



Legislative Assembly of Alberta

The 28th Legislature
First Session

Standing Committee
on
Resource Stewardship

Ministry of Environment and Sustainable Resource Development
Consideration of Main Estimates

Tuesday, April 16, 2013
3:30 p.m.

Transcript No. 28-1-21

**Legislative Assembly of Alberta
The 28th Legislature
First Session**

Standing Committee on Resource Stewardship

Kennedy-Glans, Donna, Calgary-Varsity (PC), Chair
Anglin, Joe, Rimbey-Rocky Mountain House-Sundre (W), Deputy Chair

Allen, Mike, Fort McMurray-Wood Buffalo (PC)
Barnes, Drew, Cypress-Medicine Hat (W)
Bikman, Gary, Cardston-Taber-Warner (W)
Bilous, Deron, Edmonton-Beverly-Clareview (ND)
Blakeman, Laurie, Edmonton-Centre (AL)
Calahasen, Pearl, Lesser Slave Lake (PC)
Casey, Ron, Banff-Cochrane (PC)
Fenske, Jacquie, Fort Saskatchewan-Vegreville (PC)
Hale, Jason W., Strathmore-Brooks (W)
Johnson, Linda, Calgary-Glenmore (PC)
Khan, Stephen, St. Albert (PC)
Kubinec, Maureen, Barrhead-Morinville-Westlock (PC)
Lemke, Ken, Stony Plain (PC)
Luan, Jason, Calgary-Hawkwood (PC)*
Notley, Rachel, Edmonton-Strathcona (ND)**
Sandhu, Peter, Edmonton-Manning (PC)
Stier, Pat, Livingstone-Macleod (W)
Webber, Len, Calgary-Foothills (PC)

* substitution for Linda Johnson

** substitution for Deron Bilous

Support Staff

W.J. David McNeil	Clerk
Robert H. Reynolds, QC	Law Clerk/Director of Interparliamentary Relations
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Philip Massolin	Manager of Research Services
Stephanie LeBlanc	Legal Research Officer
Sarah Leonard	Legal Research Officer
Nancy Zhang	Legislative Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Christopher Tyrell	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

Standing Committee on Resource Stewardship

Participants

Ministry of Environment and Sustainable Resource Development

Hon. Diana McQueen, Minister

Rick Blackwood, Assistant Deputy Minister, Strategy

Shannon Flint, Assistant Deputy Minister, Policy

Dana Woodworth, Deputy Minister

3:30 p.m.

Tuesday, April 16, 2013

[Ms Kennedy-Glans in the chair]

**Ministry of Environment and
Sustainable Resource Development
Consideration of Main Estimates**

The Chair: Good afternoon, everyone. We're here to consider the estimates for the Ministry of Environment and Sustainable Resource Development for the fiscal year ending March 31, 2014. We have the authority to run concurrently while the Legislature is running. If there is a vote in the Legislature, we will call a recess in this meeting and allow people to go back to the House for that vote.

I want to remind you again that the microphones are operated by *Hansard* and to please put your cellphones under the table.

We'll go around the table for introductions. Again, Minister, if you have different staff today, you might want to introduce them as we go around.

I will start with you, Mr. Stier.

Mr. Stier: Yes. Good afternoon. Pat Stier, MLA, Livingstone-Macleod.

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

Mr. Khan: Stephen Khan, St. Albert.

Mr. Sandhu: Good afternoon. Peter Sandhu, Edmonton-Manning.

Mr. Webber: Len Webber, Calgary-Foothills.

Mr. Luan: Jason Luan, Calgary-Hawkwood, substituting for Linda Johnson, Calgary-Glenmore.

Mrs. McQueen: Diana McQueen, Minister, ESRD.

Ms Flint: Shannon Flint, Environment and Sustainable Resource Development.

Mr. Woodworth: Dana Woodworth, Deputy Minister of ESRD.

Mr. Blackwood: Rick Blackwood, strategy ADM, ESRD.

Mr. Bikman: Gary Bikman, Cardston-Taber-Warner.

Mr. Hale: Jason Hale, Strathmore-Brooks.

Ms Fenske: Jacquie Fenske, Fort Saskatchewan-Vegreville.

Mr. Lemke: Ken Lemke, Stony Plain.

The Chair: Welcome, everyone. For the record I'd like to note that the Standing Committee on Resource Stewardship has already completed three hours of debate on the main estimates of the Ministry of Environment and Sustainable Resource Development. Now we're into our fourth hour of debate, and I would like to point out the speaking rotation for these meetings, which is provided for in Standing Order 59.01(6). We are now at the point in the rotation where any member may be recognized to speak, and speaking times are limited to a maximum of five minutes.

Because this is the subject of much conversation today, I'm going to reiterate that the practice was established by this committee last fall with respect to the allocation of time in these kinds of open time spaces. We have had the practice of having a rotation of Wildrose, PC, Wildrose, PC, Liberal, PC, NDP, PC,

and on it goes, and I will continue that rotation for today. I have consulted with *Beauchesne's*, with a lot of other parliamentary procedures. I can assure you I've talked to counsel with the LAO here, and I feel quite comfortable that this has been fair, has been consistent with the understanding of this committee, and continues to be that way.

Members will have the option of combining their speaking times with the minister for a maximum of 10 minutes. Again, I'll remind you at the beginning of your speech if you wish to combine your time with the minister for a back and forth or take your five minutes as a block.

Again, six hours have been scheduled to consider the estimates of the Ministry of Environment and Sustainable Resource Development. I will call a five-minute break near the midpoint of the meeting.

Committee members, ministers, and other members who are not committee members may participate. Members' staff and ministry officials may be present, and at the discretion of the minister officials from the ministry may address the committee.

As noted in the Speaker's memorandum of March 22, I would like to remind all members that during main estimates consideration members have seating priority at all times, which shouldn't be an issue in this large room.

If debate is exhausted prior to six hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn; otherwise, we will adjourn at 6:30 p.m.

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

Any written material provided in response to questions raised during the main estimates should be tabled in the Assembly for the benefit of all members.

Vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 22, 2013.

I understand that there will be an amendment tabled by the Wildrose caucus. Are there any other amendments that I'm unaware of?

Because of that, I will give you some more information on the amendments. 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.

Vote on amendments is deferred until Committee of Supply on April 22, 2013.

Written amendments must be reviewed by Parliamentary Counsel prior to the meeting at which they are to be moved. Has that in fact happened, gentlemen?

Mr. Stier: Yes.

The Chair: Thank you.

Twenty-five copies of amendments must be provided at the meeting for committee members and staff.

We have had a few other people join us. If you've just recently joined us, maybe you can introduce yourself.

Ms Blakeman: Thanks very much everyone. My name is Laurie Blakeman. Oh, wow. Look at the sports fans. Excellent. Lots of people are joining us in the fan section. I'd like to welcome each and every one of you to my fabulous constituency of Edmonton-Centre.

Madam Chair, if I may, are we able to determine whether they have adjourned in the House? This committee cannot meet until the House has adjourned.

Mr. Anglin: Not when I left my office.

The Chair: Excuse me. Ms Blakeman, we've already addressed that point, and I've been advised by the legal counsel to this committee at the LAO that we can run concurrently. If there is a vote called, we will call a recess, and we'll go over.

Ms Blakeman: Yes, you're right. That was the sticking point. Okay. Thanks.

The Chair: Thank you, Ms Blakeman.

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

Mr. Allen: Mike Allen, Fort McMurray-Wood Buffalo.

The Chair: Okay. Thank you.

Last night when we adjourned, Ms Fenske was in the middle of her back and forth with the minister. Ms Fenske, you have six minutes and 20 seconds remaining for your questions, and then we will move on to Ms Blakeman. We will continue in the speaking rotation that we had set last night.

Thank you.

Ms Fenske: Thank you. Good afternoon, Minister. Here we go again. Just sort of to recap kind of where I had left off, we were talking about consultation, and I was getting to the point that Albertans come to consultations with the expectation that what is heard is going to generate some real results within government. Just to get us warmed up here today, do you think you could provide us with some concrete examples of how ESRD plans to move ahead with the public feedback this year and establish and revise the policy?

Mrs. McQueen: Thank you, hon. member.

If I could just take one second, I have one additional person here joining us today. Jill Mason is here from the Surface Rights Board. Thank you.

Member, are you asking with regard to the water conversation or with regard to the SSRP or both?

Ms Fenske: You know, we were talking about all of the different types of consultations that are going on, so I think it's open season on any examples that you can provide.

Mrs. McQueen: Perfect. Well, we're really happy to be able to talk about the consultation that's happening. I know we spent a little bit of time yesterday going back and forth with regard to the South Saskatchewan regional plan consultation. I know that in some of the prior questions we talked about the advice that the regional advisory council gives us, the opportunity for Albertans to give us feedback on that, and then for us to take that feedback and put it into a draft plan so that Albertans can see what we've heard from many different venues. This fall, hon. member, with regard to the South Saskatchewan regional plan we're looking at bringing that out for further discussion with Albertans so that we can get their feedback on all of the advice that we've heard, put it into the first draft government plan, and then get some good feedback on that.

With regard to the water conversation I can tell you that we've had really good dialogue on the four topics. Certainly, I have to

tell you I attended a number of them, as did many of our government MLAs across the province. I visited 20 communities and had the opportunity to really hear from Albertans. I have to mention we had a lot of positive comments back with regard to going out and having the conversation first, before developing policy. That was really something that we heard. Also, then, the opportunity for people to give input was well heard as well. Certainly, people were glad to give us good feedback on the four topic areas.

We'll take that conversation that we've had with regard to the water, and we'll bring that together and use that in developing a what-we-heard document so that across the province people can hear what other communities said. If they were not able to attend the meetings themselves, they can hear what people said in communities, people said in workbooks or e-mails or phone calls or any way that they contacted us. I think it's important for us to reflect back to Albertans the advice that they gave us. Then as we move forward with any policy decisions that we make going forward on the advice given by Albertans, we will be able to draft those policies based on things that we heard and come back and get good feedback from Albertans.

3:40

You'll see a lot of work happening with regard to the South Saskatchewan regional plan with regard to the water conversation. This is an ongoing activity that will happen. It will really work to do what the Premier said that we were going to do. We're going to have those early conversations to inform policy so that when we come back with policy, we've had the opportunity to dialogue with Albertans first.

Ms Fenske: That would be similar to how you did your consultations when you were going out and discussing property rights. Is that correct?

Mrs. McQueen: Yeah. We actually used a lot of the same format because what we heard from Albertans when we did the property rights discussions in 20 communities is that they liked the process and did with water and SSRP as well. They like the smaller group discussions where everybody gets a chance to be heard versus when you have a big open room and five or six people are in the room and using most of the time for the conversation. They like having questions with regard to, "Here are questions that we have; can you give us feedback on that?" but also the opportunity, then, for them to raise issues of concern in smaller groups so that they felt comfortable. Not everybody feels comfortable in a big group session. Also, the fact that they could write us, e-mail us, or go online was really important for them as well.

With regard to the property rights tour it was really important what we heard. We heard from people with regard to that it's important to plan this province long term, and people agree with that. They know that planning, whether it be in land-use planning, in monitoring, or in water, is really important, but they also wanted to make sure that their rights were protected. That was something that we were always supportive of and always will be supportive of as a government.

So the big take-away that we took on many things was with regard to that they wanted to make sure that they had a good consultation process, they would have access to the courts, and that if they were to give land for the greater good of all Albertans, they would be fairly compensated. The one thing that we heard from many people, especially those who normally don't have many activities on their landscape, is that they didn't know where to go to get advice. So they really spoke to us about that they're

the little guy; they're the landowner, the farmer. They wanted someone there for them to advocate for them, to educate them on what their rights would be.

That's really where the Property Rights Advocate came from. It was a real grassroots movement. It came from the people and wanting to make sure they had the three Cs but that they also had someone advocating for them. I have to tell you that when that announcement was made, it was nice to see some of the members of the opposition standing there as well in support of an advocate. It's certainly something that people were very supportive of.

There was a little bit of ruckus, as you might have known, prior to the election with regard to property rights and those kinds of things, but Albertans . . . [A timer sounded] Thank you. We'll get back to that perhaps.

The Chair: Thank you, Ms Fenske.

Ms Blakeman, would you like to go back and forth with the minister as a five and five?

Ms Blakeman: Yes, please. Please put me back on the list. Thank you.

The Chair: You are on the list.

Ms Blakeman: Thank you very much.

Thank you, Minister. The recycling. I'm sorry. I came in such a hurry, and I don't have my budget book, so I'm borrowing some else's and desperately trying to find this quickly.

Mrs. McQueen: Take your time.

Ms Blakeman: Under the recycling sections you have a number of DAO recycling agencies that are expiring, and I'm wondering if you are going to just extend their finish date as the government has been astonishingly wont to do recently. I think I'm tracking about a hundred OCs which have automatically extended deadlines for regulations that are expiring or legislation that is expiring. Are you going to allow some kind of review or consultation process? Specifically there, we're talking about lubricating oil recycling, paint and container designation amendment regulation, tire designation, beverage container. All of those expire in 2013, and the electronics designation amendment expires in 2014.

