



Legislative Assembly of Alberta

The 27th Legislature  
Fourth Session

Standing Committee  
on  
Resources and Environment

Department of Sustainable Resource Development  
Consideration of Main Estimates

Wednesday, April 13, 2011  
6:30 p.m.

Transcript No. 27-4-2

**Legislative Assembly of Alberta  
The 27th Legislature  
Fourth Session**

**Standing Committee on Resources and Environment**

Prins, Ray, Lacombe-Ponoka (PC), Chair  
Blakeman, Laurie, Edmonton-Centre (AL), Deputy Chair  
  
Anderson, Rob, Airdrie-Chestermere (W)  
Berger, Evan, Livingstone-Macleod (PC)  
Boutilier, Guy C., Fort McMurray-Wood Buffalo (W)  
Hehr, Kent, Calgary-Buffalo (AL)  
Jacobs, Broyce, Cardston-Taber-Warner (PC)  
Marz, Richard, Olds-Didsbury-Three Hills (PC)  
Mason, Brian, Edmonton-Highlands-Norwood (ND)  
McQueen, Diana, Drayton Valley-Calmar (PC)  
Mitzel, Len, Cypress-Medicine Hat (PC)  
VanderBurg, George, Whitecourt-Ste. Anne (PC)

**Department of Sustainable Resource Development Participant**

Hon. Mel Knight                      Minister

**Also in Attendance**

Hinman, Paul, Calgary-Glenmore (W)  
Notley, Rachel, Edmonton-Strathcona (ND)  
Pastoor, Bridget Brennan, Lethbridge-East (AL)

**Support Staff**

W.J. David McNeil	Clerk
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Robert H. Reynolds, QC	Law Clerk/Director of Interparliamentary Relations
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast 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>

6:30 p.m.

Wednesday, April 13, 2011

[Mr. Prins in the chair]

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

**The Chair:** Good evening, everyone. It's 6:30, and we'll call the meeting to order. This is the Standing Committee on Resources and Environment. I'd like to welcome everyone to the meeting. I'd like to remind everyone that the usual rules regarding electronic devices and food and beverages in the Chamber continue to apply.

Members and staff should be aware that all the proceedings of the policy field committees in their consideration of the budget estimates are being video streamed. The minister whose department estimates are under review is seated in the designated location, and all other members wishing to speak must do so from their assigned seat in the Chamber. Any official or staff member seated in the chair of a member must yield the seat immediately should a member wish to occupy his or her seat. Members are reminded to stand when speaking.

Note that the committee has under consideration the estimates of the Department of Sustainable Resource Development for the fiscal year ending March 31, 2012. I'll review the process, especially the speaking order and the times. The speaking order and times are prescribed by the standing orders and Government Motion 5, passed on February 23, 2011, and are as follows: (a) the minister may make opening comments not to exceed 10 minutes; (b) for the hour that follows, members of the Official Opposition and the minister may speak; (c) for the next 20 minutes the members of the third party, if any, and the minister may speak; (d) for the next 20 minutes the members of the fourth party, if any, and the minister may speak; (e) for the next 20 minutes the members of any other party represented in the Assembly and any independent members and the minister may speak; (f) any member may speak thereafter. Within this sequence members may speak more than once; however, speaking time is limited to 10 minutes at any time.

A minister and a member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister's time.

Committee members, ministers, and other members who are not committee members may participate. Department officials and members' staff may be present but may not address the committee.

Three hours have been scheduled to consider the estimates of the Department of Sustainable Resource Development. If debate is exhausted prior to three hours, the department's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 9:30 p.m.

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

Vote on the estimates is deferred until Committee of Supply on April 20, 2011.

Regarding amendments written amendments must be reviewed by Parliamentary Counsel no later than 6 p.m. on the day they are to be moved. An amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. Votes on amendments would also be deferred until Committee of Supply on April 20. Twenty-five copies of amendments must be provided at the meeting for committee members and staff.

Written responses. A written response by the office of the Minister of Sustainable Resource Development to questions deferred during the course of this meeting can be tabled in the Assembly by the minister or through the Clerk of the Legislative Assembly for the benefit of all MLAs.

At this point I would invite Mr. Knight, the Minister of the Department of Sustainable Resource Development, to begin his remarks.

**Mr. Knight:** Thank you very much, Mr. Chairman. If I might, a point of clarification with respect to dress code. Are we allowed to have jackets off?

**The Chair:** I believe in committee we are. You can take your jackets off if you want. You have to stay in your own place. That's all.

**Mr. Knight:** Thank you very much, Mr. Chair. It is a pleasure for me to come tonight and provide for the hon. member opposite our budget estimates for this year. I am pleased to be able to say that I'm here to present my second budget as the Minister of SRD.

I'll get right into the numbers because the number part of this thing may not last all that long, Mr. Chairman. I'll start with the numbers. We have a base budget that actually has a net decrease of \$11 million, or 3.4 per cent, from third-quarter estimates. It reflects the government's fiscal reality and shows that, in fact, we are in SRD doing our part to support the initiatives of government and at the same time manage to maintain our ministry priorities and the services that we provide for Albertans.

We are going to of course continue to work and will complete our business plan goals with the allowed dollars that we have. We will manage lands, forests, fish, and wildlife for the economic benefit of all Albertans, including things like industrial and agricultural activity, most certainly the activity of the forest industry on our landscape, looking at the biodiversity benefits relative to these activities, forest health, the reclamation and compliance issues, and looking forward here, I think, to quality of life issues for Albertans, generally speaking. I think that the major thing that we would discuss with respect to that, of course, on an ongoing basis here is land-use planning, the issue that we are dealing with around recreational opportunities, hunting, fishing, and trapping in the province of Alberta.

A \$313.2 million operating budget for '11-12: interestingly enough, that would relate to about \$850,000 a day. We're managing with those few dollars, Mr. Chairman, to support 1,890 staff province-wide. These folks, of course, are working hard every day on behalf of Albertans.

We manage public lands. About two-thirds of Alberta's land area, the land base in the province of Alberta, is managed by our department under public lands. We manage and protect, of course, the province's forests and our fish and wildlife resources. We manage and monitor access to public resources and to public land base – industrial, agricultural, recreational resources – and the use of the land base and those resources.

We also fund the Land Use Secretariat. That, of course, is playing more and more of an important role in the province of Alberta as we move forward with respect to the development of our resources and our ability to maintain a balance. We also are responsible in SRD for three boards: the Land Compensation Board, the Surface Rights Board, and the NRCB.

This budget number, Mr. Chairman, actually excludes our in-year emergency funds for wildfire control and for the mitigation and the approach that we're using for the attack on mountain pine beetles. Those activities, of course, are not part of our base budget.

Within the budget we have increases that total \$7.9 million for priorities that would include \$4.1 million for public safety and forest protection, \$2.3 million in air tanker contracts, \$800,000 in wildfire crew standby, and a million dollars in the FireSmart program to reduce wildfire hazards in the province of Alberta.

I must say that this particular program in some of the smaller urban centres and in rural Alberta it has been very, very well received by people. I can give you just an indication. I happen to be residing in a place that's right in the boreal forest. When I look out my front room window, Mr. Chairman, the next actual major piece of development from my place is about 150 miles across country, and it's the town of Swan Hills. From where I am to there, there are a few access roads and lease roads and that kind of thing, small development, some agricultural, very little.

The folks from FireSmart came by to my place about three years ago, and it was quite an eye-opener for me. That's a very good program. They indicated where we have hazard and risk with respect to our farming operation and also where our home and our buildings were at risk relative to the proximity to fuel on the ground and that sort of thing. It was excellent. This program continues and will at the end of the day, I think, save Albertans probably many millions of dollars that could be lost in either a wildfire or personal property damage and also with respect to the safety of Albertans, which is, of course, this department's primary goal.

We've got an additional \$3 million in biodiversity, \$2 million of that working in the caribou recovery plan and the program we have. Another interesting part of the work that we're doing is with the Alberta Biodiversity Monitoring Institute. We've got a million additional dollars to support that program. That biodiversity program, Mr. Chairman, is going to be in the future one of the key pieces of work that we've done in the province of Alberta that allows us to continue with our social licence to develop the province. They're developing, of course, base data with respect to the biodiversity across the province. We think that they're doing some excellent work. By the way, we don't only think so. They've been recognized and reviewed by peers not only in Alberta but in places in Canada and North America and internationally in Europe. The indication that we get is that their work is very stellar.

#### 6:40

The Land Use Secretariat. Of course, I think most Albertans now would understand that we're working in the province of Alberta to develop planning in the region in the seven watersheds. The secretariat has taken a 50 per cent reduction in their budget, which allows us to continue the two or three plans that we've kind of got close with. We've got the lower Athabasca on the ground, the division and advice to government from the South Saskatchewan is also on the ground, and the third one, the North Saskatchewan, we're starting to look at moving forward. But there will be a delay in four regional plans that are not yet started. We don't know how long this delay will be. Nevertheless, Mr. Chairman, we'll continue to work within our budget and do that very important work for Albertans.

The lower Athabasca, of course, as I said, should be out in 2011 as a plan, South Saskatchewan in 2012, and start-up work for the North Saskatchewan, which includes, by the way, the capital region and the very good work that has been done here with the capital region plan and the partnership that they have with a number of municipalities around the city of Edmonton.

We are keeping boots on the ground with this budget, front-line service and compliance officers. We've worked out this thing just a bit differently than we had done previously, initiated what we call a mobile office initiative, and that has proven to be very effective. It's an efficient way for our folks to get out on the ground, do

the work they need to do. It allows them to take their office with them so that they're not doing a lot of redundant mileage and that kind of thing. Also, from the compliance point of view the ability for us to track the location of our equipment, of our vehicles, of our people, and also tie that in to situations so we would know, you know, what folks, perhaps some people in Environment, the RCMP, our fish and wildlife and forestry people – have that system connected together so that it allows us the opportunity to provide a more efficient service for Albertans.

We've got one minute left, and I understand that. Mr. Chairman, I just want to touch on the very important piece of business that we have in front of us with forestry. Sixty per cent – 60 per cent – of the province of Alberta is covered by forests. It's a very, very valuable resource from the point of view of watershed, habitat, the forest industry, recreation, and tourism. Of course, we will manage all of that as we have laid out in our business plan and budget.

Thank you very much, Mr. Chairman.

**The Chair:** Thank you, Mr. Knight.

We'll go to our Official Opposition. Ms Blakeman, you have 20 minutes. I believe you probably would go back and forth. Is that correct?

**Ms Blakeman:** Yes. We'll share the 20 minutes. Thank you very much.

**The Chair:** Okay. Thank you very much. Go ahead, please.

**Ms Blakeman:** I want to start out by – well, the minister sort of has to be here, but I want to make sure that I thank the staff because you're giving up your evening with your family or maybe the cheap movie night or whatever. I appreciate you being here. Thanks very much for coming down. Do we have fans in the gallery? Oh, we do. Look at the fans. Holy. Okay. Well, thanks to everybody that's sitting up in the members' gallery as well. I'm sure you'll be giving the hand signals and cheering along for the minister, but I appreciate you coming.

Just to give you a framework of where I'm going with this tonight, I'm approaching this in kind of sections. I'll be looking at the Land Stewardship Act and the land-use framework; then resource development; land as in land transfers and Crown land – public land, I guess they call it now – forestry, including the pine beetles and forest fires; and finally, our very favourite, the grizzly bears and caribou under the animal wildlife section. I will try and give this to you in manageable chunks so that you can answer the questions back to me.

We've had amendments that have been brought forward to the Land Stewardship Act, but part of what is concerning me is that we've already heard a number of leadership candidates state that they would repeal the act, and that is certainly the stated position of some of the other parties. I will go on record as saying that that greatly concerns me. I think if we're going to have environmental protection in this province, we have to have the land-use plans to go from. So I am not in favour of that.

I think there are things that need to be amended and changed in the Land Stewardship Act. Certainly, the public participation and the compensation and expropriation stuff has to be worked out. I strongly believe that if we are going to be able to manage our province and manage the competition by different groups for how our land is used, including municipalities, including preservation of agricultural land and, you know, watersheds and everything else, we have to have those land-use plans.

But it is bothering me, the number of people that are now on record as going to want to appeal this whole thing. So my question to the minister is: what would be the future of the Land Steward-

ship Act, and what would happen to these plans, including the cumulative effects initiative, if the Land Stewardship Act was repealed? Has there been any business case or risk analysis done around that? That will be the first question.

The second series is around page 106 of the business plan, and it's giving the priority initiatives and the performance measurements there. The priority initiatives in the 3 range of the business plan are actually on page 107, and they relate to the implementation of the regional plan and the land-use framework. The minister mentioned this a little bit, but I'm going to ask him to flesh this out.

Originally we were supposed to have this done much earlier. Now we're looking at having one regional plan, according to this, by 2013-14. I know this has been delayed, but is there any possibility that if there was more money coming into the budget, it might get back on track? Or is the minister planning on sticking to the timelines he just gave me, which were 2011 for the lower Athabasca, 2012 for South Saskatchewan? Then you got off on a tangent when you talked about the North Saskatchewan one and never gave me a date on that, but I'm assuming it was further. That's part of the second series of questions here. Could we speed that up again?

I think it would be interesting for people to hear why there have been delays. It might have been budget reasons, but let's hear why. Now, still with the land-use framework under the actual budget votes I'm wondering how much money has actually been spent on the priority plans for the lower Athabasca and the South Saskatchewan to date. Where exactly would I find that in this budget? Under which vote? And how much is budgeted for this year on that kind of priority plan? Is it coming under the Land Use Secretariat, or is it somewhere else in here, and if so, where is it?

I'm also interested in whether you expect the cost to increase as the implementation of these plans goes on or as we get more of them rolling. Is there a plan that it'll cost more, or is it going to stay the same? What's the deal there?

I'd also like to get the minister on record about what he thinks the timelines for the remaining five – he's talked about one of the five, which is the North Saskatchewan – regional plans. What are the timelines for those? What's the horizon on those? What are we looking at now?

What is the third regional advisory council? It sounds like it's going to be the North Saskatchewan, but can I get confirmation on that? When would their advisory council be appointed and start to look at this? That also gives us some indication of the timelines and also the public feedback.

I'm going to stop there and let the minister respond to that series of questions. Thank you.

6:50

**The Chair:** Thank you very much.

Go ahead, please, Mr. Knight.

