actuals were \$60 million. In '08-09 you budgeted \$82 million but only came in at approximately \$69 million, or that's what you forecast you were going to come in for this last fiscal year. The current fiscal year you're budgeting at \$92 million. Was that just a one-year blip where you're forecasting an actual drop? Why wasn't it extended outward through the out-years?

Dr. Morton: I think I'll have to get back to you on that. I don't have an answer.

Mr. Griffiths: Okay. My next question is on page 280 of the business plan, the consolidated net operating results. Do you have those numbers in front of you? Now, this may sound a little bit harsh, but under Ministry Expense in '07-08 you budgeted \$480 million. Your '08-09 budget was \$377 million, but it actually came in at \$505 million, and then you budget '09-10 at \$346 million. It seems to me the actuals come in at \$481 million, \$505 million, but the budget is always \$377 million, \$346 million. It's lower. Why would you budget a steady lower return when your actuals for two years in a row actually came in significantly higher?

Dr. Morton: It goes back to the practice with respect to both firefighting and pine beetle. The base budget does not include the actual in-field operations, and we go to emergency funding to fund the actual, whether it's fighting fires or controlling pine beetles.

Mr. Griffiths: Okay. So those are emergency numbers that get added in after this?

Dr. Morton: Yes.

Mr. Griffiths: Okay. Good. Thank you for the clarification.

I also wanted to commend you on the changes in the deer cull, especially out in my neck of the woods, where utilizing farmers and the freezers and the food banks and the hunters is a great practice. I'm wondering if you collected heads from deer and elk outside of those three regions where you were testing for chronic wasting disease to see if it spread beyond that border limit? If we don't test beyond it, I'm concerned that we won't know if it has gotten past.

Dr. Morton: Anybody can turn in a head for testing from anywhere in the province, but it's not mandatory, and we haven't made it mandatory in other parts of the province. We have tested heads elsewhere, but there haven't been any positives.

Mr. Griffiths: There haven't been any positives on the other ones that have been voluntarily turned in?

Dr. Morton: No. But the numbers are probably really low.

Mr. Griffiths: Well, if you haven't gotten any, I would assume.

The enhanced land stewardship program is going to allow your ministry to sell urban public lands to buy rural lands for conservation purposes in special areas. Do you have a list of protocols? What kind of criteria are you going to use to decide which urban land to sell, which public land to sell, and which rural land to buy for conservation purposes?

Dr. Morton: The assistant deputy minister for lands brought to my attention when I first became minister that there is a considerable amount of Crown land that's now, if you like, stranded inside the boundaries of mostly northern municipalities, cities, and towns, that no longer serves the traditional purpose of Crown land in terms of resource or wildlife or forestry because it's inside town limits. Even though it doesn't have that traditional value, its commercial value is actually higher because it's potentially available for development.

Conversely, of course, we have all sorts of candidates for environmental or ecological or wildlife protection or habitat in rural areas. So we put together this program which would facilitate the sale of stranded Crown land inside of city limits and then using that money either to acquire by purchase or possibly do conservation easements on ecologically or environmentally valuable rural lands, including the possibility of riparian areas and/or wildlife habitat.

Mr. Griffiths: Is there a list of protocols in the department to decide which rural lands to purchase? Is there a priority list of different places or different types of land?

Dr. Morton: The answer to that is no.

Mr. Griffiths: So how are you going to make the decision on which land to buy?

Dr. Morton: There have been some possibilities suggested to us, and we're looking at them.

Mr. Griffiths: So it will be people coming forward that have suggestions?

Dr. Morton: That's one possibility. You're probably aware of the fact that the program that used to be known as bucks for wildlife was spun off into the Alberta Conservation Association in 1996, I believe. They're independent of government of Alberta and fish and wildlife, but we work pretty closely with them because their mandate certainly is a focus on both fish and wildlife habitat and recreational hunting and fishing. They, as you could imagine, as the successor organization to bucks for wildlife, always have a pretty big list of areas that they'd like to acquire either for protection or for conservation easements. They do have a list of priority projects. I think it's fair to say that they share that information with us, and there are discussions that go on between us and them.

8:20

Mr. Griffiths: Well, it wasn't really a shortage of land. It was just that I thought there would be so much land, how are you going to pick which should go first, you know, because you won't be able to buy it all at once? How much land are you talking about? Do you have an idea about how much land this year you'll sell and how much you plan on purchasing?

Dr. Morton: I don't have an acreage number or even a number of properties, but our target figure is sales in the vicinity of \$5 million a year over a 10-year period.

Mr. Griffiths: Okay. Well, land values change and stuff, so I was looking for a dollar value.