Mrs. McQueen: Well, thank you, hon. member. I'm glad we're having the chance to talk about the recycling because I think that's an important part of our ministry as well. We know that moving forward we always do a review of our regs. I have to say, hon. member, that all of these arm's-length agencies, these DAOs, have done an outstanding job. Whether it's the work that they have done with regard to used oil or it's ARMA for tire recycling or the other recycling ones, the BCMB, Beverage Container Management Board, to name a few, they have really put us as leaders of recycling in this province across the nation. I'm very happy with the work that our department is doing. When I was a parliamentary assistant and we looked where we were with the BCMB with regard to recovery rates, they were at about 75 per cent at that time. We gave them a target rate of 85 per cent. They're very close. They're 84 point some per cent. So they've done really good work.

Reg reviews are automatic. Sorry. I'll be quick. Reg reviews automatically come, but I have to say that we're very pleased with the work they're doing.

Ms Blakeman: Okay. So you are going to review that internally and then extend the deadline, I take it.

Mrs. McQueen: Well, we'll bring that through the process, but I would have no reason . . .

Ms Blakeman: Is the process public?

Mrs. McQueen: I would have no reason not to renew their regulations.

Ms Blakeman: So the process is not public?

Mrs. McQueen: Well, it's an arm's-length agency. We look at their business plans, and we look at their targets, which are all very, very public. Then we go forward and look at whether we're going to renew the regulations of those areas. DAOs have done a very good job, and we're very happy with the work they've done.

Ms Blakeman: Minister, could you just answer the question? Is there going to be a public consultation as part of renewing these?

Mrs. McQueen: I would say no. With regard to the renewal of those, there is not going to be an outgoing public consultation because we see the work that they're doing. Albertans are very happy with them, and we're going to continue with the great work that they're doing.

Ms Blakeman: Thank you.

Next question. The Land Use Secretariat appears as vote 5.4 and also under some of your priority initiatives. There are seven in all. Two of them have completed the public consultation process and have been approved by cabinet. They are now in the planning stage, I take it.

We have five to go: lower Peace, North Saskatchewan, Red Deer, upper Athabasca, and upper Peace. If we go two years of consultation on each of those five, we're 10 years away from having cabinet approve the final one. So far we're at least two years into lower Athabasca actually being implemented, and of course the devil is in the details in the way it's actually coming about. My goodness. This has turned into an intergenerational planning process. When are we going to see the first one actually completed and completely implemented, and when will we see the last one implemented?

Mrs. McQueen: Okay. I'd just like to make a couple of corrections just so that for the record we have it correct. We have one land-use plan finished and completed. The lower Athabasca region was completed on September 1, 2012. We have not completed the South Saskatchewan regional plan. As I said just a little while ago and last evening, we have had the RAC's advice on that. We have had consultation in different communities on the RAC's advice, but we have not even had our draft first plan on that consultation. So government's draft first plan has not come out. That will come out this fall, and there will be the opportunity for Albertans to have input into that.

In saying that, our planning within the ministry is to have all of those complete by 2016. We know that the lower Athabasca regional plan, as I said last evening, took a great deal of time. It was the first one. You said they would take generations to complete. These are intergenerational plans. These are 50-year plans, and it's very important that we do take the time to get them right. We are being very aggressive in this ministry, and I have to commend my department, Bev Yee, who's leading this for us, on the amount of work that they've committed to undertaking. To complete these plans by 2016 will be aggressive, but we've learned a lot with regard to the lower Athabasca region on how to

move forward, how people wanted to consult. We've had good feedback on that as well.

Ms Blakeman: Okay. The Premier is talking about the lower Athabasca regional plan, that it's a legally protected area, but there have been no OCs granted. When will these conservation areas that have been identified in the LARP actually become legally protected?

Then I'm going to move on to water.

3:50

Mrs. McQueen: Okay. September 1, 2012, was when the plans came into effect and they became legally binding documents. Because these plans are partially under our ministry, we lead them, but they're also partially under other ministries. When we look at the conservation area, the 2 million hectares that we set aside in conservation recreation, now Tourism, Parks and Recreation will take that piece, and they will do the work towards that piece. These are not only multigenerational; they're multiministries with regard to the responsibility. But first you have to have them passed and then become legally binding documents, which happened September 1, 2012.

Ms Blakeman: Okay. I'm going to move on to water. Is the province tracking how much water is being taken out of the hydrologic cycle?

Mrs. McQueen: A few things with regard to that. As we've chatted about before, first of all, we looked at the water mapping across the province, making sure that we map the province. We have done some areas, and now we're doing some of the baseline testing as well because that's very important for us to do as we move forward.

Some of the water conversation that we've had was on making sure that we get the water mapping done and completed across the province. Very important for people. Then, whether it's landowners or others, it's important that we start doing the baseline piece as well so that people know that. It's a great deal of work that needs to happen and will continue to happen, but it's certainly something that we look at.

Just to get you to the lower Athabasca region, there's the current water management framework in place, which restricts the share of the natural river flows taken from the river for the oil sands mines. The restriction with regard to withdrawals from the river is 2 per cent; it's 1 per cent in low-flow areas. So it's important that we do that. The mapping has been done, I believe, in the Edmonton region and the Calgary region, and we continue to move across the province with that.

Ms Blakeman: The question I had was about water that's permanently removed from the cycle. Water that's used, for example, by conventional oil and gas or the oil sands, that is used in deep well injections and is no longer potable and cannot be returned to the system, is a loss of water. Is the province tracking that?

Mrs. McQueen: Yes, that is being tracked.

Ms Blakeman: Good. How much?

Mrs. McQueen: I don't have the number before me, but we can get back to you if you like.

Ms Blakeman: Great. Thank you.

Mrs. McQueen: The other piece is about making sure that we're recycling water and using nonpotable water as we move forward,

especially when we're looking at hydraulic fracturing or other things. There are some other uses for our water. Whether it be in the lower Athabasca region for some of the other projects there or looking at how we use saline water versus fresh water, those are all part of water conversation and the input that we've had. Because it's important, although we have a lot of water in this province in areas, that we always look after the fresh water that we have.

The Chair: Thank you, Ms Blakeman.

I like baseball, so I'll give you the lineup. Up to bat now is Mr. Webber, followed by Ms Notley, and in the hole is Mr. Sandhu.

Mr. Webber, do you want to do back and forth, or do you want to do block time?

Mr. Webber: I'll do back and forth. Thank you, Madam Chair.

Madam Minister, thank you for being here. I would like to focus on emergency management. I'm quite surprised that hasn't come up yet in our discussions, so I will start that discussion. There are a few areas there that you're responsible for: pipeline emergencies and wildfires along with mountain pine beetles. Let's start with the pipelines and emergencies that might occur there.

I just would like to have you walk me through a theoretical pipeline spill in Alberta and what your ministry does. What happens within 24 hours, a week, a month, a year? What does your ministry do when something like that occurs?

Mrs. McQueen: Any time that those very unfortunate incidents happen, we are on the scene. With regard to pipeline spills and that, I want you to know that the ERCB plays a role in that piece as well. The role that we play in the ministry is in making sure that we are at the incident and that the incident gets under control, first and foremost. Whether it's through ASERT, the Alberta environment support and emergency response team, or the department, our people are on-site and making sure that the situation is under control.

Then we get to the things that are important, making sure that control of the site happens, and then, of course, our job really is about working with local companies, the other stakeholders on the ground, whether they be fire departments or communities or whatever the case may be, the ERCB, the industry company that may have had the incident, and working with local political people as well, making sure that they and their communities have been advised, the communication that they need.

Then it is our responsibility as well to make sure, once that has happened, once the cleanup is happening, that that is done to specifications. Not only must they do the cleanup, but they must also make sure that it's done to the specifications of our ministry.

It's important that we have different plans in place. If there's wildlife in the area, then we have wildlife mitigation plans. If it's in the area of waste disposal, they have to dispose of the waste. It's those kinds of things. Whoever is the responsible party within the industry, they must do the work, but they also must pay to have the work done.

Certainly, the petroleum industry must respond and report the incident to us and to the agency, the ERCB. ASERT gets on the team as well and is on the ground. It's very important that we're there to control the incident, first and foremost, and then to make sure that industry is responsible for the cleanup to our specifications.

Mr. Webber: Excellent. All right. Well, thank you for that.

I'm going to move right along, then, to wildfires next. I jumped on your website last night and did a little bit of research, and I found that in our forests here in Alberta there are about 400

Alberta communities that need to be protected from wildfires that may start nearby. Four hundred communities is a lot. In a typical year we do experience about 1,500 wildfires, which burn anywhere from 100,000 to several hundred thousand hectares in a year. We all know that wildfires spread because of a combination of heat, fuel, and oxygen, of course, but those factors do change from day to day, let alone from year to year.

I know, Madam Minister, that you cannot accurately forecast the level of wildfire activity and the budget related to that for an entire wildfire season, but what we do know, however, is that our forests are going to experience wildfires each year and that it will threaten lives and communities. Back in 2011 we experienced, of course, three major wildfires, as you are aware. You referred to them as the flat top complex. I had no idea why. Maybe you could enlighten me there. Why flat top? Anyway, flat top complex wildfires. Two of these burned in the town of Slave Lake: Poplar Estates, Canyon Creek, and Widewater.

I do want to say that my colleague to my left here, MLA Pearl Calahasen, indicated that your deputy minister, Dana, was absolutely fantastic and did a terrific job with respect to taking care of the after-effects of that wildfire. Congratulations to you, Dana, on work well done.

These wildfires were not particularly that large, as you know, in terms of the areas that did burn, but in the end they did destroy 560 homes at a combined cost of about a billion dollars in insurable losses and government funds to help restore the community. Included in that billion dollars is government's \$300 million commitment to the Slave Lake area. Following the wildfires, there was \$20 million, as you know, allocated for FireSmart projects designed to lessen future wildfires and increase response capabilities. It was great to see that.

That same year, 2011, also saw one of the largest wildfires in Alberta history, and that was the Richardson backcountry blaze, as you are aware. That burned south from the Fort Chipewyan region into the oil sands country north of Fort McMurray.

Although we cannot predict with great certainty when extreme events will occur, we have to be prepared just the same. I guess my question to you then, Minister, is with respect to wildfires. Money allocated to fighting these wildfires in Alberta is a significant portion, as you know, of your ESRD budget. For many of the past five years we have seen additional funding drawn out of the sustainability fund, as it was designed to do, to pay for these emergencies. So with the operational plan now including \$200 million for disaster and emergency assistance and with \$171 million of that currently unallocated, I want to ask whether you believe that this is enough given the historical trend of requirements for disaster funding.

4:00

Mrs. McQueen: Well, thank you, hon. member. I really want to say at the start that I think your comments were excellent as they were made with regard to MLA Calahasen, especially the leadership that she brought to the table. We are very proud of MLA Calahasen and also, I think, the team that she pulled together with regard to her town and her county, our ministry, and Municipal Affairs. This was a lot of work by a lot of people. On May 15 we, unfortunately, celebrate the second anniversary, but also fortunately.

When I was talking last week in Kelowna, they were celebrating. If you remember, there was a fire there 10 years ago. I was talking on a panel about wildfires. The mayor from Slave Lake, Pearl's mayor, had the opportunity to talk about everybody pulling together and about rebuilding a community and that when

terrible things like the flat top fire happen, it really does pull people together. I have to commend Pearl and others on that.

Maybe I'll explain what the flat top is. It really has to do with the geography of the land. That's why it was called flat top. I think that's a really good question because many times we come up with these names but then never really know why we have the names in reports.

I think one of the things that's really important to know is that we budget annually as best we can with regard to the fires and the work that we do. The flat top report I think is something that we've really looked at with regard to the recommendations in that report. Really, one of the things that we undertook early on was to make sure this year and last year that we had early starts – in fact, one month early, March – to the wildfire season. Certainly, completing the FireSmart handbook for upstream oil and gas was very helpful as well as having more of our expanded attack with firefighting crew and increasing the role of fire behaviour specialists.

We know that the FireSmart initiatives are extremely important for many communities. In the Slave Lake area \$20 million was allocated from the province with regard to the FireSmart initiatives. Many communities across the province, as you recognized, are at risk for wildfire. I think that as we see more and more Albertans wanting to be in the rural parts of our communities and we have more population in there, we also have more risk, so the more important the FireSmart programs are.

The Chair: Thank you, Mr. Webber.

Ms Notley, for your next series of questions do you want to go back and forth with the minister?

Ms Notley: Indeed. Yeah.

The Chair: Okay.

Just to put you on alert, Mr. Stier, after Ms Notley and Mr. Sandhu, you will be called on to speak.