**Mr. Knight:** Thank you, Mr. Chair, and thank you very much for the questions. They're actually, in fact, extremely important for us and, I think, for Albertans. You've hit on something that some of the members in the House, unfortunately, don't quite understand, it seems, and that is the importance of this for the development of Alberta going forward for all Albertans. It's not just for a group of Albertans that happen to be in one industry or another; it's for proper planning for all Albertans.

You asked me about the amendments in Bill 10. I think that the suggestion was that that's okay, but what happens if the whole thing would be, I believe you used the word, "repealed"? I do have to tell you that there are two situations that we're faced with

here. The land-use framework is a policy document, and it is the policy of this government. The land-use framework can survive without that legislation, I presume. But the ALSA legislation, in fact: I have no idea why any individual would want to repeal the legislation. I can't get into a political discussion with you here about the people that are wandering around the province now looking at the leadership of the PC Party. The best information that I could give you and the best piece of advice that I can give you right now is to buy a PC membership and vote.

**Ms Blakeman:** Only if you'll buy one and vote for me.

**Mr. Knight:** Well, we can maybe work something out. I won't, you know, get into that discussion any farther.

However, further to that, you asked about the future of the strategy itself and what's going to happen with these regional plans. You wanted to know the amount of dollars that has been spent so far on the land stewardship and whether or not those dollars all came from the secretariat, from their budget, or from someplace else. The amount to date on regional planning for LARP is about \$1.9 million. We'll give you round numbers: 2 million bucks on LARP on the development and planning and about \$1.9 million on the South Saskatchewan regional plan to date. Now, there is more involved in this thing when you go back and take a look at the land-use framework from the beginning and the consultation and so on, but those are the dollars that we're showing for LARP at the moment. All of those dollars and all the dollars that have supported this thing up to now come from the secretariat, and that will continue to be the case.

You asked about what happens going forward. This is an ongoing budget line in SRD, and my thrust at the moment would be that this won't go away for quite some time. There will be a requirement for us to continue. As you know, the way the legislation is set up, these are living documents. You know it, and I know it. There are going to be times in Alberta when we need to ramp these things up, when we need to change, when we have to have the flexibility either because of population increase or perhaps, you know, opportunities for additional or maybe decreased development on the landscape. Technology changes very rapidly.

With respect to planning going forward, I believe that SRD has to have the ability and the budget to continue to maintain and manage these plans on an ongoing basis. A five-year review is required on every plan and a 10-year renewal. By the way, the interesting part of that is that lack of a renewal actually cancels the plan.

**Ms Blakeman:** So it's a sunset clause.

**Mr. Knight:** It has a 10-year renewal period. If we find, going down the road, that these things simply are not what Albertans want or that with the way the system is working, they can't manage the planning going forward properly, there are off-ramps allowed in the legislation. I would presume that when you look at the depth and scope of the land-use framework, there is lots of opportunity there to continue. If we need to redesign or shift these plans one way or another, the opportunity is there and built into the system to be able to do that.

Back to the dollars. I'm sorry; I missed a piece. In the performance measures on page 107 I think you can look and come up with the appropriate numbers.

The time remaining for future plans. Again, something very important. Let's not mix up the numbers. You're talking about five additional plans, and that's correct. We have two on the go right now, and we're doing the fundamental work, starting to look at building terms of reference. Each region is unique, so the terms of reference have to be a little bit different. We're beginning to

design the terms of reference, and when we kind of get that work to the point where we're satisfied that we have it right, then we will go out and advertise for people to represent the region on the regional advisory council.

There'll be, you know, a very public opportunity here provided to residents of Alberta, generally speaking, but we'll be looking more at people from the North Saskatchewan region. It's not impossible to have some people that have good planning capabilities or abilities appointed to an RAC. They perhaps don't need to reside in the area, Albertans that are interested in doing this work for us.

We're working, as you can see there. We're going forward with that, and we think that we'll have North Saskatchewan up and running in the 2012 time frame, and the RAC will be going around and doing consultation on that.

The situation about the money. You mentioned, you know: how are you going to do this? The delay that's taking place with respect to stretching this thing out a little bit is really all about our ability to consult with Albertans. We have spoken to about 10,000 Albertans to get us to the point where we have one draft plan on the ground for Albertans to look at. It's been a very extensive process. As you know, we're travelling around the province setting up meetings, giving opportunities for people to come online or phone or write or do what they want to do to get involved in this thing. It's an expensive process, so of course that consultation is going to have to be spread out. Where we may have had an opportunity previously to run two of these things at a time, which were some of the things that I was really looking at and trying to see if we could get done to move it a little quicker, we now won't have that opportunity.

The consultation programs on the first two: there'll probably be a bit of overlap here that might take place because, as you know, we've indicated that South Saskatchewan will have an online workbook and the ability for people to start consultation online by about the end of April, the first part of May sometime. We're going to be looking, of course, at this consultation on Lower Athabasca running for a 60-day period. So there'll be a little bit of overlap there, where there could be two processes at the same time. But we are going to make sure that we continue forward progress. It will be stretched out a little bit.

The time frame at the end of the day. I'm going to suggest to you what I'm looking at right now. Again, please, this is not written in stone. These things get shifted around a bit. It could be quicker, but I'm thinking now that thing should be wrapped up in 2017. By the way, by 2017 we will have two reviews of plans that are in place. So by the time we finish . . .

**Ms Blakeman:** Five years.

**Mr. Knight:** Right.

. . . we'll have a very good idea of how the initial plan is working: how Albertans have accepted it; how it works on the ground – I know these questions are going to come up – how importantly our industry players, forestry, recreation, tourism, agriculture, the energy business, hardrock miners, diamond people, and folks like that view it and how it works for them; most importantly, how it works for Albertans; and also how it works for municipalities. It has to be a co-operative effort and a joint venture that works with municipalities. We've designed it that way. We think that what we've done in some of the amendments will help us with respect to that issue around municipalities. So by the time we get done, we'll have a good opportunity, I think, to look at one that's been on the ground, running for a period of time.

You asked when the RAC for North Saskatchewan would be struck. Again, I'm going to suggest that, you know, if it's not late 2011, we'll be into the early part of 2012.

7:00

**The Chair:** That concludes that 10 minutes.  
Go ahead, please.

**Ms Blakeman:** Thanks very much. That's very useful.

I'll just make a quick comment that I'm extremely frustrated with how little information comes out of these budget documents, and that's an ongoing complaint that you've heard from this side. I was listening on the Tannoy to my colleague from Edmonton-Highlands-Norwood this afternoon making the same comment. It's very frustrating that I spend a good deal of my time in these debates trying to tickle out, draw out what exactly is under these various votes because, you know, honestly, there are six votes here in this program and the most breakdown we get is three points. I'm looking at less than 18 line items in the whole budget, so any additional information you can give us would be much appreciated going forward in the future, and this isn't the first time I've raised that.

I'm just going to pick up on a couple of things you said. I take it, then, that the 50 per cent cut that was done to the Land Use Secretariat was pushed by the recession and the struggle the government is having to eliminate that annual operating debt and that, as a result of that, you weren't able to push forward on everything, and now you're starting out those consultation processes more slowly. If you can just confirm that for me, that would be good.

Sorry. This is just a completely one-off question. You mentioned the biodiversity monitoring project. Where is that in this budget? Under which vote would that appear?

Okay. That's good. I'm going to keep going, then. Ah, yes. When the minister released the recommendations from the regional advisory council last summer on the lower Athabasca, the minister spoke of a sliding scale of conservation, which has really stuck in my head. I think that is the biggest point of division between the minister and myself. Clearly, it's been stated that . . . [interjections] I'm sorry?

**Mr. Knight:** Two swords' lengths.

**Ms Blakeman:** Yeah, I know. That's why it's there.

There's obviously a certain amount of development that's going to be allowed in each of the new conservation areas, and I'm assuming that reflects this sliding scale of conservation. Can the minister provide some details on how that level of development was determined? I know that each region is different, but let's stick to the two that we're dealing with, which is the lower Athabasca and the South Saskatchewan. [A timer sounded] That'll be the first 20 minutes?

**The Chair:** Yes.

**Ms Blakeman:** Okay. Thanks.

I'm really interested in how these things will be determined, and part of that, I guess, the opposite side of the coin, is: is there any circumstance that the minister can see in which there would be absolutely no development allowed in an area? It's in the mission statement of this department that the ministry is trying to balance development and preservation of Crown land. It appears on page 105 of the business plan that the mission is to contribute to the provincial economy and sustain Alberta's public lands and natural resources through responsible and innovative resource management and development. And somewhere in there it says balance, achieve a balance between these two things. I am quite puzzled about how you can achieve a balance of preservation when you have a sliding scale of conservation and, basically, will allow development in any

area. It seems that there's no place that you won't allow development. So I'm pushing you a bit on that question.

I'm also wondering whether that sliding scale of conservation will continue once the regional plans are actually implemented. Is it possible during that 10-year term that that amount of development might move back and forth or anything else? One would assume that the regional plan would actually spell that out, but I'd better ask the question because I'm going to feel like a fool if I don't and then find out that there was a sliding scale of conservation.

As well, is there any anticipation by the minister that that sliding scale of conservation would be consistent between the regional plans as they start to come forward? For example, we've now got two in front of us, and I've heard that 11 to 20 per cent would be conserved, but even inside of those, that percentage, there are some levels of development that are being allowed. It's been pretty consistent between that 11 and 20 per cent although I think we're up to 23 when you add the 16 per cent that came forward in the lower Athabasca one, but still it's a range that we keep hearing. So is there going to be a sliding scale inside that range?

I'll offer the minister an opportunity to expand upon his answer to me in question period the other day around the question of in situ and whether that's included or not. If he would like to take that opportunity, I'll offer it to him.

**Mr. Knight:** I thought you gave me that opportunity.

**Ms Blakeman:** That was question period. We're always cautioned: that's urgent, brief. Now you have a bit more time to expand. I thought you'd appreciate that opportunity.

Now, the last question in this section. The regional advisory council recommendations for the South Saskatchewan regional plan have been released, and it's already being criticized for suggesting that development should continue even on land that's identified as conservation management areas. The same thing happened with the lower Athabasca, so I am puzzled about how you can define an area as a conservation management or even a park if you still allow development to go on in it. I guess when I'm talking about development here, I am talking about some sort of business development. Let me put it that way. Usually that includes mining, conventional oil and gas exploration or production, or oil sands development.

**Mr. Knight:** Could it be agriculture?

**Ms Blakeman:** Good question. That's a good question. Well, it's really about, I think, where I would come at this from: is the land disturbed or not? I guess if you use that as a guideline, then agriculture would be considered a business, and it would be disturbing the land.

Anyway, if I can get some answers from you on that kind of series, and then I think we're going to move on from the regional plans. Thank you.

**The Chair:** Thank you very much.

Go ahead, please, Mr. Knight.

**Mr. Knight:** Thank you very much again for the questions, and thank you, Mr. Chair. You asked a number of questions, and I hope that you get all the answers. They might not be in the right order because some of the things, I think, were connected to one another.

Again, you talked about, you know, are we slowing the consultation? We're not actually slowing consultation on the stuff we're doing now. We're moving forward as we had planned. Of course, what's happening now is that we still had the tail end of some of

the budget amounts that we had last year, and we've planned forward with that and have done and prepared some of the work to move ourselves into the proper aspect with respect to consultation around the LARP draft plan and then, again, as we work forward to South Saskatchewan's advice to government.

I'm going to suggest that the answer to that is two parts. First of all, the ones that are on the ground, no, we are not slowing down, but as I had indicated, on four they will be extended.

The consultation periods and so on are a bit flexible as well. We found out in South Saskatchewan that, in fact, we gave them a terms of reference, and the terms of reference did include some time frames around getting the work done. In fact, they came back and said that, you know, there had been so much interest in this thing and so much to do and so much input to compile into a report to us that they needed an extension in time. I believe, if I'm not mistaken, that it was about three months that that was extended. So that took a good period of time.

We won't slow the thing down on purpose. There's no intention at all to do that. All I'm saying is that we might start at a later date with some of these things than we would have. So that's that piece.

The funding for ABMI. You're going to find that on page 307, line 5.3. ABMI is \$2.9 million in 2011-12 out of that line item on enforcement. Okay?

**Ms Blakeman:** Yup.

7:10

**Mr. Knight:** You asked: why did we start with lower Athabasca and South Saskatchewan? And I'll tell you . . .

**Ms Blakeman:** It's urgent.

**Mr. Knight:** Pardon?

**Ms Blakeman:** It's probably the most urgent.

**Mr. Knight:** Well, you know, that you very well recall because we were both in here when the opposition were really taking some pretty good swipes at the government and myself and some of my colleagues around what was happening in the province of Alberta in 2004, '05, '06, '07, up to 2008. You will remember the situation in certain circumstances in Alberta that were causing an almost claustrophobic feeling to people because they didn't think they could move around Alberta. There was so much going on. If you take places like Edmonton and going out around Fort Saskatchewan and south of Edmonton – Calgary, Grande Prairie, Lethbridge, Red Deer, Medicine Hat, and all of those places and many spots in between – there was so much activity that those communities simply couldn't handle it.

What was the complaint? What was the issue that people were driving at mainly in Fort McMurray in the Wood Buffalo region? What were they driving at? That this government didn't have a plan. We had started this planning – and I can go into this. It will take me the rest of the time to talk about this, if I might, all night. [interjection] No? Not all night? Okay.

Actually, we started this whole thing about cumulative effects planning about 50 years ago, and you will recall this also because it started with acid rain. You can track that from then until today with the planning work that this government has done, adding water to that, then the land base, and the environmental ecological concerns, and the social and the socioeconomic part of this thing, which started the whole thing.

Lower Athabasca was done simply because it was the area that the most capital had been employed in and had created the most serious, I would suggest, backlog of social aspects for people that

wanted to live and work there and the infrastructure required to support that. Quite simply put, Albertans, generally speaking, had a lot to say about the lower Athabasca, and we felt that it was important enough that we would most certainly listen to them. So that's how that started.

South Saskatchewan. Again, the region in South Saskatchewan and, I think, the reason that we moved there was because we thought with the lower Athabasca that we were going to get a good framework, a good idea about how this thing could work, realizing that 40 per cent of the people in the province of Alberta live in the South Saskatchewan region. It was then the second most important piece of business. That's one reason: 40 per cent of the population lived there.