The other question I had was around biodiversity. We've had programs dealing with biodiversity, and I'm a big fan of it probably since the mid-80s. Is there some way we measure our track record on whether or not we've been successful at maintaining diverse species? Is there some anecdotal evidence or measured evidence about that, about the value that our biodiversity programs have had?

Dr. Morton: The biodiversity monitoring program that is run by the Biodiversity Monitoring Institute, which is funded out of SRD, actually is undertaking to create baseline data that would give a scientific basis for change in biodiversity over time. They have a fairly sophisticated and comprehensive testing program that in its original version would have broken the province into a series of grids – I forget the exact size of each grid – and then tested certain random sites on each grid for biodiversity and recorded that data. It was going to be five years to do the first round to get the baseline data, and then you could go back. It was supposed to be jointly funded by government, forestry, and the oil and gas sector.

For reasons that you can appreciate, the budget for that project is under quite a bit of pressure both on the government side and on the private-sector side right now. We're in the process probably of scaling back the rapidity with which we try and get the original

baseline data or perhaps do it at larger intervals than was first proposed. But I'd say that this program is important to our environmental record and will stand us in good stead on the forestry side, the oil and gas side, the oil sands side because it would give us a scientific basis for tracking change that most other jurisdictions don't have.

In fact, there was a news report out just last week. This magazine called *Corporate Knights* did a report card for all the provinces on their environmental record, and Alberta actually scored fairly high. I think we scored third, a bit behind Ontario and B.C. but ahead of the other prairie provinces and, certainly, way ahead of Quebec and the Maritimes. While nobody would be too surprised to hear that we didn't score too well on carbon dioxide emissions, we scored very high on forests that had third-party certification, the amount of protected area, parks, and on biodiversity. At a time when the province is coming under a fair amount of scrutiny and criticism on the CO₂ issue, here's, I think, a broader minded researcher who has gone out and looked at a broader set of environmental measures and given us a fairly high mark, in part because of the forestry and biodiversity.

Mr. Griffiths: Thank you, Minister. Thank you, Mr. Chairman.

The Chair: Thank you very much.

Our next speaker is Ms Blakeman. It'll be 20 minutes. You'll be sharing your time as well?

Ms Blakeman: Yes, I will. Thank you very much. Thank you, Minister. I appreciate the number of staff you've turned out tonight. It's quite impressive. Congratulations and welcome to all of you.

I'm going to start under Lands on vote 4.0.4, appearing on page 378 of the estimates. Now, this is showing that the budgeted amount in '08-09 was \$12.6 million. The forecast amount is \$4.3 million. Let me just deal with that one first. What accounts for the decrease in the forecasted amount? You budgeted for \$12.6 million; you're forecasting for \$4.3 million under Lands, vote 4.0.4, nominal sum disposals.

Dr. Morton: When we return Crown land or sell Crown land to a municipality for \$1, under two different programs, the accounting requires us to record that as an expense because you've had a capital good that you no longer have. Since we don't sell it for market value, it is put in as an expense. The simple explanation to the decrease is that there just hasn't been the uptake by municipalities looking for that type of Crown land that there was before.

Ms Blakeman: Okay. If I look at your budget for this year, it's again back up to \$12.5 million. Does the department budget this nominal sum disposals the same as it does pine beetles and firefighting in that it tends to put in the same amount and then adjusts it? Or, alternatively, why are you back up to the \$12.5 million?

Dr. Morton: The answer is that it's not at all like the pine beetle or firefighting. There's no access to emergency funding through the sustainability fund. The explanation, I understand, is that the tax recovery land that was not taken up last year we expect to be taken up this year.

Ms Blakeman: Good. Okay. Thank you.

I'm going to move on to sand and gravel, lucky me. This is something that has been noted by the Auditor General, noting that there are outstanding recommendations on sand and gravel royalties. Now, the minister, I recall, was asked questions in the House on this. Since I've got questions in front of me again, I'd argue we weren't

happy with the answers. He did note that the ministry has taken action, but I'm noting that the Auditor General has repeated the recommendation again as an outstanding recommendation in the report that came out in April of 2009, highlighting that royalties have not been changed since 1991, and there's no evidence of a review. Can the minister account for this discrepancy? If a review has indeed been performed, can he please provide it through the chair?

8:30

Dr. Morton: The answer I gave in the Assembly the other day is accurate, that we have done the review, and in fact our sand, gravel, and clay are more expensive than the two main comparators, which would be Saskatchewan and Manitoba. So our royalty rates, in our opinion, are not out of line at all. As I said to one of my interrogators – I forget who it was – we didn't see any public interest in having the highest royalty rates in the prairies because it would simply add to the capital cost both of public works and also private. We think our royalty rates are, in fact, middle of the pack, and that's not a bad place to be.