Ms Notley: Okay. I want to go directly to the budget document and talk just a little bit about sort of enforcement and auditing and inspecting and those kinds of things. As you may or may not know, in our caucus we're of the view that industrial development can actually happen in a sustainable way if rules are established and then enforced. We're a little light on the rules in this province. I want to ask a few questions about the enforcement, and some of these are very genuine because I really don't know the answers to them.

My understanding is that when you're looking at the issue of, let's say, audits, there are a bunch of different types of audits that your staff might be engaged in. For instance, you spoke at some length with the Member for Rimbey-Rocky Mountain House-Sundre about auditing the offset claims. I presume that that obligation has increased quite dramatically as a result of the Auditor General's repeated requests about it, that you would also audit periodically well reclamation certificates or well reclamation documents or reports that are provided by industry, that you would audit cleanup reports that are often provided by industry, and that you would audit reports that are provided under the mine financial security program. I'm sure there are other audits that I haven't mentioned. I'm just wondering: where in the line items do those live, which line item in the budget?

Mrs. McQueen: I'll find that for you if you'll just give me a second. I'll chat about those while we're finding that line item for you if that's okay.

Certainly, we do the audits. With regard to different programs, whether it's well reduction, cleanups, or mine financial, all of those are there. If you go to page 92 of the budget, line 4.3, compliance and enforcement, that's the line where you would see that.

Ms Notley: Okay. That raises a bit of a concern because we see that there is essentially, I believe, a \$41,000 increase in there, which would not even be half an FTE, I suspect. With the sort of increasing amount of industrial development and the clearly increasing expectation by the Auditor General with respect to the offset audit, are you able to maintain the same level and quality of auditing that has been established in the past?

Mrs. McQueen: Absolutely. It's important that we're able to do that. We continue to do that. We look at the compliance monitoring that happens as well under the ministry and the work that's done, so we feel very confident in that. It's a small increase, I would say.

With regard to moving to the single regulator, as you know, we will continue to develop policy in our ministry with regard to oil, gas, and coal, but the single regulator will then do all of the work around oil, gas, and coal. He'll have those responsibilities. In fact, as we're transitioning and moving that piece over to the regulator, we actually have a greater amount of budget when you think about a workload that's being reduced here out of our ministry and moving there. We were very, very cognizant of the fact that we need to have a great deal of compliance and monitoring and enforcement, so we worked very hard to keep the dollars that we have and add a little more in there. In fact, although you may think it's a small amount, when we move that piece over, it's quite a significant amount.

Ms Notley: In terms of the auditing that currently goes on with respect to the oil and gas industry – and I believe that's the piece that's being transferred to the new regulator – is it your view that up to this point you had adequate funds to do that work adequately?

Mrs. McQueen: I would say that we have. I can say, hon. member, and you probably would agree that we could always use more money in every budget line, but we also have to look at: how do we get the work done in the most efficient way that we can with the results that we need? Overall, in the budgets that we've had over the last year and this year moving forward, I think that with the incredible staff and team that we have to do that work, we've been confident and we continue to be confident that we can do the audit work that needs to be done.

Ms Notley: As you move these tasks over to the new regulator, you're not moving money over there. It's not clear how the new regulator is going to be funded. As the minister of environment what guarantees do you have in place that those functions will remain at the same level?

Mrs. McQueen: Well, I'm very assured that they will remain at the same level because we have the policies in place to make sure that if we have concerns, we can deal with things through a policy issue. That's what's really important with . . .

Ms Notley: But I'm just curious, though. I'm sorry. I don't mean to interrupt. I appreciate policy, but policy can fill the whole room and it can read like something Tolstoy wrote, but if it's not enforced, there can be a huge gap between writing policy and then enforcing it on the ground. What's the linkage? What's the

feedback? What mechanism are you going to have in place so that when you come up with these fabulous, beautifully written policies, there is any connection between that and what's actually happening on the ground since the groundwork is now going to be managed by a completely different organization that doesn't even report to you?

4:10

Mrs. McQueen: Actually, the new single regulator reports primarily to the Minister of Energy, but there's also a reporting mechanism to the Minister of ESRD. We have the policy management office together as well, that will be developing policies. Our role will be to make sure that . . .

Ms Notley: I'm interested in that, but can you describe in detail the reporting mechanism? I might be wrong, but my recollection of the act was that there wasn't actually any mechanism for reporting to you. If there is, I'd be pleased to hear about it.

Mrs. McQueen: Yeah. There is through the regulations that are being developed. I believe we had a very good House discussion about that. The reporting will go to the Minister of Energy. There will be another reporting arm with regard to the policies that we have in our ministry. That will happen. We're dealing with those through the regulation process. The policy management office is another opportunity for us to collectively have input on policies. If we feel that there is a gap in whatever policy, whether it be on compliance, whether it be on auditing, whatever we may think that may be, that's exactly where we'll deal with it in that process.

Ms Notley: Do you see those regulations being passed before June, which is when the new agency is supposed to be taking on its new responsibilities?

Mrs. McQueen: These would be great questions that you could have had for the Minister of Energy with regard to his estimates. I would encourage you to still do that.

We have EPEA and the Water Act, the Public Lands Act. We own those pieces of policy. The regulator will implement under our policies. So the piece that's really important for people to know is that the regulator is not developing the policies or owning the policies.

Ms Notley: I absolutely understand that piece.

Mrs. McQueen: This ministry still does that. They have to regulate under those acts just as if we were doing them. While we have to make sure that the auditing and the compliance work is done now in our ministry, under the new regulator we'll have to make sure that those pieces are done as well.

Ms Notley: Right. Because you're writing the policy, you can't measure the effectiveness of your policy unless there's a strong linkage between you and those who are applying your policy. My question is whether the regulation that will outline that linkage would be put in place before the task of implementing your policy is transferred to a group over which you currently have no oversight or authority because there's no regulatory oversight or authority that exists at this point.

Mrs. McQueen: The start-up date for the regulator is around June. They're trying to work toward that date. We will continue to work through our process until that start-up, and that's in the same format that we have right now. Certainly, the Minister of Energy is working hard to get those regulations in place, and that would

be, I think, a good question that you may want to have for that minister in the House.

Ms Notley: Just going back to budget line items, we were talking about auditing the offsets. You may have described this already in your introductory comments; I apologize if I missed it. What happened to item 3.2, climate change? We went from \$17.5 million to \$9.8 million to \$700,000 and then also reductions in capital. We then see an increase in capital spending, while we are decreasing operations or policy. I'm not sure.

Mrs. McQueen: Can you give me the number you're on again? Sorry.

Ms Notley: I'm looking at item 3.2 on page 92. That's going down quite dramatically. Your capital is going up, but who's running the capital?

Mrs. McQueen: The part that you're looking at... [A timer sounded] Do you want me to answer it?

The Chair: No. We don't have time. Sorry.

Thanks, Ms Notley.

The next three questioners: Mr. Sandhu, Mr. Stier, and Mr. Casey.

Mr. Sandhu, do you wish to go back and forth with the minister?

Mr. Sandhu: Yes. Thank you, Madam Chair.

Thank you very much, Minister. You're doing a very good job handling a big ministry, ESRD. A lot of Albertans think you're doing a wonderful job.

My questions were in part already touched on by my buddy MLA Mr. Webber: pipeline spills. In the capital region and the cities we've got lots of refineries. In the last 11 years things have changed in North America. My question to you. Some of those refineries are very close to the highways when you drive by every day, that kind of thing. Do you have any policy to review the safety of refineries?

Mrs. McQueen: Well, thank you, hon. member. As you know, the Industrial Heartland is the area you're referring to, and certainly that's been an important part of our province economically and also with regard to some early regulations that came in place. Of course, all refineries and all of these kinds of operations have to operate under environmental conditions that they must have, and as we were just talking with regard to reviewing, those have to meet the conditions and the stipulations that are put towards the department.

The other piece I think that's important when we look at the Industrial Heartland beyond the pipeline issue or the refinery issues is the whole area with regard to the heartland. Really, that's an area our past minister really looked at. When we started looking at cumulative effects in a region and really looking at that region, that's where we really developed a lot of that. And the work that we did with regard to communities in that area is important for strong economic growth, for jobs but also to make sure that the environmental outcomes are there as well. So the conditions that we put in place are important for people but also the developments that happen in there. You would know from many of your constituents how important that economic opportunity is as well.

Whenever we have economic growth in any sector or even any human disturbance with regard to housing, we know that there's always a trade-off on environment, but we manage that. We make sure in those areas that the process for approvals, the process for

regulatory compliance needs to be followed and is followed, and that's something that we certainly take very seriously.

Mr. Sandhu: Thank you, Minister. You know, you can't go back, but you can see that those refineries built, I don't know, 30, 40 years ago are very close to the roads and highways. In future policies, when you're developing new safety or any new regulations, do you have any thoughts on those, like setting them back more than some that are now reachable from the highways and roads, those refineries? I'm talking about the northeast. If you drive there – you can drive by the highways – they're not very far from the roads.

Mrs. McQueen: Yeah. You know, it's like any developments that we have, when we have a development. Although I wasn't there, I can imagine that at the time that was a pretty sparse, open area in the city of Edmonton, and it was an area they chose with regard to economic development and building the refineries because not as many people were around. It was the opportunity to build that. What happens in many areas of economic growth is that people build around those projects because they want to be closer to commute and closer to the jobs to work.

So it's very, very difficult. You would not be moving those refineries now. Certainly, what we do look at, though, in that region are the cumulative impacts and the cumulative effects in the area. There would come a time where perhaps you would say in that particular area when we set limits and cumulative impacts that you may not further develop in that particular area, and you may do what we would call perhaps an Industrial Heartland 2 or something, right?

Certainly, the projects are there. Many of those projects were there years before development of highways or houses and communities. So you're not going to move those, but what you are going to do is make sure that the air quality, the water quality, those things that are important for people – as we do plan ring roads, as we do plan those things, always taking into account those as well.

But it's finding that balance and the balance for the municipalities as well because they are responsible for the development in their communities. Certainly, this province, this government very much respects the work of local municipalities, the work that they have and the responsibilities that they have. I know certainly – for 10 years I had the privilege of being at the municipal level – the work that they undertake and the dedication that they take in planning their municipal development plans as well and to plan around those kinds of projects because they want to create a tax base for their citizens. They want to create areas so that their citizens can afford to live there, to create the recreation projects, the art projects, all of those things that make communities great.

Certainly, it's an important area, one where you wouldn't be moving refineries. But the environmental impact assessments, all of those kinds of things, the work the ERCB does for approvals: they have to go through all of those approvals. There's a very robust approval system if you were going to add anything new into those areas, but also looking cumulatively at what the impacts are.

4:20

Mr. Sandhu: Thank you.

The Chair: Thank you, Mr. Sandhu.

Mr. Stier, would you like to go back and forth with the minister?

Mr. Stier: Yes, please, Madam Chairman, if I may.

Good afternoon, Minister, and thanks for coming once again and to all your wonderful staff, who actually manage one of my

favourite types of ministries, beautiful land and water and wildlife. I'd just like to switch gears a little bit from the direction we've been going in the past hour or so now and perhaps go into forestry a little bit if I might. As everyone knows, we do need to have some sort of diversification in Alberta, and forestry is one that sometimes I for one haven't paid enough attention to until I was assigned this role.

I note from the annual report that was brought out from your ministry that we're not cutting up to the allowable cut. We're not meeting some of the targets perhaps that are allowable there. I know that there's a process in place that indicates that you're looking at putting together some sort of a development plan or implementation plan for a road map on how to get further down the trail. I know that also in the estimates, page 92, there's been some changes in how much money has been spent, and this year it's estimated to be about 65 per cent less than the consumption last year.

I'm just wondering how we're doing with the industry. Can you give me an update on the industry, how it's doing and how we're working on that road map, what you see as potential new growth in that field? Perhaps also just an answer; it's not a rhetorical question. With these expenditures are we actually heavily subsidizing this industry, or just what is taking place, please?

Mrs. McQueen: All right. Thank you. Those are great questions. I really appreciate the opportunity to talk about the forestry part of our ministry. The road map is really quite a great initiative. I look to the previous ministers, Minister Knight and Minister Oberle, for the great work that they did to initiate this with industry. I'm lucky to have come in and been asked to be the co-chair with industry on this, but it really is a lot of the great work that people prior to me have done with that.

Really, what the road map is about, and part of my role that they've asked me to play in this, too, is how do we make sure as we try to work together to build our markets, the Alberta markets and other markets, whether that be China or other areas, that we're growing those together, working together? This is such an important industry for us. As you know, hon. member, when the economy hit – I'm in a forest-based community. We know that for the last five years that industry, particularly, has had a very, very difficult time. What is really nice to see is some light at the end of the tunnel, where we're now starting to see that the industry is growing.

The forest road map is about: how do we do that together so that we can grow other markets? We know the United States housing market has been down. Through the economic conditions we're starting to see a little bit of growth there. But the great work that our department – Dana and others within the department – has been doing with regard to growing the Asian market has been incredible. We're seeing a lot of growth there, and that's good news for forestry in Alberta.