The second thing is that it is considered to be, I would suggest, the hot spot, if I could call it that, with respect to water. The water issue is extremely important. We wanted to get that piece of work out. The Department of Environment, of course, is working very, very hard on some new opportunities on water management. So those were the reasons that we got those two kicked off.

Are their circumstances right? You talked about conservation. We can talk about that, I think, in some specifics, but conservation in general is a major piece of any type of planning going forward, particularly in a place like Alberta. It should be anywhere, but most certainly for us in Alberta because, again, in the last 13 years we've gained about a million people. We get about 60,000 new Albertans a year, and the projections that we have between now and about 2030 are that 5 million people will call Alberta home. Five million people. The idea that we need to do some conservation is absolutely critical, not just for this government. It's not for us. It's for Albertans. We know that this needs to be done.

So you start looking at – you know, that's a general thing. We all know we're going to do something, so some particulars. You asked: are there any areas that would be off limits? Absolutely. There are now. There are now. There are areas in Alberta now where we don't do any development. Could there be more? Yes. Are there no-go areas? Yes, there very certainly could be. Remember that what we're looking at right now with lower Athabasca, again, is a plan that's out for consultation. I think that there's a pretty good balance in that plan myself. I'm a little biased about it, but I do think that, you know, there's a pretty good balance, but it's going to have, most certainly, some feedback from Albertans with respect to what it is and what we've done and what the places are.

First of all, when they started this thing, we had two types of land classification in Alberta: the white area and the green area. Now we've got five, and I think it's a heck of a good idea. Part of that is earmarked as conservation. Levels of conservation: yes, they're there. But take a look at the plan, and go to the part in it where it shows a matrix. Each one of the areas of conservation that are in that lower Athabasca region fits into a matrix. Then you go down there and find the number for the region and go across the matrix, and it will tell you in there what we are saying now, what we're suggesting now you can do or cannot do in an area. You're going to find some areas in the matrix where, you know, it's very, very limited or there's nothing that you can do.

I actually don't know of a case right now where we would say to an Albertan who's on foot and wanted to go and take a look at a lake or a river or a stream some place that that's off limits, that you can't go there. I think there's got to be some reason to this. You know, the province I think is recognized as a gorgeous place. We want Albertans to be able to see it. What we don't want and I believe what you don't want is Albertans in certain circumstances going there and doing things that would create permanent damage. There are lots of this kind of thing, situations where you've got

fish spawning and people, well, never mind riding motorized vehicles but maybe horses. You might not want a pack trail of 50 horses walking up a stream at a point in time when it's sensitive. So are there going to be those types of things happening? I would suggest that, yes, there will be.

Actually not just part of what we've done here, but you're going to have an opportunity, I hope, in the near future to take a look at the Public Lands Act regulatory adjustments that we've made. Some of those things, I'm sure, are going to help us get to a point where we can get a better understanding and educate Albertans about the value of this environment that we live in and the fact that it does need conservation and protection. So, please, look at the matrix, and if you have more questions around that, we can certainly discuss that.

**The Chair:** Thank you very much.

Laurie, please.

**Ms Blakeman:** Thanks. I'm going to move on to sort of resource development, economic development, part of which appears on page 106 of the business plan. We have as point 1.2: "Manage Alberta's public land to enable economic benefits while sustaining its environmental services and benefits." I'm wondering specifically how that management that enables both economic development and environmental sustainability is implemented. If you can be as specific as possible with that answer.

One of the things that I've noticed over the years is that it really depends on who the minister is. Different ministers have different sort of passions. We had a Minister of SRD who was from . . .

**An Hon. Member:** Wyoming.

**Ms Blakeman:** No. The one that called me a water witch. He was from Cypress-Medicine Hat, and he was particularly passionate about water.

So each minister has a different sort of take on their ministry, and I would like to ask this minister to prioritize for me what he thinks are the most important to the least important bits of this. It matters who the minister is. Frankly, we're in a period of upheaval; we could end up with a different minister in June. So I'm interested in how this minister pegs the different priorities that his ministry is charged with and how he sees achieving that balance because I know that my definition of that is different from his. So I'd like to hear his, seeing as he's the minister. [interjection] Well, that's why we're here, to press a little. The priorities about economic development, environment, biodiversity benefits: you know, what's the top priority here, and how does he see achieving that balance?

7:20

Now, priority initiative 1.1 is talking about working with partners from across government to achieve an integrated regulatory system for land management and improving Alberta's competitiveness. I'm assuming that the integrated regulatory system is not exactly code but means the land-use framework. If not, can you tell me what you are talking about when you talk about an integrated regulatory system for land management? If it's not the land-use framework, what is it? Tell me about it.

Performance measure 1(a), economic benefit from Alberta's public lands: ratio of department revenue from dispositions to department expenditure on managing public lands. That actually makes sense. That's 1(a). So what specific programs are included under that performance measurement? Can he give me the line items that it references? What's included in it, and where is it in your budget?

How exactly do the ratios that are listed under those performance measurements, especially under 1(a), reflect an appropriate balance between protection of land and environment and economic growth? I'd be interested in how that ratio is actually established. Which of you here tonight dreamed that one up? I'd like to know how you reached that decision. I think it would be interesting to all of us to hear how that kind of ratio gets established.

I'll stop there, and let you answer those questions.

**Mr. Knight:** Thank you. I'd like to start at the back end of it, if I might, hon. member. Certainly, for the staff to be able to convey anything in this meeting, as you know, to the member opposite, I would have to be mouthing the words. I'm not quite prepared to do that. As you'll notice, there are a couple of pieces of paper floating around here, but mainly my objective here is to answer your questions in a responsible manner with things that I more or less know about what it is that we're doing here.

With respect to the balance and how we do both, how we are environmental managers and economic managers at the same time, I think that is actually – I'm not going to say simple because it's not simple; that's not the right word. It's pretty straightforward from the point of view of SRD. I indicated before about the hundreds of people that work for Albertans every day in this department, and what I would tell you is that the staff at SRD, through the training received and the actual culture in SRD – we have built a culture. I didn't do it; it was done by people that have been there for years. Some of them, of course, are around me now. They've built a culture. The idea is that every day when they come to work, they're going to do exactly that; they're going to work for Albertans to reach a balance between providing opportunities for Albertans with respect to development and being sure that it's done in a way that's respectful of the environment that Albertans live in and enjoy.

You asked about my priorities. Now it gets really simple, and you might actually think that I'll be a bit simple when I finish this statement. I'll tell you what I think. I think that you cannot impoverish yourself to a clean environment. People have to have work, you have to have jobs, the economy has to be robust. So my opinion I think is spelled out in the way we've laid these things out. My thrust here is to be sure that Alberta has a healthy economy, a healthy economy that is balanced between the economics of the province that allows people to have jobs, to raise their family, to have proper health care, good education, social services, opportunities for recreation and the development of tourism opportunities, an ability, if they want, to go into the agricultural industry, for instance. I mean, those are all parts of Alberta's history, and I believe they will continue to be part of Alberta going forward.

I think that our job is to be sure that, one, we do maintain those opportunities for a solid, vibrant economic opportunity in the province. Along with that – and it's very clear with what we're doing here – the second most important thing we work toward and strive for every day is to be sure that anything that we're doing, any dispositions that we give, any of the opportunity we have out there for people to access public land is done in a manner that is as environmentally responsible as it can possibly be. We know that there's impact. Humans create impact; it doesn't matter where they go or what they do. But we can manage those kinds of impacts, and the people that work on the ground every day for SRD do that.

A priority for me: I guess I'd have to say that I want a good, solid economy in the province of Alberta. Secondly, I think that when we go forward, again we have to go back to the business of regional planning. We're going to get all kinds of questions around this situation with the lower Athabasca as we go through this thing, but look at the opportunity we have there. Look at the

difference between what the RAC in the northeastern part of the province brought to Albertans and what the RAC in the southern third of the province brought to Albertans. The concepts in those two regional advisory councils' advice to government are quite different, and you will notice that what they've done in the south is a bit different from the north.

In the north we have five land planning kind of zones now: first of all, conservation; second, multi-use, the kind of thing where you're going get energy, forestry, that kind of thing; third, agriculture; fourth, recreation and tourism. Never before, that I know of, anyway, I don't think, have we had an opportunity where a group of Albertans have come forward to the government and said: look, we want you to consider that there are parts of this region that we're going to put lines around as recreation and tourism opportunities. Albertans now and in the future will have that set aside, and they'll know that that land is there for that purpose. Of course, the fifth thing is urban development.

If you go to the South Saskatchewan plan, what's in there, interestingly enough, is that the map actually has no lines; it has areas. It's like somebody did a nice little watercolor painting there. There are no definitive lines, but they've identified areas, and those areas they call candidates. They're candidate areas for conservation.

I think it's a very clever way to do it because then when they go out and talk to Albertans and get advice from Albertans and do the consultation work, in the candidate areas that are spelled out I'll guarantee you that there will be a broad range of opportunity for what I'm talking about here as my second priority, and that is environmental and conservation areas in the province. I think that that's going to turn out to be actually quite exciting for the people in southern Alberta when they get an opportunity to look at those areas and start having some input into what parts of that should be conservation and what type of conservation it should be. I think it's very cleverly done. I believe that that work is the second rung in my list of priorities.

The third one for me – and this is the balance, by the way, that we're attempting to reach every day – is the business of socioeconomic balance for people that live here. We're going to attract a lot of people. We have now. We already know that a certain number of those people find it very difficult to live in Alberta. They find it difficult if they've been in a place where, perhaps, there is, you know, a tremendous amount of arts, opera, staging, live theatre, different kinds of things. They'll come to a place like Grande Prairie and find, believe it or not, that we have all that.

7:30

You know, that is part of the balance. That's part of what we need to have in the province in order for people to have that quality of life that they're looking for. That becomes a very important part of all the work we do but most importantly, I think, in the area of planning that we're doing. That planning, by the way, as you know, includes the idea that it will be cumulative effect planning, right? That cumulative effect planning that's so important means that we will set triggers and thresholds in air quality, water quality and quantity, what happens on the land base, the environmental concerns that people bring forward, our situation with respect to what pieces of land have high ecological value, and the social aspect of planning for Alberta's future.

I don't know how many more priorities you would like, but for me working with the department, looking at what we're doing here, looking at things like responsibility for fish and wildlife, the same thing applies. We have to have a situation where fish and wildlife, that resource that belongs to Albertans, by the way, is maintained in a healthy way. There are some commercial fishermen in the province of Alberta. I want to see them here in a

hundred years. I think that that's an important part of what we do. That again is attached to the economic drivers of the province, but it also is very important in the environmental aspect of our lakes and rivers and, generally speaking, the health of the ecosystem in the province.

**The Chair:** Thank you very much. That concludes your 10 minutes, and we'll go to the questioner again.

Go ahead, please.

**Ms Blakeman:** Thank you very much. That was very useful. Thank you.

I'm going to the performance measurement 1(b), which is sustainable timber harvest annual allowable cut in million cubic metres and harvest in million cubic metres.

Sorry. For those of you that have joined us in the gallery, we're doing a budget debate on the Department of Sustainable Resource Development, which is forestry, fishery, and wildlife. I'm not the minister. He is. I'm the opposition critic.

**Mr. Knight:** It's fur, feathers, fish, and public land.

**Ms Blakeman:** Fur, feathers, and fish.

I take it you are air force cadets? Nod yes? Okay. Well, welcome to the air force cadets that have joined us in the public gallery. I hope you enjoy watching the debate. We can give everybody a wave.

It's suggested in the fiscal plan on page 12 that things are going to get better, and I think we're seeing them get better already. Just to quote specifically, "Surpluses are forecast beginning in 2013-14." I'll bet you that's happening right now. It talks about Alberta's economic expansion broadening, revenue from personal and corporate income tax being expected to rise, oil sands production being "expected to ramp up as new projects come on stream, leading to . . . increases in bitumen royalties." So here we go again. "Overall, revenue is expected to grow at an average of 8.6% in 2012-13 and 2013-14."

How is the minister going to be able to balance between resource development and protection of land in the next boom, which I think is now, according to what some of the businesspeople are telling me. You were criticized for not having a plan. I can see that next boom coming. It's close. It's at the end of the block. Where is the plan this time? I think we're going to be in just as much trouble or potentially could be in just as much trouble this time as we were last time. If you can't get the lower Athabasca plan in place fast enough, what are you going to do in the meantime? I think that's a real possibility.

I'm going to go on and talk about the priority initiatives 1.1 and 1.2. The public Crown lands: what revenue acquired through the sale of public land is reflected in the SRD budget, and where is it?

When we're talking about expenditure on managing public lands and ratio of government resource revenue to department expenditure on managing public lands, it brings to mind for me this whole issue of sale of public land, which is the hot topic, right? What revenue was acquired or is expected to be acquired in this budget from sale of public land, and where do I find it in the budget figures? I don't think it's here. When I look at page 312, it's got all kinds of revenue: transfers from government of Canada; investment income; premiums, fees, and licences; and other revenue. I don't see any public land sales. Maybe it just goes to general revenue, which might be the possibility.

Now, my understanding of that tax recovery land in the municipalities – and correct me if I'm wrong – was that this was land that the . . .

Well, that didn't last long. Thanks for joining us, guys. Come back.

**An Hon. Member:** And gals.

**Ms Blakeman:** And gals. Sorry. That's a general term. Thank you for coming, and please come back again with your families, and please think about getting elected when you're a few years older. It's more fun than it looks. Honestly.

Now, that tax recovery land. My understanding was that the province took that for nonpayment of property taxes over a period of time, and then it hung onto it, and now it has given this land back to the various municipalities that it was located in, and it's turning up as a transfer of public land to municipalities. That's my understanding of what's gone on here, but other people, I think, have seen other things going on.

I'm going to give the minister an opportunity to talk it. It's 84,000 acres of tax recovery land to municipalities in February. This has come around in the media. There have been questions in question period. I think this was pretty simple and straightforward, but I'll let the minister clarify that.

If that land has been transferred back to the municipalities, are they then allowed to sell it for any use whatsoever, or are there any conditions on it? Can they sell it for a profit? Can they use it for whatever they want to use it for? What's the deal there? I think part of the Potatogate issue is included in that. Oh, somebody is shaking their head at me.