Ms Blakeman: Can you provide the review, then, through the chairperson so that we can all have a look at that?

Dr. Morton: I'd be happy to provide the numbers. I don't think we want to put the whole report out yet. The report will be out in due course. But I can give you the comparable numbers that I'm referring to.

Ms Blakeman: Well, I'd argue that we've asked you if a review has been done; you've said yes, but no proof of it. I'm asking for the review.

Dr. Morton: I'll tell you that the review will be out in due course, but I can expedite the release of the numbers.

The Chair: We are discussing the estimates, not the review.

Ms Blakeman: Which shows up in the budget.

I'm going to continue on. There's also a recommendation on controls over revenue from sand and gravel and the recording of those revenues. Why is this recommendation still outstanding as well? This is about revenues that come into the department.

Dr. Morton: Our practice for monitoring this is to compare quantities of gravel with revenues generated and then do spot checks. I think the principle of that practice has been acceptable to the Auditor General, but he wanted it tightened up. The recommendations were made a year ago. We're still in the process of implementing the changes, so it was repeated this year as a matter of course.

Ms Blakeman: Okay. Have additional revenues been collected as a result of the reviews that have been done?

Dr. Morton: That's not what I said. I said that the check is a matching of quantities and revenues and making sure that the ratio makes sense.

Ms Blakeman: Okay. Is the minister able to provide any kind of a timeline as to when those recommendations will be fully implemented?

Dr. Morton: Within this calendar year.

Ms Blakeman: Okay. Thank you.

Dr. Morton: Again, for the record I'd point out that the cost comparisons we did show that we already have the highest sand, gravel, and clay costs of the three prairie provinces, so it's not as if we're giving it away.

Ms Blakeman: How many staff does the ministry dedicate to performing these audits on the sand and gravel?

Dr. Morton: As the hon. member is no doubt aware, the lands division has to monitor hundreds of dispositions on Crown lands and not just sand and gravel. I think the question was: are there any staff dedicated to sand and gravel monitoring? The answer is no. That would be quite inefficient. For the staff that are responsible for monitoring all the dispositions in that division, part of their job description includes the sand and gravel monitoring.

Ms Blakeman: Okay. Thank you.

I'd like to move on to land reclamation. I listened carefully to the questions from the Member for Edmonton-Strathcona, and I'll try and be careful not to repeat what she said. But, again, there's an Auditor General's recommendation on improving the access or the process for inspecting and enforcing land reclamation which is outstanding. It showed up first in October '08, and it's still outstanding.

The SRD records are showing aggregate land holdings covering approximately 30,000 acres that have been inspected and deemed unsatisfactorily reclaimed and another 245,000 that were reported as cancelled with outstanding obligations and not awarded a reclamation certificate; 240,000 of those acres are from the exploration agreements and are at a different level of risk. The question around this is that the Auditor General noted that without the inspection and enforcement those responsible may not repair the environmental damage, and the cost would then have to be absorbed by the public, which is not something we'd like to see. I'm wondering why the recommendation has not been implemented.

Dr. Morton: Is your question about gravel or oil sands?

Ms Blakeman: The last series of questions?

Dr. Morton: No. The question you just asked.

Ms Blakeman: Reclamation of gravel.

Dr. Morton: Gravel. Okay. I'd suggest that I can give you a more complete answer in writing, but there are two different categories here. One is for leases where there's actually a mining or taking of gravel ongoing. The others are surface material explorations, where they go in and just I believe it's drill to determine the size, location, and depth of gravel deposits. On the first one there were 456 inspections completed last year, and 134 full files were completed. On the second, which is where I think you had your numbers, the 658 outstanding files were pulled; 617 have been issued a letter of clearance, and 31 files require a field inspection to determine environmental risk. There are 10 files under ongoing review. That probably is not as clearly articulated as it could be, but I would be happy to put that in a clearer form if you'd like.

8:40

Ms Blakeman: Good. Thank you. Again, through the chair.

Two more questions. How many inspections did the department perform last year on these reclamation certificates or sites? Have

any penalties been issued to any of the companies who've not adequately reclaimed the land?

Dr. Morton: There were no fines levied this past year. That's because at least on the surface materials leases I don't have an exact number, but my understanding is that most of them are ongoing. So the question of reclamation hasn't come up yet.

On the surface materials exploration they're deposits that are made prior to the exploration, but to the best of my knowledge here none of those were withheld.