The other piece, really, the other part that they've asked me as co-chair, is about making sure as we grow that we always want to look at how we reduce our footprint on the land, which is a very important piece. As we work in areas and integrated resource management between forestry, agriculture, particularly forestry and energy, how do we make sure we wherever possible can lessen that footprint and bring those two industries together? This would sound pretty common sense to you or I but in the past these haven't been two industries that have really thought about that. They get their development permits, and they do their work.

We're really concentrating on: how do we reduce those footprints? It's a great opportunity through the road map as well for us to bring them together and to say: if we're going to do a

development in an area and we're doing forestry development there and some oil and gas development here, let's make sure that the footprint, wherever it can be, with roads and those kinds of things, can be lessened.

So the industry is extremely excited about the road map. We participate both with our deputy and ADMs and staff but also financially as well because we think this is where we're going to break and open new markets. It's a great opportunity for industry and for us as Albertans.

Mr. Stier: Okay. Thank you for that. That's great to hear, and it'll be great to see some more growth in that area because Alberta certainly needs it, I would suggest.

Just back to my question, though, if I could. A drop in funds last year, and to this we're seeing a 40 per cent less spending amount in section 2.2 in the estimates on page 92. I'm just wondering what those funds might have been used for last year that we don't need this year.

Mrs. McQueen: Okay. The reduction on that line is due to the mountain pine beetle funding. Last year we had \$40 million in our budget with regard to the mountain pine beetle. That has been reduced. With the mountain pine beetle strategy, as we all had to – yeah, it's in our budget, in-year. What we've done in the past is come for emergency funding with regard to that. So we will go back. We're going to continue on with our mountain pine beetle strategy. You know how important that is.

You know, when I was in B.C. last week, we've seen what happened there. Alberta really is leading. We got to learn from B.C., unfortunately for them but more fortunate for Saskatchewan and other provinces as well. The mountain pine beetle funding will continue. We may have to go through supplementary requisitions for more of that, but we have the staff as well.

The other piece that we've been very fortunate in and grateful for is that Saskatchewan has put some money towards this as well, and we continue to work with our federal government. Although they've put some dollars there, we certainly would like to see more federal support with regard to the fight on the mountain pine beetle because it's not just about one province. This is a national issue, so we work federally as well to get more funding.

That's where that would have been, the reduction you would have seen.

Mr. Stier: So I gather we're seeing a fair amount of success with the pine beetle by what you're saying, and that's good to hear.

I'd like to move on if I could. Of course, you know where my riding location is from being down in the far south before. There are logging projects in there that have been controversial. You know, one looks at where you decide to cut, why you cut here and there and so on. When we see that we're not meeting our allowable cut targets, I'm wondering just why some of those controversial areas are chosen rather than noncontroversial areas. Can you speak a little bit about that, please?

Mrs. McQueen: Sure. It's really important. I would assume that from where you are, you're talking about the Castle region, correct?

Mr. Stier: Castle and Bragg Creek.

Mrs. McQueen: Right. Yeah. I just want to make sure I'm hitting the areas you're asking about.

They're important areas for us. What we've said with regard to the Castle region – and then I'll talk about Bragg Creek if you like – is that we will finish. We had a cut which was a two-year

harvest. We wanted to make sure that over that two years – when we talked with the Wilderness Association, the important piece for them was the important grizzly bear habitat as well. To restore those, you need to get in and do the harvest and then get in and reclaim those roads. That piece, when we talk with Spray Lakes, is certainly something important that we needed to continue. That harvest this year of the two-year harvesting, we did that. The restoration of the roads and reclamation of the roads will happen.

What we did say is – this is an area that I think is an important area for the province, certainly an important area for you and your constituency – that while we're doing the South Saskatchewan regional plan, this would be the opportune time to finish that piece, but then take a bit of a pause while we finish the South Saskatchewan plan and give Albertans, your area particularly, the opportunity to give us feedback if there's going to be further conservation areas in that area. We thought that this would be the time to do that, to be fair to those moving forward. That's really with regard to the Castle piece.

Mr. Stier: Okay. Minister, if I could interrupt just quickly because I'm running down to the last minute.

Mrs. McQueen: Yeah. Sorry.

Mr. Stier: Why there to begin with, though? I understand you decided to stop proceedings and so on. Why did you or the ministers before you choose that location to begin with at all two years ago?

4:30

Mrs. McQueen: Certainly an important area. We know that the logging that's actually done in that area, the timber harvesting – I had the chance to go with some folks and walk the ground and fly over and see. It's an excellent way that they're harvesting. It's been an important area for many people in this province. It's certainly an area where we had said: "We started the harvesting two years ago. Let's complete that piece."

Mr. Stier: Why did they ever start there?

Mrs. McQueen: Well, actually, the C5 was an area that was already reviewed for allowable cuts. I believe that back in the time of the K Country establishment certain areas were put aside for conservation, but the C5 area was an area that was deemed applicable for harvesting as well.

Mr. Stier: Thank you.

The Chair: Thank you, Mr. Stier.

Mr. Casey, do you want to go back and forth with the minister, or would you like to do block time?

Mr. Casey: No, no. Back and forth, please.

The Chair: Thank you.

Mr. Casey: I'll maybe just start off with a couple of questions on climate change here. The question that almost got out there was under climate change, line 3.2 on page 92 of your estimates. The easiest place to see it is likely in your business plan, page 32. Under operational expense for climate change we go from \$9.8 million last year to an estimate of \$695,000 this year, \$747,000 next year, and so on.

Under capital expense, though, we go from 35 and a half million dollars this year to zero next year and zero the year after. I guess my question is sort of twofold. One, if we're at zero, why do

we still need \$740,000 of operational expense when there is no capital program going on? Why does the capital line here disappear after this year? What actually happened to that program? What was that program?

Mrs. McQueen: Right. It's a great question that was posed by both of you. That was actually the federal ecotrust program. Those were the federal dollars that we originally had in operation. The reason you see it moving out of the climate change operational piece into the capital piece for this year is because the projects that have been approved are capital projects. The reason that you don't see any money going forward into the next two years is that that project, the ecotrust program, will have ended because all of the dollars from the federal ecotrust program will have been expended to those capital projects.

Mr. Casey: I guess we look back to last year, for example. Well, no, let's deal with the budget forecast. That's maybe a fairer number. Last year we had a 21 and a half million dollar capital expenditure in that program, and we had a \$9.8 million operational expense. The actual from the year before was \$25 million in capital with a \$10 million operational expense. This year we have less than \$700,000 with a \$35 million capital expense. The ratio there just doesn't seem to work.

Mrs. McQueen: Yeah. As I said, that's the federal ecotrust program and how it was broken up between capital and operational. It was originally \$155 million. At different times people in ministries chose to have some of it in operational and some of it in capital with regard to the programs. The last of those dollars, actually, have been moved into capital because they've been approved for what truly are capital projects versus before, when some of them were operational as well.

Mr. Casey: So these were grant programs?

Mrs. McQueen: Yes. The federal government gave a \$155 million grant. It was called the ecotrust grant.

Mr. Casey: Okay. I'm sure the answer is the same for this one, but I'll ask it anyway. Under climate change and emission management, again in your business plan, page 32, this year we have zero for operational dollars. Down below in the capital program we have \$60 million. Going forward, we continue to have \$60 million a year under the capital program, which is great, but we have absolutely no dollars on the operational side of that.

Mrs. McQueen: Can you just say what line item again?

Mr. Casey: Well, it's on page 32 of your business plan, actually, which is, I think, the clearest place to see it.

Mrs. McQueen: Yeah. Okay. These are dollars for the arm's-length agency, the climate change emissions management fund, operated by chair Eric Newell. Those are the tech dollar funds that we receive from our climate change policy. Those are over in the capital plan because that is actually how they're going to be – some of them were operational, and those have moved over now to capital. They are an in-and-out expense for us with regard to the funding that we collect through the tech fund and that then goes to the CCMEC.

Mr. Casey: Last year, for example, there was 17 and a half million dollars spent on operational for that program. This year there's nothing. What was that program last year that we're not seeing this year? What was removed?

Mrs. McQueen: Okay. Just so that we know, there was a cash flow, my deputy is saying, as we reported it. It comes through there as a cash flow, and then it comes through here. Now all of it is actually going into the capital projects fund.

Mr. Casey: So it's actually a revenue line, then? The \$17.5 million is revenue, not operational expense?

Mrs. McQueen: Correct.

Mr. Casey: Okay. So sort of the wrong spot?

Mrs. McQueen: We're trying to fix some of these things. Yeah.

Mr. Casey: Sure. Well, that's okay. That's a flag, then. Okay.

Mrs. McQueen: I can give you more detail at some other time if you'd like.

Mr. Casey: Sure. I wouldn't mind just understanding a little more clearly what that's about.

Mrs. McQueen: Yeah. So with regard to it, it is a cash flow in and out, right? It comes into our operations, but then it goes out to the Climate Change and Emissions Management Board, right? That's where you see it come in there.

Mr. Casey: Does it go to capital?

Mrs. McQueen: It goes to the projects that they fund, which are capital projects.

Mr. Casey: I guess the only thing I would question is that if it's coming in and going out and being distributed out, there's still an operational expense component to these programs, and if one that is winding down is still getting \$700,000, I guess I would somewhat question this one, that's handling twice the capital budget, getting zero.

Anyway, moving on to forestry, I just want to make a plug for pine beetle. I was on that committee for a number of years. We had lots of experience working with British Columbia on this. This is nothing to fiddle with, and I think the comment was: we're making good ground on it. What we're doing is holding ground. I think the one thing to come out of that committee, the very clear direction that came out of that committee, was that all you're going to do is holding ground. You're not going to win the fight against this.

The reason for the federal government being at the table – and I hope they stay at the table – is because of the mistake British Columbia made. They allowed no pine beetle work to be done in their parks, and that provided nesting grounds for pine beetles and eventually took out the whole centre part of B.C. We have the same risk on the eastern slopes, with national parks bordering that whole area. It's something where we need the feds to be there in a partnership. That's just a plug; that isn't a question.

On page 93, wildfire management, we have a forecast this year of spending \$31 million, an estimate for next year of \$24 million. I guess I would encourage emphasis in that wildfire management area simply because the eastern slopes and the communities there – and they're becoming more and more populated every day – are at extreme risk. Most of the ones in my community, apart possibly from Cochrane, are, I'd say, at some of the highest risk in the province. It really does tax the municipalities to try to stay ahead with FireSmart in those communities, and they really do need a very viable partnership with the province to make this happen. That's, again, more a plug and a plea than a question.

Mrs. McQueen: Well, certainly, I'll comment on it because I know, hon. member, you've done a great amount of work in different areas with regard to forestry and certainly in your constituency in your prior municipal life. As you know, just in the last few months – I can't even remember what the date was – a FireSmart grant went for your area as well. It's important. We know that that's important. We know that FireSmart is a very important way for us to manage the forests as well.

4:40

The work on the mountain pine beetle is making good headway. It's important for us to do that, and we know that we've got to manage that piece with regard to parks but not just parks. We think the federal government has a role to play there, and we certainly continue to advocate for that as well. As you said very wisely – you worked on that committee – it is important to learn from what happened in B.C. and to not make those same mistakes, to be able to hold ground. I think we've been able to do that with the good work of the department but also with the good work of communities buying into FireSmart. We need no better example of why we need FireSmart than, unfortunately, the community of Slave Lake and the fires that happened there. It's very important that we continue with that program, and it's something that we're committed to as well.

Mr. Casey: Thank you.

On page 103 of your estimates, under capital spending, this was just an odd one to me because I had never seen policy referred to as capital spending.

The Chair: Thank you, Mr. Casey. With that provocative question, we will have to continue.

The lineup of the next speakers, just so everyone is aware, is Mr. Stier, Mr. Luan, and Ms Blakeman.

Mr. Stier, do you want to go back and forth again?

Mr. Stier: Yes, back and forth again. Thank you, Madam Chairman.

Once again, thank you for the great meeting we're having this afternoon and for all the great responses I'm getting. It really helps. Thank you.

I'm going to switch over to fish and wildlife now. Interestingly enough, I noticed that in the estimates on page 92, section 6, we're seeing some changes in funding there. I note that in wildlife management we're looking at spending an extra \$5 million in operating, and I also note and remember from our conversation last evening with respect to the fish and wildlife enforcement officers and so on that they are now under the guidance of the Solicitor General.

I'm just wondering. With the change in operating and so on of \$5 million and the change in how that is working with the officers, can you perhaps give us, firstly, a little insight as to what the \$5 million will be going towards? Secondly, what is the nature of the funding arrangement with these officers? I imagine they're still driving their same trucks, using their same offices. Where does the boundary happen, and how does this go forward with funding? Is there some of this \$5 million in here for similar funding, then, or how does it work?