**Ms Pastoor:** No, it's not. It's different land.

**Ms Blakeman:** Okay. I'll just take all that back because I don't think they meant it.

**The Chair:** Are you just about finished? There are about four minutes left to answer questions.

**Ms Blakeman:** I never get through these questions.

**The Chair:** Okay. Go ahead, please.

**Mr. Knight:** Four minutes?

**Ms Blakeman:** Yeah, four minutes.

Okay. I'll let you answer that, and then I might have to stick around and ask more questions.

**Mr. Knight:** You know what? On a good day it takes me four minutes to say good morning.

Here we go. You asked me a couple of questions earlier. Public Lands Act regulation: I mentioned that we're looking at it. You will see some of the work that's been done in here. You asked the question about what we're doing. Public Lands Act regulation is something that we're working on. It will come forward very soon.

Working with partners from across government to achieve an integrated regulatory system, the regulatory enhancement project that we have going on: that's been public. It's not anything secret. There are people out talking about it. It's a very, very good piece of business. That is one of the things that we're working with.

**7:40**

Now, to get down to this business about tax recovery land. You asked me a couple of things in between there that I'm not going to be able to get to right now. With respect to tax recovery land what happened was that back in the '30s, when people could not afford to pay the taxes on their land, many people in Alberta and places in North America just left. They just packed up and left. The land

was left. In some areas in the province of Alberta it was before the incorporation of municipalities in some circumstances. So that land didn't revert to a municipality for lack of tax payment; it reverted to the province. We've held it and managed it for municipalities for that number of years.

I think in about the mid-60s, '70s they started this opportunity, and municipalities came and said: "Okay. We're set up. We're running. This land would have been in the municipality. Can you transfer this land back to us?" We thought as a government in those days it was a good idea, so we did it, and what we did was nominal sum. However, in order for us to keep our books straight and keep the Auditor General happy, we have to put a value on the land, and that's why you will see this year \$10 million on our books to transfer land basically to two or three rural municipalities in Alberta, mainly in the south in Taber, and I think there's a little bit in Cardston. There are one or two pieces in Grande Prairie and I think one in central Alberta someplace on this year's plan, right?

We think in four years we'll clean that all up. The important thing about this to remember now is that there will be thousands of acres of that real estate that will be retained as public land and held for Albertans in the future because it has good environmental and ecological value.

**Ms Blakeman:** Who determines that? You're telling me that land that gets transferred back to the municipalities will stay as public land, determined as public land?

**Mr. Knight:** May I, Mr. Chairman?

Some of it will not be transferred back. It will be retained as public land. I won't give you a number because I'll get the wrong number; it's not in my head at the moment. I'll say thousands of acres are going to be retained as public land. Oh, we have a number: 14,000 hectares of tax recovery land retained by SRD and managed as public land because of a high level of environmental sensitivity.

**Ms Blakeman:** Thank you.

**The Chair:** Go ahead, please. We have about 30 seconds.

**Ms Blakeman:** Thirty seconds. Oh, boy. Okay.

In the draft regional plan for the lower Athabasca it's suggested that some leases will need to be cancelled. Why wasn't a moratorium put on the leases until the regional plan was completed? I think this is going to cause us problems, so why isn't a moratorium put on the leases until the Athabasca plan is completed?

**The Chair:** That concludes the time.

**Ms Blakeman:** You can do it in writing.

**The Chair:** Yes. The answer could be given in writing to the Clerk for all MLAs, please.

We'll go directly to the third party. Mr. Hinman, please, for 20 minutes, and you'll go back and forth?

**Mr. Hinman:** I'll be happy to go back and forth, and we'll see how it goes. Maybe I can play Speaker once and say: that's enough time, and we'll move on to the next question. We'll see how it goes.

I appreciate the hon. Member for Edmonton-Centre because that is one of my questions. Why was a moratorium not put in place?

I guess I want to say thank you to the minister and his staff that are here this evening to answer questions and to provide those answers. It's so much nicer to have this situation rather than question period, where answers just seem to be streamed aside, so I do

appreciate it and learned lots already with questions being answered and the expertise of the staff.

I do agree with the minister in that – I don't know that I agree that it's very straightforward – we absolutely can balance the economic opportunity with the environment. I think that in Alberta we can stand up with a lot of pride and say that we do it better than anywhere in the world. Can we do better? We can always do better, and I'm sure that we will go forward.

I'd also, I guess, like to talk a little bit about bullying, Mr. Chair, and the fact that, you know, if you go back 50 years, bullying was just something that we understood and we lived with. Now we're to the point, though, where we talk about bullying being zero tolerance. It still goes on. But we're very mindful of it and are trying to make sure that we don't step on people and allow any bullying.

The reason why I'm bringing that up is because I want to talk about economic bullying and what can go on inside of government and the way they behave saying, "Well, this is perfectly okay because it's only a small percentage of people that are getting hurt" or "It's only 14 or 22 companies, and all of the other ones are saying that it's okay." For me, I look at a lot of the actions of the government, and I read as economic bullying what's going on, with them saying: well, it's okay because we haven't heard from too many, and people are supportive.

I think that in five or 10 years from now if not in five months from now we're going to look at it and say: this economic bullying isn't acceptable, and it's not doing us the good that we want. I very much appreciate and understand the importance, as our party does, of cumulative effect responsibilities and planning over the long term.

There's no question that too often in life we make these decisions because, oh, this isn't going to hurt. Again, going back, I'm old enough that I saw those things. When someone was drunk and leaving a party, they'd say: "Oh, I'm only driving five miles. You know, it's not going to matter." But we know the cumulative effect. It's zero tolerance now on that. We don't want someone doing that. The cumulative effect planning is critical, and I appreciate the government continuing to raise that level up.

Because of the shortage of time – I see I've already used up 30 per cent of my time for the first 10 minutes – let's go to the action of the lower Athabasca regional plan. With the \$2 million that the minister said – he rounded it up a little bit – has been spent on that, could you please provide the number of estimated barrels of bitumen that are being taken off the table by declaring this a no-go zone? How many barrels of bitumen are being taken off there? Is the thought on why we can do that because we have so much and that it's okay to take a percentage out and protect that land? Why have we done that?

Following that same questioning – and I can't believe that you wouldn't have done some research on this. Mr. Knight, you've talked about this, that we didn't say that we're going to take it without any compensation. Is there an estimated dollar amount that we're looking at to compensate these companies that are losing their mineral leases to the lower Athabasca regional plan because it's a no-go zone?

I understand that 15 per cent of those 2 million acres have bitumen underneath there. These companies have spent a lot of time and money and effort on how their economic development plan is. Are you going to compensate them? To follow that same line of thinking, are you aware of the Supreme Court ruling in 1985 with the Crown versus Tener, where they said that . . .

**Mr. Knight:** Did that have something to do with fishing?

**Mr. Hinman:** No. Sorry. This was about the development of oil and gas wells or just the fact that the government put a stop on it and said: you can't develop that. They went all the way to the Supreme Court.

**Mr. Knight:** Where was the case?

**Mr. Hinman:** It was the Supreme Court of Canada, 1985.

**Mr. Knight:** Where was the case relative to?

**Mr. Hinman:** You know, I don't remember off the top of my head. I thought it was here in Alberta, but perhaps it's in another province. The precedent was set at the Supreme Court level, though, on that. Basically, what it said was that you have to compensate for the value of those resources.

**The Chair:** Is this relevant to this budget?

**Mr. Hinman:** Well, I believe it is because it's LARC that stepped in on this. I want to know if the government has done any research on the \$2 million that it spent to look at the ramifications of the plan that they're presenting to Albertans. I think it's going to have a huge impact on the taxpayers but a greater impact on the investment atmosphere that we've created and the economic bullying that's going on in this province by quoting a few big people that aren't being bullied that, well, it's okay. Yes, Mr. Chair, I think it's very relevant.

**Ms Blakeman:** Is this the leases?

**Mr. Hinman:** Yes, the leases that are being rescinded.

**Mr. Knight:** There aren't any.

**Mr. Hinman:** At this point, but in the plan there are 22 companies.

Well, I'll let you just answer those first four questions, and then we'll see where that goes and go back.

**The Chair:** Okay. Thank you very much. We'll go to Mr. Knight, please.

7:50

**Mr. Knight:** Mr. Chairman, I don't think there actually was a question there. I don't recall a real question in all of that. However, I'll give you a couple of examples here. There was a member that actually made a statement to the press: you would have to be an absolute moron to invest in this province under this government. On the same day Cana Corp, Raymond James, Peters & Co., McQuarrie, BMO: no one – no one – is pointing to any material negative impact on oil sands companies given that a generally modest acreage was being affected and given that the acreage impacted is not under current development plans even in the case of a certain company. Companies affected will certainly try to convince the government that some lands are worth more and are not just glorified moose pasture, but from an outsider's perspective it looks like both parties are generally getting what they want, government and industry. It goes on.

I mean, I can go through pages of this stuff. Impact to current oil sands leases is minimal. For the most part there are very few leases which are impacted. There is no impact to existing producing projects. These are all statements made by the banking community, investment brokers, the corporations themselves, the industry representative groups. There are pages of them.

And at the same time we get this? Mr. Chairman, I have to tell you that somebody here is actually going so far in the wrong di-

rection, they're catching up to themselves when they turn around to go the other way. I mean, that's exactly what's happening here. I would like someone to show me one single piece of real estate in the lower Athabasca region as it exists under the current draft, draft, draft plan where we've actually taken away anything or broken any contract with any individual or any person, which would include any corporation, in Alberta. There aren't any. There's no such evidence. It's not there.

I can tell you, Mr. Chairman, that I have had some experience with respect to this whole issue, and to my knowledge it's very clear in the legislation. It has been indicated to the corporations involved, and they all know it. They've all been involved in these discussions for three years. For three years. You look at what CAPP has said: we knew this was coming. Look at it. Read what they say: we were involved in the discussions; we know it's coming.

It's never going to be a zero-sum game, where there's no damage to anybody ever, anywhere. There is going to be some argument about this. There are going to be discussions about this. But most certainly, what we want to do: let's discuss reality. The reality is that at the moment there is no attempt by this government to expropriate or take back or rescind or repatriate any leases anywhere in Alberta that I'm aware of.

Now, when you look at this thing from the point of the view of compensation, there is a very clear case where we will – and we've said that we will – discuss this with the people that are impacted. There is clearly in the legislation an opportunity for anybody that is negatively impacted to have compensation paid, mostly residing under other pieces of legislation, either under the Forests Act, in certain circumstances it could be the Public Lands Act, and in this particular case it most certainly will be in the Mines and Minerals Act.

Now, any Albertan that has actually paid any attention to this in the last while will realize that this is a very unusual circumstance, that has happened in my knowledge only twice in the province of Alberta. I know very personally about one of them. In fact, what we did was that we went out, sat down with the principals of the corporation involved and managed to negotiate what we think was a fair retrieval of some subsurface disposition, left the company whole, and retrieved the disposition that Albertans felt should not have been perhaps sold in the first place. Will that happen again? I think there's a pretty good precedent there, and I'm telling you that I believe – and you look at all the information that everybody is saying here – that that's exactly what will happen again. Mr. Chairman, I don't believe that this is that much of an issue.

There is a suggestion that we have done no research – no research – on the economic impact of the lower Athabasca region before we put this plan in place. Well, I would suggest again to the member that before this plan was put in place, we researched down to every section of real estate that we were looking at, both from the point of view of parks – well, there are more than both. In the five areas we looked at – multi-use zones, the opportunity for recreation, tourism, the conservation areas – we looked at all of it, down to sections. We looked at what disposition is there, what surface disposition is there, what mining dispositions are there, what oil and gas dispositions are there, at what of it is gas, what is oil, what is bitumen, what's in the carbonic zones. All of the stuff that's there: we looked at all of it. All of it.

So for an individual to stand there and suggest that the government has no idea what's there and what the consequence may or may not be when we do reach a final plan I think shows a lack of understanding of exactly what it is we're doing and perhaps not paying enough attention or taking the time to read the plan, to read

the RAC's advice to government, to take a look at some very simple facts.

There are five – count them: one, two, three, four, five – petitions in front of federal courts today, as I'm standing here . . .

**Mr. Hinman:** Mr. Chair, are you watching the time? Are his 10 minutes not up?

**Mr. Knight:** . . . where First Nations communities have gone forward with petitions asking federal courts to in fact put a moratorium on any further development in this area in Alberta until there is proper planning in place, planning with respect to critical habitat, a caribou recovery and stabilization plan that will satisfy the aboriginal community that their constitutional rights to hunt and fish are going to be maintained.

I'll tell you something, Mr. Chairman. With all of this work that we've done in the lower Athabasca region, everything that we did has been scoped out from the point of view of . . .

**Mr. Hinman:** Point of order.

**The Chair:** Mr. Hinman, he can speak for 10 minutes. You had 10 minutes; you took four.

**Mr. Hinman:** I took four, and I was going to go back and forth, so I allowed him to have four.

**The Chair:** Anybody can speak for 10 consecutive minutes.

**Mr. Hinman:** He has spoken for over 10 now.

**The Chair:** No, he has not. We'll determine that. He's spoken for seven and a half minutes.

**Mr. Hinman:** Unbelievable.

**The Chair:** Go ahead, please, Mr. Knight.

**Mr. Knight:** I didn't make the rules.

Anyway, Mr. Chairman, to finish this, did we look? Yes, we did. If you look at the situation that we're in today, there are five areas. There are more than that, but there are five main areas. I'm going to suggest to you that we are a lot better off as Albertans taking care of our own business and being sure that we put plans like this in place that balance the economy, the environment, and the socioeconomic aspects of operating in, living in, and working in the province of Alberta because if we don't, it's obvious that someplace someone will. Now, it will either be a judge in Ontario or an NGO community out of Europe or someone from California that makes movies or somebody that is going to come up here and do it for us.

What we've done instead is that we've taken a look at this situation, set what we think are very solid plans in place. These cases that will be heard in federal courts need defence. The biggest defence that we have right now, Mr. Chairman, is this, the Alberta Land Stewardship Act. It's a very responsible piece of legislation, and we're going to continue to develop it on that basis.

Thank you.

**The Chair:** Thank you very much.

Mr. Hinman, please.

8:00

**Mr. Hinman:** How much do I have left?

**The Chair:** You have three minutes and 43 seconds.

**Mr. Hinman:** Well, I'm very disappointed. I thought it was going to be a back and forth: four minutes, four minutes. Anyway, it's incredible. He doesn't listen and responds as government does, and he continues to show the behaviour of this government. You need to go back and read *Hansard* a little bit yourself, Mr. Minister.