Ms Blakeman: Okay. I'm going to jump back to hunting because there's a question that keeps being put to me by a family member who does hunt. His complaint is that the guides or organized hunters, people taking organized groups of hunters around, are approaching the landowners and organizing that they would bring a larger group of hunters onto the site: (a) would the permission be given, and (b) would they hold it for this group of hunters?

They tend to line up four or five different landowners in the same area, so when an individual hunter approaches the landowner, they're told: "No. Sorry. I've already said, you know, to A-okay Outfitters that they can have the use of the land for the day for their larger group." Then, of course, they don't show up because the best geese are landing in a field three farms over, and that's where the one group goes, having now sort of laid claim to five or six different prime hunting spots. The individual hunter is really at a disadvantage here.

I noticed that the minister had said that he was looking for equal public access. Does that mean even for an individual hunter? Clearly, I'm speaking of my father. That's his complaint. He's really feeling that it's a very tough go right now for individual hunters that are out there. Can you speak to that?

Dr. Morton: I've had the same experience. It is true that sometimes guides do tie up fields with agreements with a number of landowners. Landowners are obviously free to decide who they agree to let on and who they don't agree to let on. What they're not allowed to do is accept any compensation, financial or otherwise, for that access. It's an offence under the Wildlife Act to request compensation for access or to give it.

Ms Blakeman: Well, fair enough. You say that you're trying to promote hunting and even encourage new types of hunters to come into it, but for the individual hunter, unless they're going to pony up and pay an outfitter, this is actually less accessible than it was, say, 10 years ago. Does the minister have plans in place to make it equally accessible to a lone hunter, a single hunter, or is everybody going to have to join up with the hunting group now and pay the outfitter to organize things for them?

Dr. Morton: Well, it's not the outfitter; it's the landowner. The government is not going to tell landowners who they can and can't promise a field to. Indirectly I think you've probably given us some good support for the RAMP program. The good thing about the RAMP program is that participating landowners agree to have the location of their property and the terms and conditions of access posted on a website, and anybody who can access that information can then go. If there's any indication that a participant in RAMP is not being an equal opportunity accessor – in other words, is not letting anybody on who shows up, at least who's complying with the terms of the RAMP agreement – then he'd be cut off from the program. I think the RAMP program would actually address the issue you just raised.

The Chair: Thank you very much. That ends that section.

The next section is Mr. Boutilier for 20 minutes. You'll share your time as well?

Mr. Boutilier: No, I'm not going to share my time.

The Chair: Okay.

Mr. Boutilier: Thank you, Mr. Chair. Thank you, Minister Morton, and to your staff. Another important topic. If Albertans were to ask the question, "How much has been the cost of the land-use framework pertaining to this very important policy initiative?" I'd be interested to know the percentage that is earmarked in this year's budget in terms of what the dollar amount is.

Dr. Morton: The budget was \$7 million last year and \$15 million this year.

Mr. Boutilier: So cumulatively, through the chair, what do you see – typically Albertans sometimes don't necessarily ask in fiscal years – that the total endeavour of this important policy initiative by your ministry is? Maybe it could help in terms of percentage of budget.

Dr. Morton: Our projection for next year is \$15 million, and I don't think we have a projection beyond that.

Mr. Boutilier: Okay. Thank you.

Mr. Chair, the values of land were mentioned earlier by the hon. Member for Battle River-Wainwright. He talked about land boundaries, and I believe part of the answer was about the amount of land in northern communities that is owned by the government, specifically the Sustainable Resource Development ministry. For my regional municipality of Wood Buffalo – geographically it spans 68,000 square kilometres – which I know you're familiar with, what do you estimate to be the value of lands that are proximate to the regional municipality? In terms of percentage it's my understanding that SRD has the largest percentage of Crown-owned land by the province adjacent to the regional municipality of Wood Buffalo. Do you know what percentage that is and the dollar value?

Dr. Morton: Well, all of the land that surrounds Fort McMurray is Crown land. In terms of value, we don't try to value it unless there's a proposal for transfer, and in that case, as you know, we go out and get an appraisal done for whatever the specific parcel is that would be transferred.

8:50

Mr. Boutilier: In terms of your ministry one of the government policies is the transfer of land that is viewed as having public value. The province has had this policy in place for numerous years. I think it started under either Premier Lougheed or Premier Klein, where it was viewed that if a rapidly growing community required lands, the government of Alberta had a policy of transferring land for a dollar if, in fact, it was deemed to be of public interest and public use, specifically to a municipality. How often has that in your experience as minister taken place within SRD? I'm curious if it happens that often or not.