Mrs. McQueen: Sure. This \$5 million that you're referring to really has to do with regard to the work that we're doing within regional planning. We look as well at the work that we're doing in the important habitat of caribou and other species. We know we have more work to do in those areas, so we've added some more dollars towards that to make sure that we're able to do the important work in wildlife management that we need to do.

Certainly, the programs for the habitat are extremely important for us. Part of it, too, is when we look at the grizzly bear management recovery program, woodland caribou management, the species at risk, the great work that MLA Lemke is doing on that one, as well as the greater sage grouse in the southern part of the province, chronic wasting disease, the ungulate damage reduction. There are a lot of programs that we need to do with regard to these species and these habitats. We've recognized that. It's going to take more boots on the ground, more work to have this happen. That's important for us, and it's reflected in our budget.

Mr. Stier: Okay. On the capital spending side we note that last year there was about \$659,000 spent. It being capital, I just wondered what those items might have been, and now we see a blank beside that. Is there some type of equipment or something that was acquired that is no longer needed, or has that been shoved off on the Solicitor General aspect of it? Where does that go?

Mrs. McQueen: I just want to be clear that I'm talking about the same. You're under capital on page 93?

Mr. Stier: Yeah. Under capital, section 6, page 93.

Mrs. McQueen: At 6.2?

Mr. Stier: Right.

Mrs. McQueen: So you're talking about going from \$445,000 to \$659,000 and then down to nothing estimated in '13-14. Is that correct?

Mr. Stier: That's correct. The capital item: what might it have been? What has been happening with that? Why are we not doing it again, et cetera?

Mrs. McQueen: I'm just confirming because I want to make sure that I give you the right answer. The \$659,000 is the capital for operational use in the department, and the capital was then transferred over to the Solicitor General with regard to exactly what you spoke to.

Mr. Stier: Okay. Great. Thank you.

Now, I'd just like to move over again. We talked a little bit about BearSmart last night, and I appreciated your response with regard to municipalities getting some funding for some programs they could create. As well, you were just talking a little bit earlier, I understand, with one of the other members about BearSmart, I think. I just need to redirect my thoughts and perhaps ask the same question again. I'm not sure. The effectiveness of the program is where I'm going. What about other programs across the nation? Are we working with other provinces or other jurisdictions to try to glean some better benefits out of their programs to adopt here? Perhaps you could speak about that.

Also, the numbers that have been spoken to me by members of ESRD and I think even yourself last night seemed to conflict once in a while. I hear 1,200; I hear 700. Perhaps you could elaborate on all of those, please.

Mrs. McQueen: Sure. Certainly, just so that we get the numbers out: 40,000 black bears and 700 grizzly bears in the province. That was the piece there. Of course, whether it's BearSmart or any of the groups that we can learn from in other provinces or other areas, we certainly work to do that. There's a lot of work that we do as well with the United States and other places with regard to the Montana border. That as well is very important.

We do work with different jurisdictions, depending on where that is. The Foothills Research Institute is another great example of where there's a lot of learning for us as well. It's important for us to make sure that we allocate resources to BearSmart. You know that the ACA does a lot of work for us with regard to the predator compensation piece. It's very important for people, ranchers in your area and across the province, that we do this. It's a great deal of money, but it's certainly money that's well invested.

In the sense of this important species we need to make sure that we get the numbers up to where their numbers are good for Alberta. We also need to reduce the human conflict with bears in your communities and on Alberta ranches. We need to do that piece as well. You know, there are dollars that are put there. The area that we can actually work together on is certainly important for us as well.

Mr. Stier: Okay. Thank you for that. That's great.

I understand through my conversations, again, with ESRD officers that there's a lot of movement of animals from time to time, depending on what the situations are. I understand that they move them quite far to the north, but they come back. We also talked, I think, in the House one day about other ways of looking after these situations. Has there been any change in direction to the officers as to how we are to address these problems when they come up, in the south particularly, where we have a substantially greater number of incidents?

Mrs. McQueen: Yeah. I think that's a great question. The department works with fish and wildlife as well as with the Sol Gen's offices. We are listening to what the folks in your area and in the south are saying with regard to that issue. We continue to do relocations of problem bears, as you know. There is no change right now. We do it in collaboration with those officers. But I must say that we are trying to hear what people are saying in the areas that the bear population is growing. We've been very clear, though, that it's important to get our grizzly bear numbers up, so if it means more relocations, we will do that. We are committed to getting those numbers up.

We really appreciate folks in your neck of the woods and in the province where there are conflicts. I know I work with the Cattle Feeders' Association as well; they have talked to me. So we're trying to manage with ACA some of those kinds of things that we do, the fences. We're hearing from you, we're listening to you, we're listening to the cattle feeders and the ranchers in the area, but first and foremost we've got to take care of this species. We'll work with you, and I know that ACA does an excellent job on our behalf with regard to that.

Mr. Stier: Okay. Thank you very much.

Lastly – I see there's only just a little bit of time left – I noticed that in the business plan on page 31 there's a reference to the percentage of species at risk. I believe it's item 1(f). We see that it was 3.6 per cent last year, and we're looking to go with a target of less than 5 per cent. The question is: why don't we just aim for the lower number and try to keep it at 3.5? It may be a small point, but it's an interesting point, I think.

4:50

Mrs. McQueen: Is it half full or half empty – right? – is the question, really.

Mr. Stier: Yeah.

Mrs. McQueen: You know, we're sitting at that number, 3.6. We always have to strive, I believe, to do better. There are two ways

of looking at that, right? Our department, as you know, is a very dedicated group of people that are always striving to do better on those issues. So we put the bar high in many areas. Some people might say that we don't put it high enough, so we get it from both ends. We want to make sure that we're always challenging ourselves, our department, to do better where we can in this area.

Certainly, it's important for us, as we balance the economic and the environmental outcomes, that we always try to achieve high environmental outcomes while making sure of the economics. As you know, we can have it both ways in Alberta. I think we all understand that that's an important piece. This is one place in the world, certainly, where we can have it all. It's just: how do we make sure that we're looking out for our grandkids and future generations today and in the future as well.

Mr. Stier: Thank you.

The Chair: Thank you, Mr. Stier.

Mr. Luan, would you like to go back and forth or combine your time?

Mr. Luan: Madam Chair, if it's okay, I would like to put out three questions first and then go from there.

The Chair: Would you like to spend five minutes doing that and then have the minister respond in five minutes?

Mr. Luan: Yeah. Sure. If that's okay.

The Chair: Okay. So you won't be able to go back and forth, just to be clear.

Mr. Luan: Okay. I'll take the first option.

The Chair: I'm sorry. I'd better be clear on that. Which is the first option?

Mr. Luan: I'm taking the five minutes I need for the questions.

The Chair: And then the minister will answer. Thank you.

Mr. Luan: Thank you, Madam Chair. Thank you, Madam Minister. I'm so glad to have the opportunity to come here to speak to you. Actually, I'm covering for MLA Johnson of Calgary-Glenmore. I must admit that as I'm going through the questions that she has already prepared from her constituents, it raises questions that are very interesting to me. I'm pretty sure they're interesting to many of the constituents in my area, too.

I have three questions, like I said, one in the broader sense and two very specific. The broader sense one I'll start with. I want to begin by saying thank you for your leadership and the work that you've done with our colleagues and our Premier talking about the importance and emphasizing that environmental protection is one side of the coin. The other side is energy development. That message, I must admit, goes over very well with the constituency, the stakeholders I'm aware of, particularly when we're in a very urgent state of trying to sell our product overseas, including China.

My question to you is on a broader basis from the budget point of view. Will you take a stance that you'll elevate the importance of environmental protection equally to energy development? What's the implication in cost when we talk about that kind of approach?

Mrs. McQueen: I'm not sure if the member is actually clear that he has five minutes. But we can go back and forth; I'm more than flexible.

The Chair: Mr. Luan, as soon as you finish talking, you're finished talking.

Mr. Luan: Okay. Let me carry on with my other questions. Thank you.

The second question is more specific to the forest management. It's particularly concerning west Bragg Creek. Many of the residents in Calgary-Glenmore, I believe, have in mind travelling there. Looking at the budget, line 2.2, forest management, it looks like the budget for the upcoming year has been cut to about half of what we had last year. My question is: what's the implication to the delivery of forest management with the budget being cut in half?

My last question is very specifically regarding west Bragg Creek. When people travelled to the very famous Forgetmenot Ridge – and I must say that I was there many times, too – and looked at the logging in that area, it was astounding to see the kind of impact to the area there, not only for the trails, but for the look, the damage to the watershed, and so on and so forth. The question to the minister is: what is our policy when we talk about forest management in terms of balancing the development with the protection in that area? Residents, particularly in those ridings, are very concerned and are opposed to those kinds of developments. Some of them went to the community consultations. They're disappointed that their voices haven't been heard. How can you help us to address that issue?

Mrs. McQueen: Excellent. Well, thank you, hon. member. Those are great questions, and please pass this on to your hon. member. I think in your region as well they're important questions.

I'm going to address your second question first just so we get that one out of the way. You were asking with regard to a budget line item. That's the mountain pine beetle, as I had answered to the previous hon. member. That's what that line item is about.

Balancing the environmental protection. You said oil and gas. Especially in the ministry I'm in, I like to call it resource development because we have many different resources. There's oil, gas, and coal, but there's also agriculture and forestry. So when we look at environmental protection, we look at all the resource industries. How do we balance that? You know, I think we take a really good approach with regard to that. I have to say that probably in the last five to seven years I've been really proud to see that Albertans are really talking about it. When I talk to young people like my daughter, who is 25, and her friends, they do talk about having a strong industry. We come from an oil and gas, agriculture, and forestry community, so we have that conversation quite a bit. They also want to make sure that we're taking care of the environment as well.

I think of where we've moved from years ago, when I used to work in the oil and gas industry, to where we are today with regard to environmental protection, regulations, and those things. We have really been very progressive. Certainly, under the leadership of our Premier, we've really moved to where it is exactly one coin with two sides, and both can win with regard to this. That's what's really important for us to look at. How do we have a strong economy? How do we develop our resources, whichever market they happen to be, but also make sure that we're looking at the environment?

We also know that when you build your home, when we have any disturbance of any kind, there is a cost to the environment. It's how you manage that and what's reasonable to Albertans. There are some trade-offs that we have, and that's very important. I have to say that this ministry and the staff that are here are very dedicated with regard to Environment and Sustainable Resource

Development. Certainly, it's something that we talk about all the time: how can we make sure that we achieve both? Really, it's a three-legged stool. It's the social piece for communities, it's the environmental piece, and it's the economic piece. That's really about how you grow strong communities, strong provinces, and strong nations.

I want to make sure I leave time for you, so I'll quickly answer your third question with regard to west Bragg Creek. I have to say that, certainly, I had the opportunity to meet with stakeholders in Bragg Creek. We had a very good turnout of people that were concerned, those that live in the area and those that live in the bigger areas as well, in your constituencies in Calgary. I met individually with some of these stakeholders that wanted to meet. I spent a lot of time on this issue.

Now, you know that logging is one of the practices that can happen in that area. Before we made any decisions, I took the opportunity to go and visit the area because I hadn't had the chance to visit that piece and see the beauty there. When we look at the number of houses that are built in that beautiful forest, we also look at places like Slave Lake. It brings back all too close what happened there. When you look at the FireSmart program that we did in that area, it's very, very important to make sure that in certain areas a certain amount of allocation of logging will happen, forest management, but also the FireSmart program.

One of the areas that people came to me with and that is very impressive, as you would know, is the trail system. They were concerned that we actually look at the trail system with Spray Lakes and make sure that as we're doing harvest management in that area, we would take a look at some of those trails that had already been developed, where communities had given their time, energy, and donations, and work with Spray Lakes to make sure we could mitigate that as much as possible.

5:00

So we did that. Our department met over a weekend. After that meeting we invited any stakeholders who were at that meeting to sign up, to come and meet with the department, to meet with Spray Lakes, and to see how we could find some solutions. Again, it's the balance of the forest industry being able to harvest, the balance of the social piece, making sure of safe communities with regard to FireSmart, and then also the other piece on the trails.

We came together, and there was very good advice that was given from stakeholders with regard to the trail mitigation. I have to say that our hon. member here, Member Casey, heard certainly from Spray Lakes. There was some give-and-take on this, but it was important.

The Chair: Thank you, Minister. Thank you very much, Mr. Luan.

Next up is Ms Blakeman from the Liberal caucus. Following Ms Blakeman will be Ms Calahasen from the PC caucus, and following Ms Calahasen will be Ms Notley from the ND caucus. At that point in time I'm going to call a five-minute break, and when we return from the break, I'll go through the list before we begin, okay?

Ms Blakeman, would you like to do a back and forth?

Ms Blakeman: Yes, please.

Just before we broke, you had agreed to provide the committee with the amount of water that had been taken out of the hydrologic cycle. I also wanted to know who took it out.