You went on to pontificate about the detail down to the section – down to the section – on all of these leases: oil, mineral, surface, agriculture, all of that. That, then, obviously means that you know how much money was spent on auctioning those leases inside those 2 million acres, how much money has actually been spent just on that basis alone and not going to be compensated for any of the reserves that are down there or the opportunity and the cost of those companies going together.

That nobody that you referred to has anything there: have you ever heard of Sunshine Oilsands Ltd.? Is that the nobody, one of the other 23 companies that's a nobody, that has nothing up there? This is unbelievable to me. The arrogance that you would get up and talk like that, that nobody is impacted and that it's not going there. Again, you sit there and say that there's no action. There is. You received letters going back to May, July, and October 2008. Sunshine Oilsands Ltd. bought parcels of land in the northwestern corner of the province's oil sands. The company subsequently discovered a large chunk of potentially recoverable oily bitumen in the area, which is called the Harper area, that measures up to 7.6 billion barrels of bitumen.

Critics have asked the government and gone to them and said: do not allow this land to go up for auction. Yet you went ahead and said, "Well, we can't afford not to," because we didn't know what the lower Athabasca regional plan was at that point, in 2008. You steamrolled ahead with total disregard for the information that was being given instead of saying: "You know what? Let's just hold back for two or three more years." This is even after, you know, basically going right into the crunch at the high end. You were just so, I would say, greedy for land sales, which you had destroyed tremendously from 2007 on.

Again, it was brought up with the new royalty framework that this is wrong. You know it. You sat in oil companies' head offices. They told you that. You told them: "There's nothing I can do about this. You don't understand. This is a political move." You understand that you are devastating the industry. This is déjà vu all over again, and you sit there with a smirk on your face and think that it's wonderful. It isn't. It's disgusting that we're going through the economic bullying that we're going through. Whether that's one or 14 or 22 companies, it's unacceptable, and it's embarrassing as an Albertan to go forward on that.

But you said: down to the detail. I would like those details on how many acres of leased land and what the quantitative bitumen and oil and gas below there is that's being absorbed into the lower Athabasca regional plan.

To switch for 15 seconds to Spray Lakes Sawmills, the clear-cutting on the Castle River, the amount of money that you're spending and again claiming that it's pine beetle damage in the Castle River area, I'd like the details on the reports on how you figure that it needs to be clear-cut in there and why. I can't remember how many thousands of hectares Spray Lakes has. Does SRD actually oversee and direct them to areas and say: this is where you must harvest, or we're going to jerk out some of your other areas? Do you direct them, or do they ask for permission to log in those areas?

**The Chair:** Thank you very much. The time for the Wildrose Alliance is expired.

I believe that if you wish, you may answer those in writing and, again, deliver the answers to the Clerk for all MLAs.

We'll go to the fourth party. Ms Notley, would you have questions, please?

**Ms Notley:** Yes. Thank you.

**The Chair:** You'll share your time as well?

**Ms Notley:** No. I think I'll just go with the 10 minutes, and I'd ask both the minister and the staff, all of whom I appreciate being here, to take note of my questions so that in the event that in the 10 minutes you're not able to specifically answer all of them, we can anticipate receiving a response in writing subsequent to our discussion tonight.

I'd like to start by going back, of course, to the primary topic of the evening, the land-use framework. Of course, it's generated a great deal of discussion. I suppose the first thing I'd like to get to – and I know it was discussed already – is that we see this major cut in your funding, your dedication to the Land Use Secretariat, the 50 per cent cut. We see the repeated failure to meet your own timelines and the previous minister's timelines in terms of developing the targets. I know that with the Athabasca land-use framework – I missed this when I came in. I'm not sure if you said that you believed it would be finished in 2013, that it would be through all the steps, or if it was 2012 or maybe even 2011. I missed that conversation.

Regardless of which it was, the fact of the matter is that the Athabasca land-use framework is a framework that was able to rest on work that's actually been going on since about 1999. There have been a lot of different committees working on many of the issues that the land-use framework consultation drew on. I'm really concerned because, really, in many ways it's arguable that this plan has been in the works for 12 years, not three.

In any event, I am very concerned that, assuming we finish it by, say, 2012-13, we're looking at five years, roughly, for this to be completed. Then I worry, you know, that if this is the pace we're going at, are we really looking at 35 years from now before we get a series of land-use frameworks across the province? We just cut in half the resources that are dedicated to the very work that will get this done. We've clearly seen that this has taken forever, and it's not done yet, so it says to me that we're not going to be done very quickly.

My concern, actually quite contrary to but maybe somewhat linked up in a strange way with the previous member, is with what's happening in these areas while we delay and delay and delay and come up with land-use frameworks. What kind of industrial development is happening there while we don't set limits, while we don't set cumulative thresholds in any one of a number of different sectors? While we don't do that work, how much development is going on? Then when we finally get to the point of coming up with a framework, how much more will we have to construct our framework around current economic interests? Clearly, that's actually what happened. Contrary to what the last minister was saying, that is what happened in this current land-use framework. The conservation areas were designed not around conservation best practices, not around what the scientists said was necessary for the best biodiversity outcomes but, rather, around current economic interests. So we have a land-use framework where economic interests drove the structure of the land-use framework.

I'm really worried that in the tighter land-use frameworks, if we wait another 10 years to have something finished, when you guys actually get around to putting something together, there will be no

room left at all to consider community interests, environmental interests, fish and wildlife interests because you're just waiting so long. Meanwhile you're giving away economic interests. The Castle area is a perfect example. You know, we talked to the Minister of Environment, and we talked to the minister of tourism, and they say: "Oh, well, don't talk to us. It's the Minister of SRD that's responsible for block clear-cutting in the middle of something."

You know, this government patted itself on the back numerous times for creating a conservation area. It's very frustrating. They say: "Oh, well, you know, we'd love to do something to stop this block clear-cutting in the middle of this fabulous recreation and environmentally sensitive area, but we've got to wait for the land-use framework to be done. Then once we put it all together, we'll be able to maybe put some limitations in place." Well, of course, God only knows when that's going to be done. So now these frameworks are being used as a reason to not step in where industrial activity is going ahead.

That was actually quite a long time, but so far you don't have a question you have to answer, so yay you. I'm going to be a lot briefer from here on. That leads to my question. How can you possibly expect anyone to believe that with half the resources dedicated to the Land Use Secretariat that you had previously and based on the incredible delay up till now in getting to the place where we are now and knowing how much work had preceded the lower Athabasca framework, starting with the committee established in 1999, you're going to get anything meaningful in place within the next decade? I mean, 2017: I appreciate the honesty in how much longer it's going to take, but I actually think that with the current resources you're still dreaming in technicolour. I'd like a few comments on that.

Moving along from that – and, again, I apologize if you covered this with the Member for Edmonton-Centre – I would appreciate a specific explanation of where each region is in relation to each of the I believe it's eight steps in the land-use framework process. I believe that last time we asked that question, and what we got back was simply "in development" or that the status of the seven regions I asked for in the lower Peace is "currently being developed," "the upper Peace, currently being developed; the upper Athabasca, currently being developed." We only heard about the first two.

You have the steps 1 through 10, and I'm just wondering if we could get particulars on where each of those regions is in the step process and what that looks like, maybe a bit of a three- or four-line explanation of where each one is with respect to that step. [interjection] That would be great. That's my question.

**8:10**

Then the next thing again around that is: what is the status of leases and the sale of economic interests to industry within each of those areas at this point? Are they pending? Or is there any notice going out to industrial players that these areas are subject to land-use framework planning that may implicate their economic interests at some point in the future, down the road? Is there anything like that? I'm unaware of the degree to which from our perspective as taxpayers we can argue that we've done some assurance for the taxpayer around future liability if we actually do infringe upon industrial activity in some manner in the future.

Another area I'd like to quickly switch over to is that going through your business plan, I note that you've lost a whole swack of priorities and attached to the performance measures and targets from last year to this year. I believe you've lost about seven of what were 11 or something like that. I think you've gone down quite dramatically. Obviously, as an opposition member representing members of the public who want to see us keep the

government accountable, I'd like you to comment on what the rationale was for that reduction in accountability and how it is that we'll be able to get that kind of specific reporting out in the future.

Then I'd like to finally move to one other area within your priority areas and, in particular, with respect to land management. The previous member, from Edmonton-Centre, talked about her frustration about the lack of information or specificity within the budget. I'm going to ask for a bit of information here with more specifics. I'd like to know if there was a line item that was dedicated to restoring public land. Under your land management section in your business plan you have one section on page 10 that talks about restoring public land. I'd like to know what the amount is that is dedicated to that function and how that compares to last year. Then what I would also like to know is what the FTE dedication is, again from last year to this year, for the task of restoring public land. And then I'm wondering if you could, if you have a chance in the 10 minutes, give me some information around: what are the general areas that that part of your department focuses on? What types of different restoration are you focusing on? I believe that's all with respect to Crown land, but I could be wrong. If I am wrong, please correct me.

Then with respect, in particular, to Crown land and downstream oil and gas reclamation I know that your ministry works together with the Ministry of Environment assessing reclamation of oil and gas wells. My understanding is that Environment deals with it with respect to private lands, and your ministry does it with respect to public lands, or Crown lands, but a great deal of it is done on the basis of landowner complaints. So if an operator claims to have completed restoration and someone disagrees with that, they have to complain and say: well, we don't think that's good enough. That's when someone comes out to check. So if you don't have a private owner there to do that job, what resources do you dedicate to that task on behalf of the people of Alberta for the Crown land, that is not otherwise owned?

Am I getting close to my 10 minutes, or am I good?

**The Chair:** No, that's it. Thank you very much.

**Mr. Knight:** Well, Mr. Chairman, we've become quite accustomed to this particular act. I've seen the movie before. So what I'm going to say at the outset of this is that when I'm finished here, I'm going to suggest to you that I am deeming all of these questions to be answered. A lot of what you said has already been answered, so I don't know that I need to repeat those answers. I will answer the rest of those questions as we go along here.

When is LARP going to be done: 2011. Has the plan been in building for three years or 12 years? That's a ridiculous question because this person would obviously know that the land-use framework initiative was actually consulted on in the province of Alberta in 2008. That's pretty easy math. This is 2011. We have one plan on the ground. It started in 2008. I'm going to suggest to you that it took about three years. So that answers that question, I hope.

How long does a plan really take? Well, I'll tell you what. This is a very important and serious piece of business for Albertans. Generally, what happens here is that the plan will take as long as it takes us to get a thorough consultation with Albertans. That's what they're asking for. That's what we're doing.

The question: what's happening in these regions when there is no plan in place? I'll tell you what. This whole exercise, the whole thing, start to finish, is not about stopping development in the province of Alberta. Period. I answered that question before. We have to have a vibrant economy in the province of Alberta in order to do anything else, so that will continue. It's not about stopping

development. What it is about is responsible development. I'll tell you something incredible that's happened here. This is what's incredible. It's incredible the amount of work that's been done on this file from 2008 to today. That's what's incredible.

How do we deal with Castle? That's a very straightforward question, and I think it deserves a very straightforward answer. There is in place in the Castle region a development plan. The opportunity there for industrial activity is more than a hundred years old. The plan that's in place now was renewed after a lot of work and consultation with people in the area. We renewed the plan, and that plan will continue in force. As you know, I've answered this question in the House many times. Two-thirds of the Castle area – two-thirds – is off limits for that kind of development. It won't happen. Out of the third that remains, 1 per cent per year may be affected.

To answer the previous gentleman's question, yes, we do work with the operator to indicate to them in a management plan where the harvesting should take place. Where it's taking place, the majority of it, is in places where we're trying to make sure that we're managing, responsible management, for wildfire and incidents of pine beetle in the area. So we're looking at next-host trees, some trees that have been affected, and some areas of mature stands where wildfire is a risk.

How do we get the plans done when we cut the budget by 50 per cent? I explained that already. Mr. Chair, I can answer that question again. I've already answered it, actually twice, but I can do it again. What we've done is just extended the time frame of the plans coming along, and that's how we're going to manage it. It's a situation where, you know, you want it done yesterday. Let's make sure we talk to all Albertans, but do it yesterday. Well, we can't. We have to go out there and gather this information from people and stakeholders that are interested, and we'll do it, and we'll do it with the money that's allocated to us. You know, I think the Premier has indicated that this budget is tight but fair, and I believe that what we've done with respect to this is very responsible. It is a tight budget, but this is fair, and we will continue to move this forward.

The status of the seven regional plans, what they are. Lower Athabasca is in a consultation period right now between the initial draft plan and a final plan. South Saskatchewan: we have received and put on the street the advice from the South Saskatchewan RAC along with their advice to government and their vision for the area and the maps that they've drawn out. With respect to North Saskatchewan, that one, in fact, we're starting to work out the terms of reference. Lower Peace, you will see, if you take a look at some of the maps, is now – you know, there are some placeholders that we've looked at in the lower Peace, and they're on the map, so we're going to ask the RAC when they're developing that to be sure that they're aware of what's happened there.

**8:20**

Are we giving notice to industry about regional plans that might impact their interests? Absolutely. There aren't any corporations that I know of that have been excluded from the discussions that we've had. And in personal observations and discussions with these players I've asked them all – I've asked them all – please bring me your information. Don't just send it to the deputy or to someone in the department. Bring it to me. I'm interested in it, and I want to see it. And I've seen a lot of information. They're very responsive. They weren't at first, but once they realized that this is not just some kind of an exercise, that we are serious about planning for Alberta's future, they became quite interested in it.

You said that you noticed in the performance measures in the government's business plan that the standards have changed. What

we did – and this is very, very good work by department people. As a matter of fact, I'm going to give some accolades here to the deputy. He came in and took a look at what we were doing, and said: "You know what? We can actually do this work for Albertans and streamline it a lot and clear out a lot of that stuff." And that's what we did. There's nothing actually missing. What we've done is just streamlined it, focused our efforts on the things that are core business opportunities for us as a department to service Albertans the way we should. I've streamlined that whole process in our business plan. There's really nothing missing. It's just a lot tidier than it used to be.