Dr. Morton: Anecdotally, we'd say there are several every year. I know that before I was minister, I worked with the town council of Turner Valley that was eager to purchase an old forestry building on the west edge of town for municipal purposes. So I had that experience before I was a minister. In the two and a half years I've been the minister, we see a fair number come through, a couple a year.

Mr. Boutilier: Okay. Through the chair, Mr. Minister, I would be curious – I'm changing topics now, moving off the issue of land to the issue of the policy of SRD and its dollar implication on the actual costs associated with wildlife in collisions with Albertans. Now, let me expand on that. I've had the experience of that episode. Specifically in my constituency, travelling highway 63 and highway 881, I've observed there are no actual – I'm not sure of the term – wildlife corridors or fences because of high instances of traffic accidents. I mean, we all know that in actual fact if you hit an animal like a moose, you usually don't even live to talk about it. But I'm curious if, in fact, there is an associated dollar value, not just life but in terms of prevention, that SRD has taken across the province.

Dr. Morton: We do have an estimated number of wildlife-vehicle collisions a year, and that's 16,000 a year, which, if you divide by the number of days in a year, is quite a few. But we don't have a dollar value attached to that. I think that, at least where I live, on Monday morning if you go to the local body shop in Bowness, the people coming in from Springbank and Bragg Creek and Bears paw, there are always half a dozen new customers that have hit something over the weekend.

Mr. Boutilier: Yeah. I think a few of us in here have had that experience.

Let me move on to one final topic, and that is on the issue of reclamation that was mentioned by numerous members. I appreciate the fact – and I thank you for this – that on the issuance of reclamation certificates over the past 25 to 30 years I think the first one was issued in the last year to year and a half. I applaud your ministry for this because in some of the instances that were described earlier, where they said, "No, it didn't meet the test to have the certificate issued," I assume that, of course – and I welcome your comments – is for the protection of the liability to Albertans.

Dr. Morton: That's why I said earlier that some people criticize us for being too slow in granting the reclamation certificates, but we're equally prone to criticism if we give them too easily. The question is that they shouldn't be given until proper reclamation is completed, and that was the case in the Syncrude property that we gave the reclamation to last March.

Mr. Boutilier: My final note, Mr. Chair, in the time remaining is that I want to share with you a comment that was made by the Duke of Edinburgh when he landed on the reclaimed land where over 300 bison roam. He came out and looked at the roaming bison, and he said: "So this is nontoxic? This has been reclaimed from 30 years of when the first area was mined?" He was absolutely amazed with the reclamation process. Of course, part of that certificate was issued. I just wanted to compliment you and your staff for being very diligent before any reclamation certificate is in fact offered.

With that, I thank you. I was wondering, my final note: can I send my collision bill to you?

Dr. Morton: Send it to the chair.

The Chair: No guarantee that it'll be paid by us. Thank you very much.

The next person is Mr. Hehr. You'll share your time again? Thank you.

Mr. Hehr: Well, thank you, Mr. Chair. I want to continue on a little bit on these Auditor General recommendations for inspecting and enforcing some of the land reclamation. How many public dollars,

if any, have been spent on unreclaimed lands from gravel development in the last fiscal year?

Dr. Morton: The question, again, is how many dollars?

Mr. Hehr: Yeah. Public dollars that have been spent, if any, on unreclaimed lands from gravel development in the fiscal year.

Dr. Morton: None.

Mr. Hehr: None. Is there any amount budgeted for reclamation by the department in the next fiscal year?

Dr. Morton: The way the system works is that gravel operators have deposits. So if they're found in default of their obligations, either operational or in reclamation, then the deposits would be used to cover that.

Mr. Hehr: Okay. Could you tell me what percentage those deposits are? If I could get educated on that process, or if you could provide me some documents from the department on what percentages they're required to post by your department.

Dr. Morton: How is the size of and the duration of the deposit determined?

Mr. Hehr: Yeah.

Dr. Morton: The practice is a deposit of \$1,000 per surface acre, but we are reviewing that per the Auditor General's recommendation.

Mr. Hehr: That's fair enough. You're reviewing it. Do you have any timelines on that review?

Dr. Morton: This calendar year.

Mr. Hehr: Okay. Well, thank you. Just going back over some ground that was already covered, if we look at gravel audits – maybe I missed the number. Has your department been able to complete one gravel audit, say, going back over the multitude of – for instance, how many companies submit, I guess, revenue to your department per year per your gravel leasing agreements?

Dr. Morton: The estimate is approximately a thousand different companies. They would each, as part of their agreement, file a report that states the quantity of gravel removed and revenues generated.

9:00

Mr. Hehr: Okay. I might have this information.

How much money does your department or the government treasury collect as a result of these royalties we collect from gravel?