Moving on, the issue of fracking is of great controversy, great possibilities, opportunities but also great fear, and of course the fear is around some kind of contamination of people's water wells. Is the ministry pursuing a policy of fingerprinting water wells in

advance of fracking rather than after the fact so that you do have – and I'll be clear here – not just a baseline of how much water you have but a baseline of the actual fingerprint of the water that's there so that you are able to tell and to confirm or refute when there are claims from people that the nearby fracking or well operation has contaminated their well. That references, I believe, 7.2, the budget line under environmental monitoring, but maybe it's somewhere else.

Mrs. McQueen: Certainly, I'm going to first talk about the work that we've done and the consultation we've had. On the point with regard to the fracking issue across the province and the water conversations, we know that the work that we're undertaking with the comprehensive review with regard to the ERCB to deal with the access, baseline testing, data collection, the reporting of fracking fluids – those are all important pieces that people brought forward. We know that, as I said before – and I'm not trying to use your time by being repetitive – first and foremost, the water mapping is extremely important. The baseline testing is important. That's what people are asking for, that level. Certainly, that's something that we look to do.

With regard to your first opening comment, certainly the water drainage of the licences, we'll get back to you with regard to the diversion of the licences because that's the piece that we have. We have that information, and we'll get that back to you, with your past question that you were asking us to get back to you on with regard to the water. I just wanted to be clear on what we were getting back to you on. It's the water diversion of those licences that we'll have for you.

Ms Blakeman: Okay. That didn't actually tell me if you were going to fingerprint people's wells that are in an area where licences have been issued for fracking or other kinds of oil and gas development.

Mrs. McQueen: What I am saying to you and with you is that what we are doing is the review. We're looking at what we've heard with regard to the water conversations, with regard to the baseline testing that needs to happen. The department certainly, as you would know and as our deputy is reminding me, monitors groundwater level fluctuations and water quantity in about 250 observation wells across the province. What we heard from people with regard to baseline testing and having those conversations is important, though, too.

As we move forward with the water conversations as they pertain to fracking, we know that we've had very good hydraulic fracking safety for many, many years in this province, about 60 years, a number of wells. But as we move forward on that, as more and more populations grow, the rural people certainly are interested in us looking at the baseline testing. It's something that's important to them.

I don't have an answer for you on what that's going to look like because we're having the conversation now. As we develop any policies going forward in partnership with stakeholders and the regulator, we'll certainly take what we heard from stakeholders in those water conversations as well as the conversations that the regulator is having with regard to fracking in this province.

Ms Blakeman: Okay. Finally, I'm glad to hear that the companies will be required to release the ingredients but not the recipe of their fracking fluid. When will that be in place?

Mrs. McQueen: I believe that happened last fall if I'm not mistaken.

Ms Blakeman: Where can we find that information?

Mrs. McQueen: You could find that through the ERCB right now or through the Canadian Association of Petroleum Producers. They did a media announcement I think last fall, around that time, where that was released. Certainly, that's something that would be easy to access as well.

Ms Blakeman: Does the minister know if this is a voluntary offering of ingredients or a compliance?

Mrs. McQueen: It's something that they have volunteered to do. We can certainly get that to you if you would like to know the announcement and where that's accessible. We can get that to you.

Ms Blakeman: No. I wanted to know that it was required and not that it was voluntary.

Mrs. McQueen: Well, I think what's important is that they came forward before it was required and voluntarily came forward to provide that information.

Ms Blakeman: We'll agree to disagree on that.

Okay. The Auditor General made a note in his July '12 response that the province is not collecting the appropriate information to analyze drinking water. I also noticed that that turns up as 1(d) in your performance measurements: "The water quality of six major Alberta rivers at key sites, based on data on four groups of variables . . . which are averaged to provide an overall water quality rating." The target is that 6 out of 6 river systems have good to excellent water quality. The AG seems to disagree with you in saying that you are not collecting your information in a way that is going to actually give it to you. Could you comment on that, please?

Mrs. McQueen: Sure. Certainly, last year, if you'll remember, when we did the estimates, I think we had a question. At that time we had the six rivers, one that was because of flooding issues. This year the Red Deer basin is the one that isn't in the six. The other five are. Last year I believe it was the Oldman that was in that category as well for similar reasons. Certainly, when we have flooding and debris and those kinds of things, they don't always meet all of the river water quality measures. Some of those things are certainly out of our control. But we strive every year to make sure that we do meet it. It's like the other member had talked about: why do you have an actual of 3.5, but you target 5? Well, we always target good to excellent with regard to the water quality in these rivers. That particular one in the Red Deer basin really was about the flooding, the debris that had happened with that.

In saying that, we continue to work with the Auditor General, certainly, on any of the recommendations that he has, but we continue to make sure that the indicators are there and that we try to strive for the highest indicators. If you look at the targets there and the results of those targets, I think you've seen very good results with regard to percentage of facilities with no significant drinking water quality incidents. If you look at that, it's in the high 90 per cents as well.

Ms Blakeman: Were you able to comply in the last six months with the Auditor General's key finding – he's not fooling around here, and it's a repeated key finding – that the department has to finalize its assessment of current and future business requirements and existing limitations? "Without effective information systems, the Department cannot perform timely and efficient analysis of

drinking water data to better understand and manage risk." Have you complied with that now?

5:10

Mrs. McQueen: We are working with the Auditor General on this, and we are working very hard to meet the recommendations that he talked about last year, that he has put forward. We continue to work with his office because it's certainly something that we agree with and that we're committed to working with him on.

Ms Blakeman: Okay. Still on water, then, there's great concern from a number of people that are contacting me about the minister's and the department's openness to selling water licences. They would prefer that that not be on the table for discussion. With that is the establishment of minimum in-stream flow requirements. I agree with them, but I take it that the water markets and the selling of licences are still put on the table by the government for consideration under the water conversations. Is that true?

Mrs. McQueen: We are having conversations about the four topic areas. As you know, with regard to the water conversation, as I said last evening . . . [A timer sounded] Oh, rats.

Ms Blakeman: Yeah. Welcome to my world. Okay. Next time around.

The Chair: Thanks, Ms Blakeman.

Ms Calahasen, do you want to go back and forth?

Ms Calahasen: I do.

The Chair: Thank you.

Ms Calahasen: Ready? Thank you.

First of all, Madam Minister, it's good to see you here. It's always wonderful to see you. You're doing so well, and I want to congratulate Dana for being the deputy minister. I know he's going to do some really great things in your department.

I want to thank you for a number of things before I go on and ask you the questions, and then maybe you can comment on them.

The forestry road map. As you know, my constituency has a lot of forest industry, people who really rely upon this forestry road map. I know they're anxious to see it happen because I know they think that there are some really good things that can come out of that, so thank you very, very much for that. I see it in your budget, so thank you very, very much for that.

The other thing that I wanted to thank you for was the commitment to include the commercial fishermen in decisions on policy and allocations which impact their industry. Thank you very, very much. I know that we've been working towards that, and we've finally arrived at some points with the fishermen, so thank you very much for that.

Third, I want to thank you also for addressing innovation. As you know, you were involved in some of the things that are happening in my constituency relative to addressing forestry issues. I know you've been very, very helpful in that respect, so thank you very, very much.

Now, I have a few questions that I want to follow up on, and these are questions that I've been asked by some of my constituents relative to what's in the budget. I'll go to the one on page 22 in the strategic plan. We talk about working with the federal government "to develop coal-fired and oil and gas regulations that support the common goal of reducing carbon dioxide emissions (ESRD and Energy)."

I'm just wondering. What are we doing that will help those forest industries that still have those cone burners, and how, then, can we address that issue as they move from the cone burners to not using them? We're still dealing with that issue as we go forward, so maybe if you can sort of just talk about that and where the plan is to go and how it's being addressed in your strategic plan.

Mrs. McQueen: Thank you. I want to thank you, MLA Calahasen, for the outstanding leadership that you've shown many of us. I came in in 2008; others have come in the class of 2012. You've been very generous in your support to us and making sure that we understand the issues around the province. Particularly, you're a great advocate, as you know and as your constituents know. The great work that you do is why you're one of our longest serving MLAs. I really mean that. As someone whom I have a lot of respect for and as someone who's been a great mentor for me and for many others – I think that's very important – I want to commend you.

The work on the road map, the work on different parts: you've played a large role in that. With regard to your comments on the work on the fisheries and with the commercial fisher people: you've been a very big voice in your area and across the province. We know that the legislation that you're looking at really speaks to the dedication that you have as well, so I want to commend you on that piece as well.

As we look at the cone burners and we look at the environmental issues on those – and some may know them more as beehive burners, and some may know them as cone burners. I know we encourage the use of biomass to support the bioenergy industry. That's one big piece of it as well. We also know that those need to be phased out as well, so we're working on that piece. I know that in my community there was one for years, and we had to work to phase that out.

It's never easy for industry, but I think that if we look at the timing of that and working on that now as we see a forest industry that's actually starting to recover although small steps in recovery right now, we're working with them and communities so that, one, you could use the encouragement of biomass. I'm quite a big proponent. In our community, when I was mayor, we started the Bio-Mile in Drayton Valley, and our outstanding Mayor Hamdon continues to do that. It's a great initiative, and it really brings forward the other piece of value-added that we can have in the forest industry as well.

We also have to look at the environment. It's what MLAs have talked about here, the economic piece and then the environmental piece. We will be working to phase out those beehive burners but working with industry as well as we move forward on that.

Ms Calahasen: Thank you.

On page 95 of the government estimates general revenue fund you'll see under 6, fish and wildlife, it says:

Contributions from stakeholders and revenue from the sale of recreational fishing and hunting licences are used to fund the costs related to the delivery and management of those licences and associated resources, game surveys, and the promotion of industry stewardship and investment in this provincial resource.
Element 6.2.

There is an estimate of \$7.275 million. Of that money, what kind of dollars will go to the Alberta Conservation Association?

Mrs. McQueen: That's a great question. I was just verifying to make sure that we had the numbers right. That is, as you know, the DAO that works with us, so that line really is the amount of the levy that they have, and it goes to them.

Ms Calahasen: Okay. How is that determined in terms of how they get the dollars to go to them? What they've been doing is buying land in my area, land that has not really been an area where you have conservation issues. I'm wondering. If we are allowing them to get the dollars so that they can buy the land that doesn't have anything to do with conservation, how are we then monitoring those kinds of things? What kind of dollars are we allowing them to use from the money that comes from the fishing and hunting licences to be able to do that?

Mrs. McQueen: You're correct in the sense that the regulations that we have in place allow them to collect through the licensing dollars that they receive. We work with them, as you know, for example, with regard to some of the work in your constituency, whether it's commercial fishing people or the recreational piece.

The piece on purchasing the land: there's some of that happening. I know you've raised that issue with me with regard to your constituency. There are some issues that you have. We've met on that somewhat. They can set the levy through the regulation. They have a lands program that is used to buy land that is high-value land for conservation. We've talked about that before. There are areas, of course, that are important for us to purchase for high-conservation areas so we have that in the future. If you have specific issues in your constituency, as you know, my door is always open to have those kinds of conversations. But that's really what it's about.

Ms Calahasen: Okay. I guess that's the question that most people are asking. What kind of dollars are going towards buying land that may not be for conservation kind of stuff? I just want it on the record so that people will know what process is utilized. There are a lot of questions that I'm now getting relative to that, so I just need to have that addressed.

Mrs. McQueen: Yeah. I think that where you could find some of that is in the annual report that they have. Also, it's high-value conservation that the regulation speaks to, that they're buying that. Certainly, you can take a look at that annual report, and we can always chat at some other time if you like.

Ms Calahasen: Thank you very much for that.

Now, I just want to move on to the Trappers Association. You do have the Alberta Trappers Association, and of course I have a lot of trappers. Those trappers are now concerned. I know they wanted to be a delegated authority as well, and I don't know how close we are to that. Can you give me a perspective as to what's going on relative to that specific one? There are a lot of them that are still wondering what's going on, especially on the aboriginal side.

5:20

Mrs. McQueen: Yeah. That's a great question. I know our department had met with the Trappers Association a week or so ago, and I know the work our ADM Machielse is doing with them as well is very good work. I have a number of trappers in my constituency as well, nowhere near the numbers that you would have but equally, I would say, as vocal with regard to how passionate they are with regard to the trapping industry. I've said this before, but I think it plays such a unique part in our history in this province and is a very important economic piece as well. It may not be, as they say in their words, you know, as big as some of the other industries, but it's an important industry for us as well.

We're continuing to work with them on that issue, and we will continue to do that piece. We don't have anything wrapped up yet,

but it's certainly something that they've had the chance to raise with our department, to raise with our office, and I'll have the chance to sit down and meet with them as well. I didn't have that opportunity that day.

I know in your area certainly, when we talk about Métis or First Nations, how near and dear that is to their hearts as well. I think the trapping industry is extremely important in our province as well.

Ms Calahasen: Thank you.

The Chair: Thank you, Ms Calahasen.

Ms Notley, would you like to go back and forth with the minister?

Ms Notley: Yes. I'll continue on.