You asked the question: what do we do about reclamation on public land? It's a joint thing with Environment and ourselves. What do we do? We have standards that we follow with respect to reclamation along with Alberta Environment, and we work together and reclaim land up to those standards. A good example is – and there are a number of them, and I know that people don't really care much for this – the reclamation that's been done in the Syncrude area in Wood Buffalo. That reclamation is a prime example. I can tell you that I believe – I might be wrong – that in 50 years most people that go there and look at that will have a hard time distinguishing that piece of real estate from the one next to it that's never been touched. It will return that good.

There are a lot of flora and fauna and trees of the type – and some of it is actually genetics – that were there before that have been put back. That's the type of reclamation work that we're doing.

**Ms Notley:** How much?

**Mr. Knight:** How much? Okay. About 20 per cent. The acreage that's there with the certificate is one thing. However, let me get into someone else's business because it's not mine. We're doing a progressive reclamation program that we're bringing forward. You've seen it. Actually, out of the land that's been disturbed in the lower Athabasca, about 20 per cent has been replaced and recontoured.

Why it takes time to get a certificate is to make sure that at the end of the day all of the topsoil and everything that you put back has the ability to return itself to a productive, natural environment. That's what takes time. It might take 50 years. The contouring has been done. The dirt has all been put back. Soil structures have been put back where they were. I've got to tell you that there is now a tremendous amount of real estate there that has been reclaimed. You can't get a certificate from us because we're pretty fussy about it. When you get into progressive reclamation, there is a very, very good case here that we can go out and tell the world what we are actually doing here, and there would be a much better understanding about what we're doing. I think it's very responsible.

You asked about how much in dollars and FTEs there is in restoring public land? We've got about 490 FTEs that work in that part of the ministry, and the budget there is about \$26 million. They do a number of other pieces of work besides, but that's part and parcel of the work that they do.

I believe that pretty much gets to the bottom of the questions that you asked me.

**The Chair:** That's all the time we have as well.

Now we will go to Mr. Berger, followed by Ms Blakeman. Are you going to go back and forth, Mr. Berger?

**Mr. Berger:** I'd like to try and just keep it short and go back and forth with the minister, please.

**The Chair:** Okay. Thank you.

**Mr. Berger:** Mr. Minister, the first question that I would have – we've been hearing a lot about logging in the Castle area, quite a few discussions in here in question period, with one member reading names from either the phone book or e-mails from a mass e-mail out on a daily basis against logging in the Castle.

We've been hearing about this. It's called the Castle Special Management Area within the C5 management plan. It's referenced quite often that it is a special place and that timber harvesting should not occur here. Can you just fill me in on that because we're mixing up, in my mind as the MLA for the area, Castle Special Management Area and the prior Special Places 2000 issue that was brought forward in 1998 up to 2000, before they decided on those actual areas. Could you clarify for me and everyone else about that Castle Special Management Area in regard to the C5 harvest management area as well and special places as far as we're talking special management area, not special places, I think? If you could clarify that for me first.

**The Chair:** Thank you

Go ahead, please, Mr. Knight.

**Mr. Knight:** Thank you very much. Mr. Chairman, the whole area in Castle has rather an interesting history of what had happened there. As the member indicated, the Castle area was actually one of 82 locations across Alberta that were nominated for protected area status under Alberta's special places program. As the member indicated, that operated from around 1995 and concluded in about 2001.

We have to make a distinction here because there are now people saying that that's a special area. It was nominated but was never accepted as one of the special places under that program. There was a local committee – there were local committees around the province of Alberta – and the one in that part of Alberta told the government that it wanted to see the Castle area managed as a multiple-use zone. So there is a forest land-use zone there that's in place now, and it's managed under that type of zone. It is not nor was it ever a special place. It had been nominated as a candidate.

We recognize, Mr. Chairman, that many different activities have taken place historically in that area and on that particular real estate. There has been, as I suggested, over a hundred years of development there, of industrial activity of one sort or another. Timber harvesting has been part of that for many, many years, and I can tell you that timber harvesting on a kind of commercial scale is well over 50 years in the region. Cattle grazing has taken place there for many, many years.

There's oil and gas production in the area. Again, a lot of the early work in the development of what we would call sour gas, natural gas that contains hydrogen sulphide, took place in that region and has, by the way, continued. There was work done there that spurred and allowed tremendous development all up through the western sedimentary basin, and that type of development with those sorts of gas compounds is now found all the way up to – well, most certainly, my colleague across the way, there are a number of his good constituents that work in that business today after 50 years of development of that type of production.

Recreational opportunities abound in the area. They always have, and I believe, Mr. Chairman, that that will continue. It should also be noted again that I had indicated, you know, that there is and has been a continued and I think a very responsible management of the area from the point of view of timber harvesting. The fibre business has been there for more than half a century

on a commercial scale, and it's been there for well over a hundred years.

**8:30**

I would suggest to you, Mr. Chairman, that when someone goes out and looks at that viewscape today – and they do every day, and we hear about it, and they don't want it changed – Mother Nature never leaves anything like that the same from one day to the next. By the way, those beautiful trees that a lot of those people are looking at today are actually trees that are either natural regrowth or that had been planted from previous harvesting. Yes, they're beautiful trees. Was this done before? Yes, it was done before. Do we think there's a way to manage this? Yes, we do, and we think it's responsible for the management plans in place to do that.

**The Chair:** Mr. Berger, please.

**Mr. Berger:** Thank you, Mr. Minister, for clarifying that. It's been very evident to me as the MLA for the area that we have many different uses in that specific part of the world. They seem to have been balanced over the years, and all of them seem to be able to work hand in hand as long as they're done in an orderly fashion.

I guess some of the issues when we look at it – and the people who are looking towards a more protective stance on that would have to agree that the management of the area to this point in time has made the area what it is that they want to protect. It has been managed well, and it is looked after well. We've had all this discussion around this, and I keep getting the calls on it. If it does not have legislated protection, why is it a special place? What is the government doing to protect the integrity of the Castle area for the future generations to enjoy? Now, I think part of that would probably be within our management plans. Why is it listed as a special place, but it really does not have legislated protection, then, as a special place? If you could clarify that as well.

**Mr. Knight:** Again, Mr. Chairman, you know, I've got to make a statement here. It is a special place. It's just not one of the designated special places in the province of Alberta set up under the special places plan. It's a special place for a lot of people, probably a special place for all Albertans.

What I'll say about it is that it also does have legislative protection. This particular piece of real estate, as I had indicated earlier, is protected through legislation as a forest land-use zone designation. That is a designated zone, and it does have some protection that goes with it. The approach here provides that there is a regulated protection for the area while meeting four goals. They are: preservation, heritage appreciation, recreation and tourism, and economic development. So we have it: forest land-use zone designation, legislated and protected under regulation, preservation, heritage appreciation, recreation and tourism, and economic development.

In July 2010 we implemented a new forest management plan for C5. It was approved, and it allows for limited timber harvesting, as I suggested. Again, two-thirds of the area is off limits – off limits – for logging. There is no harvesting that takes place on two-thirds of the area. Of the remaining one-third, again, Mr. Chairman, 1 per cent per year. We've had that conversation in the House, you know, year after year after year after year. We're going to grow three trees for every one we cut down. I think it's a very responsible approach to that particular region.

**The Chair:** Thank you very much.

Mr. Berger, please.

**Mr. Berger:** Thank you. I guess when we go back to look at that and discuss the timber harvest in that area, if my recollection is correct – and I did some research on this earlier in different discussions – I think Revelstoke Lumber was the first company to have a harvest permit in the area, and that went back to about 1965. That wasn't the first logging in the area. I actually have pictures in my briefcase of logging taking place there in 1888. It shows the actual logging camp, the bridge that they built out of the logs that they were cutting. Some of these areas that we're talking about also were logged in the '80s due to a pine beetle outbreak.

But Revelstoke did have it in 1965, and then I think it was 1980 or '82 when they went through a misfortune and actually went broke. That was then moved on and purchased by Atlas Lumber, who was a local company out of the Crowsnest Pass. They maintained that permit and kept it right up until 2005. I think it was after they suffered the devastating loss through the Lost Creek fire that burned 22,000 hectares. I want to put that on the record: 22,000 hectares burned in the Lost Creek fire, a lot of which was permitted as well to Atlas Lumber. Through that and through the softwood lumber agreement, they lost out, and that permit then was purchased by Spray Lakes Sawmills in 2005.

When we talk about this – and I heard in the House many times: "You're looking at harvesting thousands of hectares right now" – I don't believe that that number is anywhere close to that. That's another one of the questions that keeps coming up to me, and I'd like you to clarify just what harvesting is planned for the Castle area, then, in the upcoming near future. With those thoughts in mind, get it on the record that that permit actually started in 1965 although there had been much logging in the area prior to that right back to 1888.

Another point that I would like to put on the record – and we could provide those photographs – is that in 1914 and 1912 the government of Canada did their repeat photography and took pictures from the mountaintops down there of the areas, and in 2006 that exercise was repeated. When you look at those pictures, especially of that specific area we're speaking of, most of those hillsides were bare and barren, very few snags even on it from the burn cycles that had taken place. So when you look at where we're at right now in that area, we have far more trees than we've ever had before. I think it's probably well in need of a planned harvest because we aren't going to allow the fire cycle to take place. We've been suppressing that for the last 40 or 50 years. So if you could just clarify for me what harvest is planned in the Castle area, and we'll get that on the record as well, sir.

**The Chair:** Thank you very much.

Mr. Knight, please.

**Mr. Knight:** Thank you, Mr. Chairman. To add to some of the comments because they're interesting comments, I want to thank the member, who has obviously done quite a bit of work on an area that he certainly appears to be very committed to. Just an observation on the Palliser report, that did some of the early work, with people coming out to survey and that kind of thing. I believe one of the statements that Palliser wrote back to the factor or whoever he had to report to was that this part of Alberta that he was looking was basically a wasteland. He said that it had been burned over to the point where – I can't recall what he said – no human would care to live there or something like that. That is not all that long ago. Mother Nature has a funny way of being able to regenerate.

With respect to the harvesting in Castle the planned harvesting that is now in place with the commercial operators would leave numerous – and I mean a lot – of uncut areas, or buffers. So you

look along streams, watercourses, marshland areas, any of the provincial recreation areas – and I think I’ve even heard some pressure from our Minister of Tourism, Parks and Recreation that we should be careful around access roads and major roads in the area, that we leave enough space, that we don’t actually, you know, do a lot of damage to the viewscape. I think the people that are working with this plan are pretty responsible. I think all of those things, in fact, will be done.

Within the harvested area an amount of structure would be left behind to achieve other environmental goals. We’ve been doing this now for a number of years. Again, I have to refer to a colleague of mine from Whitecourt-Ste. Anne. The harvesting plans and some of the early trials and so on with respect to these plans: a lot of that kind of work was done in that area after our folks and other forestry technologists and the engineering folks that do these kinds of plans had studied a lot about what Mother Nature does, either blowdowns or fires or that sort of thing.

**8:40**

What’s happened is that we leave alone on a structure to achieve environmental goals such as the aesthetics, opportunities for wildlife cover, and regeneration. Examples: as I’ve said, you’ll see areas where younger trees are left, clumps of older trees in the middle of a cut area. What we do is to the best of our ability replicate what Mother Nature does when there is some sort of natural phenomenon that removes this type of fibre from the landscape in the first place.

The total area planned for harvest over the next two years – the total area in two years – is 760 hectares. So we’re talking about seven-plus square kilometres. To put it in terms that most of us as farmers would understand, it’s less than 2,000 acres. You might seed more land than that. I’m not sure. I believe you probably do. It’s spread out over 51 different harvest blocks that range in size. Anybody that understands a couple of thousand acres: we’re talking about dividing that up into 50 blocks that range in various sizes. What size are they? Forty acres. You know, it’s one LSD. That’s what the cut would be: an LSD, average. I think it is pretty responsible planning.

When the government began this planning, it was done, actually, on a regional basis, and in fact the land-use framework was part of the consideration. It was made clear at the time that existing approved land-use plans and activities would continue through this planning process. Mr. Chair, that’s exactly what has happened. As I indicated earlier, this whole process is not about stopping development in the province of Alberta; it’s about developing in a responsible manner.

The South Saskatchewan Regional Advisory Council was well aware of what was going on there, and, you know, they did and will continue to support what they’ve told us. They’ve made recommendations on lands that they believe are necessary to meet conservation objectives for the region. In fact, they mention in their work that they think the forest land-use zone that the Castle is being managed under right now is quite appropriate for the region.

I think I’ve answered the questions that the member has asked, and thank you for the questions.

**The Chair:** Thank you very much.

**Mr. Berger:** Let’s just stick on that just for one more little piece there. There’s been lots of discussion around Alberta when we’re discussing this Alberta Land Stewardship Act and talking about statutory consents. It’s kind of ironic because I hear people saying: “Oh, you can’t do that. You can’t pull that back.” But a forest

permit in this regard in the Castle area, which has been out since 1965, would be considered statutory consent. We have people that would say: well, why would you ever let them log there. Well, they have a statutory consent. They have a forest permit.

In that and balancing all of these different things off at the same time, I’d like to bring up the Lost Creek fire once again. Part of the C5 management plan and on the consultation that went through with that since, I think, it started at the end of the ’90s, early 2000s, there was much made of water and how we are going to manage water. When the Lost Creek fire took place, and it went right down to mineral soil and it burned everything to the point that it did, the government at the time – and I was watching from afar, and we were on standby – was quick to get in there and get water monitors in the area of the Lost Creek fire to see just what the difference is from a logging issue to the water supply as to what has happened with a fire of that severe nature.

Now, I got lucky and went on a tour of that and saw the results the first year after being elected and found that in that fire the water in the Lost Creek was actually at a high level of mercury, a high level of phosphorus, a very high level of nitrogen. The mercury and the phosphorus were not coming down very fast, but the nitrogen was coming down.

**The Chair:** I’m sorry. Your time is up.

We’ll go back to the Official Opposition. Ms Blakeman, please. For 20 minutes you’ll go back and forth?

**Ms Blakeman:** I think I’ll do the 10, and the minister can answer me in the 10. I think we’re good if I do it that way.

Three sections left, Mr. Minister and staff. Thank you, all, for hanging in there with us. Are the fans still there? Oh, they are. Good for you.

Okay. The first section is forestry and some sort of factual questions. What programs are covered under the 2.1 forest protection line item, or vote?

Second question: what programs are covered under 2.2, forest management?