Dr. Morton: My understanding is that the way it's reported publicly, it's mixed in with other revenues, but I'm told by the people that do it that it's approximately \$8 million a year.

Mr. Hehr: Okay. I know you didn't have numbers.

One of the many jobs of some of the civil servants in your department is to audit some of these statements. Is that correct?

Dr. Morton: That's right.

I do have a number there; we have 232 leases.

The Chair: If you're able to give the answers now, go ahead, please.

Dr. Morton: Well, I have two different numbers for you. We do approximately 456 inspections a year, and 232 of those are dispositions that are expiring and coming up for renewal, so they'd be inspected as a matter course.

Mr. Hehr: Okay. By "inspected," do they go out? Is there any concrete way they calculate – is it by eye, is it by calculator, is it by some sort of mathematical foundation? – how much gravel has been taken from that land site and how much royalties we've collected? Is there any actual way, or do we just simply say: send us a cheque, and let's hope it's right?

Dr. Morton: It's a combination of visual inspection and comparing with reports that are in. The reports for the larger operators are based on scales and for the smaller operators, on truckloads. Revenues also have to be reported. Again, it's the ratio of revenues to quantity of gravel removed that forms the basis for auditing.

Mr. Hehr: Okay. Just sort of like a little bit of a recommendation, you know. Take it for what it's worth. I do know that civil servants can be seen as a bonus or a burden depending on certain things. I know answers in question period are one thing; answers here are another thing. I do know that, Dr. Morton. Here's the thing. We have a Department of Energy that audits the books of some of the people who send in royalties to the province. Every year these five or six groups of people recover about an extra \$9 million to \$10 million plus from these companies who say they're doing a great thing and sending in the correct amounts of money. I would say that maybe we could in the future look at training a few of these type of auditors and going over and reviewing these audits and maybe making sure that everything is being sent in. But I leave that to your judgment.

Dr. Morton: I'll talk to people who know more about this than me and see if that recommendation might make sense in terms of recouping additional royalties.

Mr. Hehr: Okay. Thank you very much.

Just moving on here a second. If we can go to another outstanding Auditor General's recommendation, it's the Auditor General's recommendation back from 2003-04, which was repeated again in '06-07, regarding the Natural Resources Conservation Board around ranking compliance and enforcement activities as to confined feeding operations. What this all means is that the board had to define environmental risk applicable to combined feeding operations and deliver appropriate compliance and enforcement action. In the Auditor General's '06-07 report it was noted that the NRCB had failed to implement this recommendation, noting that "the Board cannot demonstrate that it uses its resources effectively to manage the risk of environmental harm." Is this recommendation still outstanding? If so, why?

Dr. Morton: The NRCB working with Alberta Agriculture and Alberta Environment has developed a new science-based risk screening tool for assessing confined feeding operations. Currently the tool is being used to review groundwater monitoring requirements at 287 confined feeding operations. I guess we're monitoring the monitoring.

Mr. Hehr: Okay. I guess, just to completely understand this: those were the actions that have been taken. When will the recommendation be complete? Is that, again, inside the calendar year?

Dr. Morton: I'm advised that the recommendation was given two years to comply or implement. So, in fact, the NRCB is not in noncompliance; it's one year into the two-year period given. I would certainly expect that the Auditor General will discuss with the NRCB the science-based risk management tool that has been developed and how it is being field tested now.

Mr. Hehr: Okay. I guess, just moving to another topic, I know that another report was tabled I think earlier and distributed widely on how our oil sands will be developed, when the heartland will be developed again, the oil sands plant. Do we have a name?

Dr. Morton: The upgraders and refineries?

Mr. Hehr: Yes. It was just put out with much ado about two months ago. Does anyone here know the title of that report? Anyway, I think we all know. We put it out again. I think, you know, given that we've had a slowdown, though, in the industry, about half of the upgrader projects have been put on the shelf. I was wondering: with your ministry being sustainable resources and with the land-use framework, will there be a co-ordination between the land-use framework and the renewed oil sands initiative that just was recently reannounced, I believe issued under the Treasury Board, which showed oil sands development?

I'm just wondering if there is this time more of an orderly process that goes along with this oil sands development and whether the land-use framework may assist a more orderly development when the oil sands development, hopefully, takes place again in this province and, hopefully, sooner rather than later. Will that land-use framework have any influence on that, with the reissuing of the plan or the new plan on oil sands development?

9:10

Dr. Morton: Is your question about the heartland project to the east of Edmonton, or are you talking about the oil sands proper up in Fort Mac, in that area?