The Chair: Thank you.

Ms Notley: This is the last chance I'm going to get to ask you any questions, so I'm going to be pushing through this quite quickly. I won't get to anywhere near all of them.

Mrs. McQueen: Will we be sharing the time?

Ms Notley: Yes, we will be sharing the time, but I will unfortunately be interrupting you a little bit because I want to get to the specific answers.

Mrs. McQueen: That doesn't sound like sharing.

Ms Notley: It is, because I'm just quickly going to ask the questions, and you'll quickly answer.

With respect to the fracking, that Ms Blakeman had brought up, I just want to follow up in two respects. First of all, on the issue of the volunteerism of the reporting there was, as I'm sure you're aware, a FOIP that was obtained by Postmedia from Environment Canada that included comments and commentary from Environment Canada officials saying that, in fact, they were quite disappointed with the degree of information they were receiving from industry through the voluntary process. With that being the case, will you consider putting some rules in place?

Mrs. McQueen: Certainly, I'm not aware of the FOIP request that you're talking about, so I won't comment on that, and I won't comment with regard to federal policies or federal decisions. What I've said is that we are undergoing a comprehensive regulation review with the ERCB, and then it will of course transition to the new regulator to assess the baseline testing, the data collection, and the reporting of frack fluids. We are going through that process right now.

Ms Notley: What's the timeline on that, do you think?

Mrs. McQueen: I don't have a timeline on that piece, but we're dealing with that piece right now. Certainly, additionally, government is reviewing the unconventional oil and gas resource development framework and adopting an integrated resource management approach.

Ms Notley: That's great. That's super. It just wasn't what I was asking about, but I appreciate that.

Mrs. McQueen: Yeah, but that's part of it.

Ms Notley: So there's no timeline yet on regulations.

The next question. You mentioned how we had a great record in Alberta with respect to hydraulic fracturing, and indeed on your website there's a link to a video which talks about the fact that there has been no documented case of groundwater contamination in Alberta due to hydraulic fracturing. That's still there, but of course we all know that even while that's being said, we had a December 20 ERCB report on the Caltex Energy hydraulic fracturing incident of September 22, 2011, which does actually clearly document a case of groundwater contamination. My question is: why does your ministry continue to publicly state that there is no evidence of contamination when, in fact, the ERCB has actually released the fact that there has been groundwater contamination in Alberta as recently as 2011? Will you direct them to take that off and stop having that as part of your communications material?

Mrs. McQueen: To the best of my knowledge there still have been no instances of groundwater contamination as a result of hydraulic fracturing. We will check into what you've said with regard to the ERCB. I don't have that before me.

Ms Notley: On December 20 they released an investigation report in relation to an incident which occurred on September 22, 2011. I'm a little concerned that the folks around you right now don't know that.

Mrs. McQueen: Okay. I am telling you to the best of my knowledge right now, but I will take that back and take a look at that. We have the dates that you've talked about. With regard to that, if you think about the 60 years that we've been developing the resources, over 170,000 wells . . .

Ms Notley: I just want to know why it is that your ministry is saying something . . .

Mrs. McQueen: But we do have . . .

Ms Notley: . . . when the government itself has identified that it's not true. I don't want to get into a whole argument about the safety. It's about your communications.

Mrs. McQueen: But I am going to interrupt. It's part of my time. We do have a really good track record in this province, and we've had 170,000 wells that . . .

Ms Notley: It's just about your communications and whether . . .

The Chair: Excuse me, folks. Excuse me, please. Please share the time.

Ms Notley: I am. I'm asking very specific questions, and I'm looking for very specific answers.

The Chair: Okay. And keep tying it to the budget. Thank you. [interjections] *Hansard* can only record one of you at a time. Thank you.

Ms Notley: A specific question, moving quickly to environmental monitoring. You note there in item 7.2 that there is an estimated operational expense of \$51 million.

Mrs. McQueen: What page are you on? Sorry.

Ms Notley: Page 92, 7.2. Just really quickly yes or no. Am I correct that that is flow-through money that is anticipated from industry in relation to the federal-provincial monitoring plan or not?

Mrs. McQueen: No. About 16 and a half million dollars, almost \$17 million, is money the federal government has spent with regard to the \$50 million commitment from the industry. Another million is dollars that we have spent, so that is the reimbursement, and that will be a flow-through piece that will go back to us. It's about a million dollars.

Ms Notley: I'm looking at the estimate for '13-14, that \$51 million.

Mrs. McQueen: Yes. That's the first piece, and then the \$50 million is the \$50 million that industry has committed in addition to a million and change with regard to our commitment as well.

Ms Notley: Right. Thank you for that. I just want to clarify. Everything that I have read from industry says that they have agreed to fund up to \$50 million.

Mrs. McQueen: Yeah.

Ms Notley: Are you telling me that, in fact, they have agreed to fully fund \$50 million in 2013-14?

Mrs. McQueen: They have agreed to fund up to \$50 million per year over the next three years, and year 1 has gone.

Ms Notley: You've got \$50 million in here, so then will they give us \$50 million next year?

Mrs. McQueen: If we expend the dollars through the agency with regard to the monitoring of \$50 million in addition to what we would normally spend on monitoring, that's the maximum that we can requisition – I'll use that word – from industry. If we didn't use that much, obviously we wouldn't request that much.

Ms Notley: So it's simply subject, then, to the government requisitioning that fund or that money from them?

Mrs. McQueen: No. It's simply subject to that but also the work being done. It's not that we just ask for the money.

Ms Notley: For sure. Absolutely.

Mrs. McQueen: The work has to be done to that dollar value within the three-year plan, the joint plan that the federal government and I have, that Minister Kent and I have. Within the plan that we've jointly developed, that's how we would determine how much money we would need to do that work. It's all spelled out in that plan, which I'm sure you have a copy of.

Ms Notley: So industry has absolutely agreed to fund whatever it is that you do ask for based on what you just said?

Mrs. McQueen: Up to \$50 million.

Ms Notley: Right. Exactly. Okay.

Quickly to that one, do you anticipate bringing in legislation around the environmental monitoring, and if so, when?

Mrs. McQueen: I'm committed to making the agency come forward. I don't have a timeline for you on when we'll do that, but it's certainly something that I've committed to, having the arm's-length agency. We're working on that piece. We have a final kind of recommendation report that the chair of that committee, Howard Tennant, and that group are working on. I don't have a time for you on that, but it's something that I've said that I'm committed to doing.

Ms Notley: Quickly moving to the regulator, we touched on this in terms of the money that was there and not there or is currently there with respect to your operations and auditing and inspecting and that. I'm wondering – because, clearly, I'm sure this would have been done as a budgeting exercise – what percentage of your operating expense that had been done in 2012-13 you anticipate moving to the regulator in terms of function. I appreciate you might keep that money and bump it up to do other things, but what I want to know is: what percentage of the work that you're doing will move to the regulator?

Mrs. McQueen: Yeah. It's a little bit early for us. It's a great question. It's a little bit early for us to have that number as we're building out with the single regulator, so I don't have a specific number for you yet. We'll know that as we . . .

5:30

Ms Notley: But the regulator is set to start in two months.

Mrs. McQueen: But we certainly have maintained our staff. The regulator will have their staff as well, and some of that will transition back and forth, but it's just too early with regard to what monies may move or may not move. It's a phase build of the regulator that we're moving into, and I can't give you a specific number with regard to that because it wouldn't be an accurate number.

Ms Notley: Maybe I can approach it from a different angle. You guys have been looking at this sort of one-stop-shopping model for several years now. I appreciate that even with it starting in June, it may take a year and a half or something for it to be fully operational, but I have to assume that at some point in this process you folks looked at the environment part of your ministry and came up with some rough numbers in terms of the percentage of the work that your ministry does that is focused on nonrenewable resource development versus the percentage of the work that your ministry does that is focused on other issues like, you know, gravel pits and municipalities and other industry. What I'm looking for is a ballpark. I have to assume that you guys have some ballpark understanding of what this means to the work of your ministry.

Mrs. McQueen: With regard to that question there are two things. The single regulator we'll examine. Certainly, it's the needs that they have as well for that piece. As I said, it's a little too early for us to have an answer.

The Chair: Thank you.

We're going to take a five-minute break, and when we come back, the lineup is Kubinec, Stier, Allen, Hale, Webber, Blakeman, a PC caucus member, and Notley. It may be that if people take a shorter time, we actually will get through that. Five minutes, folks.

Thank you.

[The committee adjourned from 5:32 p.m. to 5:40 p.m.]

The Chair: Well, if everybody just wants to take their seats, we will get started. Again, it's Ms Kubinec, Mr. Stier, Mr. Allen, Mr. Hale, Mr. Webber, Ms Blakeman.

Ms Kubinec, do you want to go back and forth with the minister?

Ms Kubinec: Yeah. Back and forth.

The Chair: Thank you.

Ms Kubinec: Thank you, Minister McQueen, for your great work. I really have enjoyed this process, as I have all of the estimates processes. I'm learning a lot, and I'm enjoying it. I have sort of two things that I want to learn more about, and one of them is the Alberta land trust grant program and how it operates and how funds are allocated.

Mrs. McQueen: Certainly. I think it's been the last two or three years that we've had the land trust program, and it is an opportunity for us to use those dollars to work with places like the Nature Conservancy, those kinds of different places, to purchase high-ecological-value lands. So we have the opportunity to do that. Now, those happen in collaboration and consultation and only in agreement with people that are landowners so that if there's an area that has high ecological value, we have those dollars set aside and we can be able to work with people like the NCC, Nature Conservancy of Canada, and others to preserve those very important pieces of land that we have.

It's a new program for us. I think it's something that as we look at land-use planning and saving areas that are important to us will be another avenue, another tool, another opportunity for those that want to for the greater good be able to say: "These lands that we have are important. We don't want to see the subsurface development on them, perhaps, but they can still use them for other things, other opportunities." Certainly, it's an important piece for the ecological value that they bring to Alberta.

Ms Kubinec: Okay. Can you show me in which line of the budget this is identified?

Mrs. McQueen: They're going to find that for me.

Ms Kubinec: Okay. Then I'll go on to the next one.

Mrs. McQueen: Okay. We'll answer that for sure.

Ms Kubinec: Yeah. Because I was just a little bit confused as to whether it would be page 32 in the plan, the public land management. I was unsure if it would be there or where it would be.

Mrs. McQueen: I'll just take a quick look here. We'll get you which one it is and make sure that you have that for sure.

Ms Kubinec: Okay.

Mrs. McQueen: Yeah. I'll let them look while I'm listening to you.

Ms Kubinec: So further along that theme, are the landowners compensated for placing a conservation easement on their property? Exactly how are those funds expended?

Mrs. McQueen: Yeah. That's the point. Those that want to put lands aside are compensated with regard to that so that we have the opportunity for those high-value lands to be preserved. They would work with places like the NCC and others to do that preservation of lands, and it's only voluntarily.

Ms Kubinec: Yes.

Mrs. McQueen: Because I think that's important.

Sorry. Do we have the number? Okay. There we go. I've got two things going on here. It's on page 106 of the estimates under capital spending, grants to land trusts.

Ms Kubinec: Okay. Excellent. Now, the last question on that area. Is the program still available? I went onto the website and looked, and it said that it was available until September 2012. So my question is: is it going to be available, then, for the 2013 year?

Mrs. McQueen: Yes. Last year we had about nine conservation projects. It was \$3.1 million that was allocated to four land trusts for about nine conservation projects. My understanding is that this year it continues. Yes. I just wanted to make sure as well. Now, I'm not sure why you would have seen that. Perhaps it was that that was the cut-off time. We can find out for you. We can do a little more work if you want, or we can chat on it.

Ms Kubinec: I'm assuming it was just an application deadline.

Mrs. McQueen: Yeah. I think that's what it was, an application deadline. If it's different, I'll let you know, but that's usually what it is. There's an application deadline there. It's something that we've started and, certainly, something that we think will pay a high dividend back to the province. I think it's a great initiative.

Ms Kubinec: Okay. Now, moving off into a different direction, I've had one of my constituents express real concern, as he backs onto some Crown land, about ATV use, where people are going where they never went before. His concern is that in the early spring after the snow is gone, when the grasses are dry, they go through with their ATVs, and they may not even know that their exhaust has started a fire. In the last five years I think he's had three forest fires that came almost up to his property. He has asked me to ask the question about what we can do in conjunction with the county. I think the county is also involved in that. His concern is environmentally sensitive areas, where we need to be really cautious, particularly in the early spring. The man is an ATV user, but he just wants the precautions taken. If you have any comments on that, Minister.

Mrs. McQueen: Yeah, a couple of comments. First of all, I would like you to pass on my thanks to your constituent for raising the issue. I think it's an important issue. It raises a couple of things. One is the importance in this province, the value with regard to the environment but also the recreational use. Places for people to play with regard to their ATVs: you know, that's a very important thing that many people do. One thing I would like you to do if you wouldn't mind is to go back to your constituent and let us know where he's at so that if this is an issue certainly on a compliance piece, we're aware of where it's at.