The standard question. We all know that the government cannot forecast how much money it’s going to spend at the end of the year on either pine beetles or on forest fires. At this point let’s talk about fighting forest fires. Still, the amount of money that is put in there is always woefully inadequate. You should be able to average over the last 10 years, for example, how much money you’ve spent on emergency situations like forest fires and be able to put an average amount of money in there. It’s an ongoing frustration expressed by most members of the opposition. My question on that one is: what is your reasoning for doing that? Why can’t you use an average and budget for that average? Why do you go on fairly consistently but lowball and then have to add to it?

Pine beetles. Is there any funding in this budget that is directly for pine beetle management, or is it all going to come out of supplementary supply? If it’s in here, can you tell me what vote it is under?

We did have an announcement on the pine beetle relief program that was in co-operation with Tree Canada and a couple of corporate sponsors. I’ve looked at the press release. Actually, that’s a government of Alberta news release, June 14, 2010. I’m wondering how many applications for assistance were received by the deadline for this retreeing effort? What was the initial investment from the ministry on the program, and is it continued in this budget, in which you were offering to help farmers and other people retree their properties that have lost trees due to the pine beetle? You were offering a program in conjunction with Tree Canada. Yep. June 14, 2010. “Funding program to help offset costs to Al-

bertans: help is being offered to private landowners and municipalities that lose trees to mountain pine beetle attacks.” Then there was a whole backgrounder attached to it. I want to know how many people asked for that money. Was the initial investment for the program out of this department, and are you continuing it in this budget? If you are, where is it? In which line item? That’s the written stuff you may want to give me after the fact, through the Clerk.

Finally, on the pine beetles there’s now information out that’s saying that they have successfully leapt the species barrier or however they describe it and have now moved onto the Jack pine. I’m wondering: in light of this information is the strategy on pine beetles from the department going to change? Or perhaps they don’t believe the science or they don’t believe the studies, and you’re not going to proceed on it at all. Just let me know what you’re doing with that.

Moving on. In the throne speech the government talked about working with the forest industry to develop a road map to diversifying both products and markets. I’m wondering what role this ministry is playing in developing that road map and if the ministry is working with anyone else. With that goes: what’s the strategy going to look like? Is there an investment in this road map for developing additional forestry markets and products that’s in this budget? If so, where is it?

The Castle. I’ve listened carefully to everything everyone has said about this, and I have a couple of questions. I’m wondering how much money was realized by the selling of logging permits for this area. This ministry should be able to get at that because you’re issuing the permits, so I’m assuming the revenue . . .

8:50

**Mr. Knight:** For which area?

**Ms Blakeman:** For the Castle.

Even though the money may not come into your – there’s the answer being passed over someone’s shoulder right now. Okay. So I’ll get that answer.

The next thing is that, now, you know, I’m a snowmobiler, and I know what a cutblock looks like. A cutblock does not include . . .

**Mr. Knight:** Do you do high-marking?

**Ms Blakeman:** Yes. Absolutely. I’m very good at it. No surprise to you, I’m sure.

**Mr. Knight:** That would be impressive.

**Ms Blakeman:** Oh, yeah. It’s fun.

Now, those cutblocks are not attractive places. They’re barren, pretty stripped down. They certainly don’t include little groupings of trees that are left. They are stripped. If you look at it from a distance, it always reminds me a bit of Shreddies or a patchwork quilt because it’s empty. It’s white snow, and all you get is however high they cut the logs, and that can be high. But that’s all that’s in there. There are no trees that are left standing. I’m wondering: did you have a report on how allowing cutblocks into the Castle was going to affect the water and the watersheds up there? I’m assuming that you did something on that, so I’d like to be able to see it. If you can reference it or send it on to me, I’d appreciate that.

If two-thirds of the C5 area, or the Castle, is off limits to logging, is there any other development under this ministry’s responsibility that is allowed on that two-thirds? You’ve said no

forestry, but is there mining allowed? Are there fisheries allowed? Is there recreation allowed? I’ll leave that for you to answer.

Where can a normal person, a plain old person with a computer out there that isn’t hooked into the government system, get a look at this C5 plan? Can you give me the website directions or tell me how to find it? I’d like to be able to look at it, and then maybe I could understand.

**Mr. Knight:** Honestly, Laurie, you probably have it.

**Ms Blakeman:** No, I don’t have it. Honestly, I don’t have it, but I would like to look at it because I think that would help to understand some of the questions and the differences of opinion that exist those two sword lengths apart.

**Mr. Knight:** If you ask your researchers, they’ll get it for you in the morning. It’s easy.

**Ms Blakeman:** Okay. Well, just in case they don’t, I’ll get you to provide me with the website.

I’m going to move on very quickly to line 5.2. The wildlife management is a little bit over \$17 million. Could I get a breakdown of the programs that are covered under that \$17 million, please, what they are and how much money is assigned to each of them? If the funds are going out to another organization, which organizations are they going out to?

Last couple of seconds on grizzly bears and caribou. There are a couple of references here: the government of Alberta news release from August 2010; the grizzly bear mortality rates, which was attached; and a *Calgary Herald* article of March 16, 2011, about the deaths. Wouldn’t it be more efficient, provide more certainty, if we did more like a five-year moratorium on hunting for the grizzly bears instead of going on a year-by-year ban? It just strikes me that it must be very difficult to manage this population if you cannot go beyond a year’s worth of planning for it because it’s on a year-by-year ban for hunting. Let me know about that and if you’ve even looked at putting a longer ban in place.

I’d like to know how much of the total allocation for grizzly bear management is directed towards the BearSmart program. How much of that money is assigned to BearSmart? Can you provide me with any information about how effective BearSmart has been in reducing the grizzly bear mortalities? I’m assuming you’ve got that. I want to argue a bit with you about that. It looks to me that the total grizzly bear mortalities in ’09 and ’10 are pretty steady at 21, and most of them are coming from human encounters. So what’s the government going to do to reduce the human mortality part of that?

**The Chair:** Sorry. Time is up. Thank you very much.

Okay. Mr. Knight, 10 minutes.

**Mr. Knight:** Well, thank you very much. To the member, thanks for the questions. Mr. Chairman, as I’ve said previously, I’m going to run through these things. I’ll get an answer to all of these questions, and when we’re finished tonight, I am deeming that I have answered the questions that have been posed to me. Some of the questions get to the point where, you know, it might take a bit of chasing around here, but I hope that in the time I have allowed, I’ll get to them.

The C5 plan. If you just go to government of Alberta SRD in the external website, it’s there.

Castle. Unsure of the revenue because what actually happens at this point in time is that we get paid on stumpage, so we don’t know until they harvest. When they harvest, we get paid, and it’s

at market rates. We actually will get the money after the logging is done, so I can't answer that question for you.

Are there other things that go on in the remaining two-thirds of the C5 area? Yes. In fact, there is other activity in C5, and there's a broad range of activity there which could include things like – you like snowmobiling? I believe they do some. If you like horse riding, I think they do some of that. There is camping, recreation, fishing, and other opportunities there.

You asked about the road map. We're participating with forest industry players to help identify new opportunities. SRD does have an opportunity to help fund some of this, but the forest industry is basically taking the lead on this, and we're working with them. In fact, we think that opportunity for us and the forest industry is going to provide some good opportunities for them.

You asked about mountain pine beetle. I'll tell you that there's an interesting thing going on with respect to mountain pine beetle because very recently a study validated the fact, something that we thought we knew for quite a while, that pine beetles are not specific. The host isn't specific to lodgepole pine. They have crossed over successfully and are now finding homes in Jack pine forests. That is not good news for the rest of Canada, and we think that we need some major help and interest from our partners in Saskatchewan, Manitoba, and perhaps the federal government. If we can't contain this thing and have a sink for beetles in Alberta, there's no other natural barrier from here all the way to the east. The Rocky Mountains were a barrier, but they breached that. What we found, of course, along with that is that what this does is validate the very aggressive action that we've taken to this point with respect to mountain pine beetles. It does, I think, give Albertans comfort that their money that was spent in these programs was money well spent.

With respect to the ReLeaf program, in other words planting trees, it's a partnership with Tree Canada and SRD. We put \$50,000 into it in 2010-11, and the program will continue. We think it's an important program. Actually, interestingly enough, I just happened to be there on a day when, I believe, we planted the first tree. I think it was the first one, certainly, in northwestern Alberta in that program. It was a good day.

What programs are covered under section 2.1? The department positions resources according to wildfire hazard and values at risk. The approach allows the department to aggressively contain wildfire in the earliest stages. The priorities for protection and resource allocation are number one, human life; number two, communities; number three, watershed and sensitive soil; number four, the natural resource; and the fifth is the infrastructure in the area. Key stakeholders with respect to those programs are Albertans, generally speaking, the forest communities, aboriginal communities, the forest industry, and then other resource and tourism industries in the area.

What programs are under forest management? The program description in forest management is: responsible for forest management planning; forest health planning; timber production, auditing, revenue; and forest monitoring and compliance in accordance with the forestry act. Under this management plan we're also responsible for setting timber harvest levels and reforestation standards as well as monitoring compliance to ensure that the standards are followed.

**9:00**

Mr. Chairman, in the budget why do we use emergency money? And why can't we budget this money closer than saying, "Okay; it's going to be \$85 million, \$90 million that we put forward," and use that money to start up our program, get all of the resources in place? We have to have annual contracts for a number of firefight-

ing crews that we bring in and, of course, a lot of the equipment, the aircraft, get our bases up and operational. We need to bring in fluids and retardants and that kind of thing. All of that stuff is done, and we start the program with \$90 million. That's the amount of money that we know we're going to spend. That has actually been pretty much, you know, a good solid number.

We decreased that a bit I think last year. We used to do around \$100 million. We dropped it to about \$90 million. What we did, actually, was take one of the standby crews and I think one of the bombers off of the program, but we're still managing quite well with what we have there.

Actually, this number varies a lot, hon. member. We could average it, but I can tell you that it's gone all the way from a couple hundred million dollars to \$30 million. It's very difficult to try to average something like that. I think in 2008, if my memory serves me right, the number was very low.

Anyway, the way that we do it I think is the proper way to manage it. There is a contingency fund that we have that we can draw on, and we do that.

All right. I made a mistake. It wasn't 2008; 2008 was \$120 million. Still a bit of a low year relative to some of the ones that we've had.

The budgeting, of course, it depends. Fire season this year might be pretty kind to us, really. We've got quite a bit of moisture on the ground just now. We need to remember – and we've been going out already. As a matter of fact, it's interesting. We've had, I think, 14 fires. Overnight I believe we had two starts. You know, it's starting. Once that bare ground starts to show, the fuel that's on the ground doesn't take very long. A little bit of sunshine, and I tell you, you can burn the stuff. I think that it's managed relatively good. Twenty-one fires since the start of fire season, 1st of April.

The community development trust program was established in 2008 by the federal government to provide one-time support to provinces over a three-year period. SRD received a total of \$23.2 million over three years to help improve the state of the forest industry in Alberta, and they were flow-through funds that would be directed to implementing Alberta's forest industry workforce strategy; that is, completion of the strategy's actions as well as programs to retain and retrain forest mill workers affected by mill closures. In fact, now this thing is starting to turn around a bit the other way. I've got to tell you that mill operators are now thinking that they're going to find themselves in a position where they'd be looking for employees. Of course, again part of this was to help support Alberta's forestry logging industry workforce by enhancing FireSmart initiatives. What they've gone out then and done is removed fuel and risk hazard from the ground with respect to the FireSmart program.

You asked about wildlife management, the \$17 million. Program description: this program provides sustainable wildlife population while enabling the flow of benefit from these species to Albertans. The status is determined and published, management recovery actions are developed and implemented, disease is managed, and the depredation and negative encounters with wildlife minimized through these programs. Wildlife resources and the habitat are maintained in as healthy, productive, and sustainable a manner as possible under this program in the best interest of Albertans.

The moratorium and the grizzly bear issue. You know, the situation that we have – and again I think that it's proper to look at this on a year-by-year basis. There will be at some point in time a requirement, I believe, to allow a certain number of permits in some specific pod or area in the province. Grizzly bears, similar to a lot of other . . .

**The Chair:** Thank you very much. Your time is up.

**Mr. Knight:** Thank you.

**The Chair:** We will go next to Mrs. McQueen.

**Mrs. McQueen:** Thank you, Mr. Chair.

**The Chair:** Do you want to combine the time?

**Mrs. McQueen:** We're going to combine our time back and forth.

I want to thank the minister and his staff for being here as well and for the great discussion and great debate that's been going on back and forth. Minister, you know, you and I prior in your previous ministry and now in the current ministry have had lots of discussions with regard to the land-use framework and with regard to the lower Athabasca region. We've had some really good discussion about that.

But I'm wondering if for the first part of our discussion we could talk a little bit about the species at risk program, and if we could talk a little bit about some of the caribou issues and how that relates to the development of the oil sands. I know we've looked at it and had our discussion, my concern being about balancing the environment but also balancing the need for future generations, for extraction but making sure that we can continue to do the extraction work within the oil sands.

I have three questions that I would like to pose and then give you the opportunity to respond to. With regard to the species at risk program, which has been in place since the 1980s to conserve and protect Alberta's biodiversity, can you tell me what your department is doing to track records in the species' recovery? Secondly, how will Alberta's strategy strengthen recovery action for species at risk, as caribou funding allocations for this strategy? Thirdly, as it relates to the caribou recovery program can you touch a little bit on it as it relates to the lower Athabasca plan and that, but can you touch a little bit more with regard to some of the conversations we're having with First Nations, some of the conversations with regard to lawsuits, and then the whole recovery of the caribou plan as it relates to development and what that plan may come out in, please?

Thank you.

**Mr. Knight:** Mr. Chairman, I think she took a page out of the members opposite's book.

**The Chair:** Well, that's unfortunate, but you can still answer the questions.

**Mr. Knight:** That was a whole bunch of questions. Thank you.

**Mrs. McQueen:** You're very welcome. I have more for you.

**Mr. Knight:** Mr. Chairman, the species at risk program. There's a real, I think, positive story here. In fact, not very many people in Alberta really understand what has happened here. It's a thing like the Alberta Biodiversity Monitoring Institute, you know that? You can go on a street – there's lots of research that some of the opposition parties do. They should research; they should do a poll to find out how many Albertans know the good story about the Alberta Biodiversity Monitoring Institute and the very good story about the species at risk program that we have in the province of Alberta. It has had some striking achievements in species recovery, including the peregrine falcon. Peregrine falcons in Alberta were endangered, and actually I think that you probably enjoy them in the city of Edmonton now, peregrine falcons.