Mr. Hehr: Let's lump it all together. How is the land-use framework going to interact with, I guess, the reissued policy on oil sands development both in the heartland and up top when the economy, hopefully, gets ticking again? When development again comes back, will your – from our perspective we thought last time it was too much of a cowboy shoot, whatever it was, and I think even the hon. former Premier Lougheed agreed with us, yada yada yada. Anyway, will the new framework and that make things different this time?

Dr. Morton: With respect to the Industrial Heartland proposals, the upgraders and refineries in Strathcona county, the answer is yes. The Minister of Environment, in fact, has a trial project on cumulative effects under way there now, and the integration of the regional plans with the watersheds facilitates that type of co-ordination of water, air, and land policy, and the cumulative effects tool does identify carrying capacities or acceptable thresholds for air and water quality. Clearly, that will be the case in the capital region on the North Saskatchewan.

Then with respect to the lower Athabasca oil sands the same thing applies again. The regional plan there will set thresholds for air and water carrying capacity and acceptability, and development will have to take place in a way that stays under those thresholds. Certainly, the plan is not that those thresholds will be used to stop development but, rather, that development, particularly with both the existing facilities and new facilities coming on stream, will meet the

requirements, whether that's on air emissions or water treatment, that are sufficiently efficient and strict to allow additional development by keeping the early players, their emissions, whether it's air or water, at a level that leaves room for future development. So it's seen as, again, not to stop growth but to facilitate sustainable and environmentally acceptable growth.

Mr. Hehr: As you mentioned earlier, there are many technologies coming onboard all the time that are going to help our industry out, which is really fabulous news. But will we then be – I guess, my question is even more blunt – like, allowing, say, one development to go ahead, and let's complete that development, and then another development to go ahead, and let's complete that development so that we don't have the competing, I guess, land and labour capital prices that we saw the last time and now the incomplete projects all over the place? Maybe this way we can more regulate, maybe get back the Alberta advantage, even though it's not the flag-waving or the symbol of our province anymore. What's the new symbol now that we spent money on? I forget. Maybe the minister can enlighten me on what that is, too.

Mrs. McQueen: Freedom to Create, Spirit to Achieve.

Mr. Hehr: Freedom to create, yes. Thank you.

Dr. Morton: So I've lost track of what the question is.

Mr. Hehr: I'll try it again. With the land-use framework, with the reissued oil sands heartland project going up, will we be now, this time, when hopefully investment comes back, completing one large project at a time, or will we continue to develop three or four different projects at the same time? I guess I'm talking specifically in the one area almost, heartland.

Dr. Morton: Well, I don't think there is or should be any a priori or advance restriction on multiple projects going ahead at the same time. But, again, they'll have to go forward in the context of an understanding of a cumulative effects threshold for air and water that indicates what their performance standards will be in order to keep under those thresholds.

The Chair: Thank you very much. That ends that section. I just want to take this little short bit of time to congratulate our researcher, Kim, on her birthday, which is tonight. She has chosen to spend it with us in this very exciting meeting.

I'll go to Mrs. McQueen next, please. You'll share your time as well?

Mrs. McQueen: Absolutely. Thank you, Mr. Chair, and thank you, Minister and staff, for being here. It has been a great evening, good dialogue back and forth.

I just want to go back to the forest-based questions. Certainly, we know about the downturn that we've had within the forest industry. I know my own community has experienced that as well with the curtailment of Weyerhaeuser in the past, but we certainly have always been forward-thinking in: how do we have those losses and turn them into opportunities? I have three questions, and maybe I'll ask all three because they're interconnected and then have you just respond to those, Minister.

I'm certainly interested to know how your ministry is going to support the forest industry into the future, then how your ministry supports forest-based communities that have been affected by the downturn. Third and finally, I guess, how do you see certainly the

bioeconomy complementing and moving forward the traditional forest industry? I say that as you are very much aware of the biomile concept that the community of Drayton Valley is working on with the province and with your ministry and the Energy department as well. If you could answer with regard to the industry, the community downturns, and then the bioeconomy as it relates to fibre.

Dr. Morton: Thank you for those questions. In terms of assistance to the forestry sector, we certainly recognize that well before the current economic recession the forestry sector was already experiencing record declines in prices because of the collapse of the U.S. housing market, and that was compounded, at least in 2007 and 2008, by a very high dollar, which, again, cut profit margins for all exporters, including the forestry sector.

The forestry sector, we recognize, was already in dire straits well before the current recession and the drying up of capital markets and credit, which is important to the sector. Upon being appointed minister, one of the first things we did was create the Forest Industry Sustainability Committee. I received two reports from that group, an interim report and then a final report. The committee was made up of – well, you know very well how the committee was made up because you were on the second one. But prior to your election there was a predecessor committee, which, like the one you sat on, had three MLAs from constituencies that have an important forestry base and also three industry reps. Then after the 2008 election that committee was reconstituted, and you were one of actually two new members added. You helped produce the final FISC report.

9:20

The interim report, Chair, was fully responded to last year, and it addressed shorter term recommendations to help competitiveness in the industry. The final report we received last August. Its recommendations, a large number of them, involved co-ordinating responses with other ministries, and it took us longer to respond to that. But we have now a government of Alberta response that we're working through the process of CPC, cabinet, and caucus, and it's my expectation that I'll get authority from caucus to publicly release that and respond next month. So that answers the question of forestry industry competitiveness.

The second one was about forestry communities?

Mrs. McQueen: Correct.

Dr. Morton: Every provincial government and the federal government work under the restrictions imposed by the softwood lumber agreement of 2006, which quite explicitly prohibits any direct assistance to the industry itself or to specific companies. The government of Alberta and the forestry sector in Alberta have been clear that we do not wish to undertake any actions that jeopardize that agreement and, therefore, would jeopardize the access that agreement procures for us to the U.S. market.

Therefore, the assistance, such as it is, has been focused not to the industry per se but to forestry dependent communities. In that context there's a federal program called the community development trust fund, which the federal government has put out. In Alberta our 2008-09 budget was \$3 million, and our 2009-10 estimate is for \$10 million. That will be spent on a combination of retraining to retain forestry workers and upgrade skills and also on FireSmart programs. It keeps forestry workers at work and with an income.

The final question was on the bioeconomy. Again, you're a bit of an expert in this with the famous biomile project in your hometown. We're working closely with both the Minister of Energy and the

ministry of advanced education on the province's eight-point bioenergy plan. The focus is on facilitating technology transfer, identifying potential partnerships between both Alberta-based energy companies and external investors, and doing things that are consistent with facilitating those opportunities but doing so in a way that does not go across the line of violating the softwood lumber agreement.

Mrs. McQueen: Okay. Thank you. Just one final question, a little bit of a change of topic, talking just a little bit about the Auditor General, who repeated in his April report some recommendations relating to reforestation that were made in the '05-06 report. If you could just give us the status of those recommendations and how we're developing on dealing with those.

Dr. Morton: I'm so glad you asked. I've spent quite a bit of time in the last week reviewing the Auditor General's recommendations and discussing them with department staff. I welcome the opportunity to report here and for the record that, in fact, I think the department has done a much better job than either the Auditor General has given us credit for or, certainly, than the media has. The department has not done a very good job, however, at communicating what it's done.

For the record here I would point out that the Auditor General's report specified four areas of performance and commented on them. One was performance reporting, the second was monitoring and compliance, the third was seed inventory, and the fourth was our relationship with FRIAA, the organization that we contract with for reforestation. The problems or the issues are on the first one, performance reporting, and I'll come back to that in a minute.

With respect to the monitoring and compliance on pages 56 to 59 of the Auditor General's report and with respect to seed inventory, both of those were given a grade of what the Auditor General called

satisfactory progress. In other words, there was still more to do, but progress was satisfactory. With the fourth issue, the relationship of the forestry division with FRIIA, it was given the grade of implemented; in other words, done. So on three of the four recommendations either satisfactory progress or completed.

Now, on the performance reporting, two points. I want Albertans to be absolutely clear and secure in the understanding that the fact that there was a complication or inadequacy in the reporting does not mean that there was any inadequacy in the replanting itself. Requirement for reforestation has been the law in Alberta for 30 years. Every cutblock is inspected. Reforestation is mandatory treatment within the first two years, and there are two mandatory inspections, one typically in the first four to eight years to determine an initial stand and then another at eight to 12, what's called the performance level, that it's reached a point where it's then going to go. Every area that's cut is subject to these two inspections, and there's never been any question that those have been done.

The breakdown has been on how that's reported. An initial metric that focused just on reforestation, which is what the Auditor General favours, was thought to be by the department too narrow and didn't capture the proper scope of what a healthy forest regeneration was, so there was a focus on moving to a different metric that looked at other factors. Based on discussions with the Auditor General . . .

The Chair: Thank you, everyone. I apologize for the interruption, Minister, but I must advise the committee that the time allotted for this item of business has concluded.

I'd like to remind everyone that we're scheduled to meet again this Wednesday evening, April 29, to consider the estimates of the Department of Energy.

Pursuant to Standing Order 59.01(2)(a), this meeting is adjourned.

[The committee adjourned at 9:30 p.m.]