**Ms Blakeman:** Yes, we do.

**Mr. Knight:** They're part of this program. I think a lot of Albertans enjoy the fact that now they actually have or they did have nest monitoring cameras and stuff. I don't know if they still have them up or not. But people really did enjoy that. They have now been down listed, taken off of the endangered list and have been listed as threatened.

Now this little guy here – this little guy here – the piping plover. I don't know a lot about piping plovers.

**Ms Blakeman:** They walk funny.

**Mr. Knight:** Yeah? When you skidoo, do you find them?

**Ms Blakeman:** No. Nada.

**Mr. Knight:** Do you know what we've done is reduced the mortality rate – those birds, again, were being threatened – through the use of enclosures on their nests. It works well.

Western blue flag: down listed from a threatened list, taken off.

The swift fox: reintroduced. It was previously extirpated in the province of Alberta. There weren't any. They're back now. We're working with them. And, you know, it's been successful.

**9:10**

We've had successful voluntary stewardship of several southern Alberta species at risk through the Multisar program. I would say that in Alberta the percentage of species at risk identified as endangered through legislation remains below 5 per cent. Pretty good. Species protection must be balanced, again, with land use in the best interest of Albertans, and, Mr. Chairman, we're working hard to do that.

The strategy around strengthening these recovery actions: each species at risk has its own risk, and of course the set of strategies that are required to manage and ensure successful recovery of any species varies, so it's not just a one-size-fits-all thing. For each species we work with experts in the field and our own biologists and Albertans, the general public that have an interest in these things that do a lot of work and help as well.

With respect to caribou the protection plan that's in place requires that for all new activity in caribou zones as identified in a map, before they can go out there and work, they have to put a protection plan in place in all of the areas. Caribou protection plans strive to minimize industrial footprint and the impacts on caribou. Of course, the upstream oil and gas activity under the enhanced approval process doesn't require caribou protection plans because the conservation action is built into the standards and operating conditions that are applied at the permit stage that the industry must meet when it applies to use public land.

Interestingly enough with respect to that, one of the major herds – well, I wouldn't say major. None of them are major now. There are two kind of adjoined herds, the A La Peche and Little Smoky caribou herds, and this particular program that we've run in that area has produced a very, very good result. In fact, the stabilization of a very small herd in Little Smoky was managed by allowing industry development in the area but working with industry in these mitigation programs to be sure that the sensitive times of the year and the sensitive areas were accommodated. It's worked very well in those two areas. We're currently developing a woodland caribou conservation policy that will reinforce practices to restore the species by securing and maintaining habitat and by managing predators.

With respect to the lower Athabasca region again I have to go back and talk a little bit about the situation that's facing us as Al-

bertans with respect to the long-term planning that we need to do across this province. Particularly at this point in time there's been a lot of pressure on an iconic species in Alberta, and that is the woodland caribou. We have a number of herds, and in the area that we're talking about, in the lower Athabasca, when we look at what we've done with respect to conservation areas, irrespective of the fact that some people believe that we are going out and actually undermining the whole oil sands industry and collapsing that industry and the faith and the trust that Albertans have – oh no, that wasn't what these guys in the industry said. Just a minute. No. I got that wrong. It seems to me like the investment community and the banks and the corporations didn't see it that way, so I don't know where I got that from.

Anyway, with respect to caribou recovery we've taken a look at six herds. What we're going to do there is when we look at these conservation areas – we're working with the players, by the way, that are there: the forestry, the energy players, recreation, tourism. Most importantly, I think, right now is that we have started a little program here. We're going out to the aboriginal community and asking them for their input and help with respect to traditional knowledge around caribou, how they think we can work to recover them. And perhaps we can engage them in some of the work that we're going to do to monitor, to understand the movement of these animals, work with them to be sure that those caribou herds, as many of those herds as we can, remain viable in the province of Alberta into the future.

We're extremely mindful of this. And I've got to say that it's not just the Alberta government. It's not just the aboriginal community. It's not just the people that are working in lower Athabasca in the oil sands industry. It's not just forestry. There's also a very major involvement here with the federal government. As much as people think that a lot of this stuff that we're doing, you know, is that we're just kind of poking sticks at people, I've got to tell you that I think that the federal government is going to be very satisfied with what it is we've done with respect to these plans and caribou recovery. I believe that they'll continue to work with us, and it'll be a positive outcome for Albertans and, more importantly, for caribou and critical habitat.

Thank you.

**The Chair:** Thank you.  
Mrs. McQueen.

**Mrs. McQueen:** Well, thank you, Chair, and thank you, Minister. Minister, if we could, I'd like to spend a little bit of time this evening talking about bioenergy and the programs that we have in place as a government. As you and I know, they're cofunded between your ministry and our Ministry of Energy. The bioenergy programs are certainly near and dear to my heart when we look at the Bio-Mile project that we're working on in Drayton Valley and the many bioenergy projects that you're working on within the department.

I'd like to first commend the department for the work that they've done with us with regard to our specific project in working with the forest management agreements, in particular the FMA with Weyerhaeuser, and the co-operation that took place amongst yourself and your deputy and department staff as well as, indeed, Weyerhaeuser to make it a win-win situation for all of us to ensure that fibre could be used after the OSB mill in Drayton Valley was curtailed, that we could take that fibre and certainly use that for our bioenergy project.

I'd like you to spend a little bit of time, perhaps our remaining time that we have, talking about the bioenergy projects across the province, where you see the future of that, and maybe talking a

little bit about the investment that your department is making towards that and what you see as the future in bioenergy and the value that it adds to our province, you know, even with regard to some of the pine beetle wood and those kinds of things.

I do want to commend you for the vision on this project that you and your department had, certainly, when you started out with the nine-point energy plan and, indeed, this department for the vision that they've taken forward and your deputy and staff in moving this project forward.

If you wouldn't mind commenting a little bit on that, that would be great.

**Mr. Knight:** Thank you. Mr. Chairman, the member is very familiar with some of the work that we're doing with respect to forestry and the bioindustry, generally speaking, because of course Bio-Mile is in Drayton Valley, alive and real. I think that credit can be given to the progressive companies and progressive MLAs that work with these companies in order to get these types of projects moving forward in Alberta.

I had responsibility for a few years for the Energy portfolio, and at that point in time, Mr. Chairman, I felt that I had a responsibility for hydrocarbons, and they're hydrocarbons that we had sort of buried some time ago, you know, some of them even millions and millions of years ago. Then I switched, and I thought: "Holy man. This is a wholesale change. Like, I don't know where I am here. First I'm playing around with coal and oil and bitumen and natural gas." And all of a sudden I thought to myself: "This isn't a change at all. I'm right back at home. I used to be fooling around with hydrocarbons that were buried under the ground, and now I'm dealing with other hydrocarbons."

You just open your front room window, if you happen to be fortunate enough – I know that I am, and I believe that the member is – and you can see those hydrocarbons every day, just growing out there. The very same building blocks that are in the hydrocarbons that we get out of coal, oil, bitumen, natural gas are all in there. They're all in the trees and the plants.

**9:20**

The bioindustry is just another hydrocarbon business that we're going to manage on behalf of Albertans, and it is a tremendous opportunity because internationally it's been agreed that if you use energy that you have derived from a biomass that is being replaced, either in the forest or it could be in farming, as long as you're regrowing the mass that you're using for energy, it becomes carbon neutral, which is actually worth a hell of a lot of money in the world.

In the context of forest management agreements you talked about: what are we doing there? There are a few things that we're doing. We're trying to recover things like beetle-killed wood, using it for lumber, using it for pulp. Again I've got to defer. My neighbour has got a corporation that works in his riding that actually takes logs out of my riding. I'm not too sure how the heck that works. I provide the logs; they get the money. So what they've done is that they've designed a new type of shoe press in this paper mill that allows them to use some of this type of wood. That's the kind of innovation that's going on. That's the kind of bioindustry that we can work with.

They're also working on doing some very, very interesting and clever things with their sludge. That's going to be a new piece of business we're going to see coming forward soon. They're also working on taking their waste wood and so on – and I think it's the first time that I've seen this – and working with an oil and gas company to do a trade-off to allow the oil and gas company to use electricity from biomass and sell their natural gas into the market-

place, a very good piece of business. Those are a number of the types of things that we're trying to do.

By the way, there's another thing, one in Grande Prairie. Interestingly enough, Weyerhaeuser has got a really solid program. The only one in Weyerhaeuser's North American operations that has been funded by that company recently and the only one with continuing funding happens to be in Alberta. Why? Because Alberta has been very proactive with respect to how we can manage these things and what works well. Weyerhaeuser about 10 days ago fired up a turbine that has the capability – and it's going to expand – of about 40 or 50 megawatts of power actually using waste products, using biomaterial and then burning some of the liquid from their operations. We're doing that. Hog fuel and other value-added products are coming out of this.

Companies in Alberta are investigating the potential for investment in biofuel facilities that reach way beyond what we were thinking five years ago. What could this be? What biofuel? We were talking about: "Let's grow canola. We'll crush it, get some oil. We'll diddle around with that a little bit and play with the acid content and so on and make diesel fuel." But this is much more clever than that because it's a lot more efficient, it takes a lot less energy, produces better fuel and cleaner fuel. And cellulosic fuel from the fibre industry is now a reality in North America.

If you look at what's happened in the United States, we're positioning ourselves very well with respect to this whole issue. We have a number of players that have now come to Alberta and said: "You know what? All we really need is an opportunity here to make sure that we have some sustained source of feedstock for these operations, and we'll be viable." They're talking in the millions of litres a year of fuel. Part and parcel of that stuff is going on in your part of the world. They're people that are talking about making this a reality.

Looking at nontraditional products besides biofuel, like wood pellets, there's a heck of a market. That's an interesting thing. You know what's happened with this thing? We're not into it all that much in Alberta. But B.C. has a real problem, as you know, because they were not very aggressive with their pine beetle program. They ended up with a tremendous acreage of dead-standing trees and fibre that needed a home. One of the players there, I believe a B.C. company that is also operating in Alberta, is the major producer in Canada of pellets, and they're actually shipping those pellets offshore.

What happens with those pellets is that they mix that fuel about 25 per cent with coal-fired generation facilities. I don't know why the heck we're not doing that in Alberta. I'm not sure why we're shipping the pellets to Europe. We have coal-fired generation. A 25 per cent reduction in their CO<sub>2</sub> emissions, and they get double credits out of this – right? – one for the fact that they're burning a biofuel over there and another one because they're actually here recovering biomass that would have otherwise, you know, released its CO<sub>2</sub> airborne when the trees rot.

**The Chair:** Thank you very much. Your time is up.

We'll go back to Mr. Hinman. I believe there's about four or five minutes left.

**Mr. Hinman:** Thank you, Mr. Chair. I'll try and be quick with my questions, and I'll expect written answers and look forward to those. To jump right into where we left off, I guess section 19 of the Alberta Land Stewardship Act very much sets precedence in the fact that, basically, it overrides any other act, whether it's the Water Act, the Forests Act, or anything else. The minister has that ability in there, and it's government policy. Therefore, they're not going to have to compensate because it's government policy and

not legislation that overrides any other act. So compensation is a real concern to us, Mr. Minister, on the rescission of leases in the past.

Perhaps I'd also like you to give a written response on what the government actually compensated for the rescission of the Marie Lake leases, where they took that. And if you could also update us on the Micrex Development Corporation, the Livingstone Range. What's happening there? What was the precedent? Are they going ahead? Are you rescinding that? When all of these are brought to the minister and applications come forward, do you have confidence in your individuals in assessing those and realizing that there is environmental stewardship being balanced in there to make sure that we're not devastating our environment in a nonrepairable way? If that is the case, which is what I thought that you were doing, why, then, do you rescind some of these areas going back after you've given out the application, and then we have environmental pressures and the minister seems to rescind some? We'd really like to know.

I guess I've just got to be blunt on this question. Do you and your government, as well, actually believe your gibberish, that this is just a draft and that it'll have no impact on those companies that the lower Athabasca regional plan impacts and think that for the next 60 or 90 days they are just to carry on their business as usual?

I want to reiterate this to make sure. You talked about the details right down to the section, that you know what's in this entire 2 million acres. What is the land value in the auctions that have gone off, that you've sold since 2008, when you were told not to do that?

I think that you're going to answer this one. Where is and what is the actual amount for firefighting and pine beetle? The hon. Member for Edmonton-Centre asked that.

I want to jump over to the South Saskatchewan regional plan first. You mentioned that one of the big pressure points while you were down there is because of water, a restricted area. I believe 5.9 per cent of the agricultural land in the province is there. It produces 19 per cent of the agricultural GDP. Why of all the things that we're managing – I don't think any of the government members and certainly not the ministers have enough money coming in that they let it flow through their chequing account and into someone else's. They use it all. We still have a high percentage of water that's leaving the South Saskatchewan regional area. Why is it not forefront for building water storage on and off stream to preserve what water we have going there and work with Environment? Doing that would really be important.

What has been the average stumpage fee for the past five years for the province? You say that it's market value; you can't forecast forward. What has it been going back for the last four years?

I guess I'd have to say, with the way you jump up and say that nobody is being impacted on these things: thou certainly protest too much for an innocent man, and the emperor certainly doesn't have on new clothes.

It's been extremely interesting for me to follow you from being Minister of Energy, which you so eloquently wanted to talk about, with hydrocarbons below the ground to those living ones that are going there. A number of CEOs of oil and gas companies that I went to said: well, you know, when we have the new royalty plan. You said the same thing: it had no impact; it wasn't going to affect the province. The *déjà vu* is that you're back, and so are some of your plans that you're carrying out from the former minister. These individuals are saying: oh, when he comes in here, he says that there's nothing I can do because of public pressure. I know that you're right. [interjection] Please keep doing that. I appreciate that. Yes. It's great in here that we have protection because we don't have to have a public inquiry.

**The Chair:** Thank you very much. I apologize for the interruption, but I must advise the committee that the time allotted for this item of business has concluded. Thank you to the minister and all his staff, all the members, and all your staff for attending and assisting this evening.

I'd like to remind all committee members that we are scheduled

to meet next on April 19 to consider the estimates of the Department of Agriculture and Rural Development.

Pursuant to Government Motion 5 the meeting is now adjourned.

Thank you.

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