The regional planning is really something that's going to come in on the broader scope in these areas. When we work with Minister Starke from Tourism, Parks and Recreation, through regional planning how do we find places that are there for people to play on their quads and their ATVs as well? That's something that many of us enjoy.

We need to have some areas that we have on our private lands that we can use but also some designated areas. We've heard that really with regard to the land-use planning, and for this last regional plan we had some discussion on the South Saskatchewan. People really want to make sure that we still value that and that we still have the opportunities to go out and have some fun and recreate on our quads and our ATVs, having a place to play. But there's also the education piece. When you do this in certain areas and certain conditions like you're talking about and your constituent is talking about, here are the things we've got to watch out for. Many fires are human-made fires, right? So I think that's an important piece.

I'd love for you to let us know who your constituent is so that we can actually contact him, find out where they are. We're always, as you know, more than happy to work with local counties, local municipalities, and landowners. I think it's one that we're going to work to resolve in land-use planning on the bigger, broader scale because we need places for people to play. As this province grows – and it grows over, you know, a hundred thousand people per year – and we look at that, we have to make sure that we keep these things that we really value. Recreation on our ATVs is one of those values amongst many. Places to play is something we need to set aside as well. I know Minister Starke is doing an outstanding job trying to bring some stuff forward on this area.

Ms Kubinec: I'll just give you his simple solution. Until the grass greens up, maybe post it so that there's no use while it's unsafe.

Mrs. McQueen: Yeah. I think that's a good education piece. If you would pass his name on, we'd be happy to chat with him as well. He's a good steward of the environment. I mean, he's doing what he should be doing. If we all do our part, if it happens and we see it happen – our compliance people can't be everywhere – we can all help to be the eyes and the ears and take care of that as well. Please pass on my thanks to him as well.

Ms Kubinec: That's the end of my questions.

The Chair: Thank you, Ms Kubinec.

Mr. Stier, do you want to go back and forth?

Mr. Stier: Yes, I will. Thank you, Madam Chair. At this time I would like to introduce and make a motion. I'm going to hand to the page appropriate copies and read this into the record if I may. Maybe I should wait for a moment for this to be distributed, should I?

The Chair: I would proceed if I were you.

5:50

Mr. Stier: Okay. Then I'll just proceed. There are several segments. This motion is to move that

the 2013-14 main estimates of the Ministry of Environment and Sustainable Resource Development be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 92 by \$198,000,
- (b) for the deputy minister's office under reference 1.2 at page 92 by \$60,000,
- (c) for communications under reference 1.3 at page 92 by \$246,000,
- (d) for human resources under reference 1.4 at page 92 by \$444,000,
- (e) for legal services under reference 1.5 at page 92 by \$115,000,
- (f) for corporate services under reference 1.6 at page 92 by \$2,097,000, and
- (g) for Land Use Secretariat under reference 5.4 at page 92 by \$1,482,000

so that the amount to be voted at page 91 for operational is \$456,676,000.

Now I'll move to my questions if I may, Madam Chairman. There's the original.

The Chair: Absolutely.

Mr. Stier: Thank you. Minister, if I may go back to something a little different again here now but something that I think may be important in terms of public lands that was just discussed to some

degree, I'll try not to enter into any duplication. With regard to property rights and the different boards that we have – the Surface Rights Board, NRCB, Environmental Appeals Board – definitely there are going to be some changes, I suspect, on how these boards will be operating to some degree with the new rules and policies that they're now having to work with. I'm just wondering about a few things with relation to that. Are they modifying some standards? Are they preparing for new rules? Are they already working with new rules and policies? If so, what performance measures are in place to monitor and remedy and put a check and balance into this as these things unfold? Again, back to South Saskatchewan, these kinds of things could involve a lot of conservation areas and different kinds of issues coming up. I'm just wondering if these boards are modifying their procedures.

Mrs. McQueen: Thanks for the question. I'm a little bit confused about the question, so I'm looking for clarity. You talked with regard to property rights and then the Surface Rights Board, NRCB, Land Compensation Board, and then you talked about regional planning. Can you clarify? I'm not sure what your question is. I'm happy to answer it, but I'm just not really clear what your question is.

Mr. Stier: Sure. Thank you. I'm sorry for the lack of clarity, perhaps.

Mrs. McQueen: That's okay.

Mr. Stier: It seems to me that with the new regional planning process going on, these boards have operated with certain rules and policies in the past and may now have to perhaps look at some modifications as to how they operate. You're shaking your head. Is that not the case?

Mrs. McQueen: I'll say that this is a stretch from the estimates, Madam Chair, but I'm still okay to answer it.

The Chair: Thank you.

I'll just remind the member to try to tie it to the budget.

Mr. Stier: Well, I could have said that it's under 5.1 on page 92, but I thought that they would know that.

Mrs. McQueen: The land-use planning that is happening is setting out areas for development – and I'll use the lower Athabasca region as an example because that one's done, and I go back to that one – conservation areas, areas for municipalities to grow, especially when you're in an area of a great deal of Crown land. That doesn't affect what's happening with the Surface Rights Board or NRCB or Land Compensation Board. What those do is that they continue to work under their mandates.

I would say that the connection piece perhaps in your question is that when we did the property rights review, one of the things that came up under that review was that as well as having compensation, consultation, access to the courts, and a Property Rights Advocate, people had suggested that it might be timely to have a review of the Surface Rights Board and the Land Compensation Board. I think that might be what you're talking about.

Mr. Stier: Yes. Thank you. It is.

Mrs. McQueen: Yeah. Okay. With regard to that, what they really talked about is that part of what they did like as well is with regard to the single regulator and how you can now actually as a landowner tie your agreements with the regulator if you so choose. They thought that, but they also thought that perhaps at some

point in time it would be good for us to review the Surface Rights Board and the Land Compensation Board but not the NRCB.

Mr. Stier: Okay. Good. Thank you. That's the direction we were going in, and I appreciate your patience with that one.

Mrs. McQueen: That's fine.

Mr. Stier: If we could go on, then, I'm looking again along the same lines, talking about regional plans. There's a lot of land going to be conserved and so on. Will this change and affect the way we're going to deal with these lands, now that they're going to be possibly conserved? Will there be a change in the amount of public consumption and opportunities for enjoyment? Will there be perhaps at the same time on the other side of the coin some impacts to various industries with some of these conservation areas being implemented? In that same vein, is there some sort of projected number on a percentage basis of how much more land might be available in terms of public enjoyment, that sort of line of thinking, please?

Mrs. McQueen: Yeah. Thank you. Great question. I'll answer it in two ways, what we've done and then what we're doing with the other plans if that's okay.

Mr. Stier: Thank you.

Mrs. McQueen: Just to put it in perspective because it will be different in different regions of the province, in the lower Athabasca region, as you may know, 2 million hectares have been set aside for conservation and recreation and also areas that would be important for habitat. That's an important piece in that area. That came out of the consultation with people in the lower Athabasca region. Certainly, all Albertans had a chance, but we talked with First Nations and communities on that piece. That's just to give you an example there.

As we move into other areas of the province, what I think I said last night in one of the answers is that it's too early to tell. That's the input we have. In some other parts of the province we may have what people may think is enough conservation areas, enough recreation areas; maybe not enough, maybe not quite. That's the whole point with regard to the consultation and why we take a great deal of time to do that, so that we can get that back and forth and have a number of consultations.

The point that you make with regard to, again, the two sides of the coin that others have made, is that it's important for us to have those large recreation and conservation areas because these are 50-year plans. We're setting those aside now. We haven't used them for other things. It's also important, whether it's in agriculture or forestry or oil and gas or mining or whatever it might happen to be, that we make sure that we continue to have a strong economy in the province.

What the discussion really comes down to is: how do we make sure that where there are areas of resource development, whatever that might be, some of that may be sterilized, some of it may not be. If we want to have areas of conservation and recreation in the province, we look at where those jewels are that we really want to see. We set those aside, and that's how we ensure that today we have a strong economy and strong conservation outcomes but also for the future as well.

Mr. Stier: Okay. Thank you for that.

I just have a short period of time to get one more in here, I think. I'm just going to whip over, Madam Chairman, to page 93, section 5.1 in the capital plan if I could. We noted that in there

was a figure under public land management – again, public land is the theme here – of \$902,000. It's a figure that doesn't exist any longer. Is there a reason for that, and what might that be, please?

Mrs. McQueen: Okay. I'm just checking that. Was that page 92, you said?

Mr. Stier: Page 93, 5.1, public land management. Over to the right the figure of \$902,000 is no longer there as it was in years past.

Mrs. McQueen: Okay. Can I actually get back to that one so that I give you a good answer on that? I don't have that for you, and I think it's important we give you a good, clear answer on that piece. It is under the capital budget. It was reduced from before.

Mr. Stier: Okay. Perhaps if I could squeeze a last one in there, on page 92 in the estimates, number 5.1, public land management again, the figure has changed from \$41 million to \$30 million. I'm just wondering what the differences are there as well, so if you want to respond in writing later, perhaps that's the way to manage that.

Mrs. McQueen: Yeah. If you look at what the budget was . . . [A timer sounded]

Mr. Stier: Thank you very much, Minister.

The Chair: Thank you, Mr. Stier.

Mr. Allen, would you like to go back and forth with the minister?

Mr. Allen: Yes, please. Thank you, Madam Chair. First of all, Minister, thank you to you and your department. I hate to disappoint you, but I don't have any recommendations for any cuts for you. First of all, I don't believe that I would understand what the implications of those cuts would be to you achieving your goals, and secondly, I really, truly believe that every dollar that you spend in these two departments – well, it's one department now. In both environment and sustainable resource development every dollar that we spend in improving our environmental record and establishing a sustainable resource development process is an investment in achieving the access to markets that we need, and it's also securing our economic future, so I commend the work. If I had the ability in me, I'd be giving you every penny you needed to get the work done that you needed to achieve your goals.

6:00

I'm going to speak on more of a broad sense. This is specific to my constituency, and we've spoken in the past about this as well. It's regarding the gravel pits and aggregate in general. You've got a very difficult job in your ministry here to manage this because I know that gravel pits are really an important asset for us in all of the growth that we're doing right now. We use it for road development – I'm sorry; I've still got another 200 kilometres of road to pave up in Fort McMurray, highway 63 and north – as well as some of the applications that we have in place right now for quarries, limestone, that sort of thing. Really, your ministry's job right now is to try and balance the long-term negative effects on land use while still trying to bring the economic benefit of that resource.

I know we've got a lot of safeguards in place to make sure that our environmental process is looked after. You've got the conservation and reclamation business plan. Once the applicants are submitting that, they start going into their planning, and we have

to come to some form of agreement as to what the reclamation is going to look at afterwards.

We've got currently two in our area. One is bordering on Fort McMurray, and there's a bit of a challenge there as well. I know that we're getting to a very scarce supply, but at the same time you've got to manage what the environmental impact is going to be.

My first question to you is: what specific measures does your department have in place to ensure that those pits don't leave a significant long-term scar on the landscape?

Mrs. McQueen: That's a really good question. I think you've really identified some of the challenges, certainly. You talk about: still 200 kilometres of road. You look at even the industry that's in your region, that's supplying a great economic engine to this province and this nation, but also at the amount of gravel that's needed within those areas as well. It's one of those ones where we really have to find the balance. That's why – I think you've recognized it, but I'll mention it as well – we have to make sure that when the leases are approved for public lands, they must be accompanied by the approved conservation/reclamation business plan. It is up to the companies to make sure that the reclamation happens with regard to that. That's an important piece.

We know that this is important for us. We know that the environmental outcomes that we want to achieve with regard to the extraction of the gravel, especially if we're talking with regard to water bodies – and then it falls under the Water Act – are important. The standards that we use are important with regard to the pits, to the reclamation of those, and to making sure that money is put in a protection security fund. To date, as I think we've chatted about, we have about \$71 million in total in that fund. The fund really is quite self-explanatory in the sense that it is the environmental protection security fund that provides that security that we need to have in place so that your communities, your citizens aren't caught being responsible for the reclamation piece as well.

You've identified the challenges and the issues that we have, and it's making sure that, again, another important resource to this province, environmental protection, has to happen, and that's part of it.

Mr. Allen: Okay. Thanks.

In that environmental security fund is there some consideration given to inflation over the years? If a quarry or a pit has a 15- or 20- or 30-year lifespan, are we basing that on today's dollars, or are we estimating that in 30 years that dollar would cover it based on the costs there could be in 30 years?

Mrs. McQueen: I would say that what they do when the funds are gathered for those or any of the projects is that as the projects are being approved, we put them in what today's value would be for doing that piece to reclaim it. So it is in today's dollars because we actually don't know what it would be tomorrow or 20 years from now. We do it today, but as we progress on these different gravel operations and as they get approved over time, they get approved over time on that day's dollar value.

Mr. Allen: Okay. Thanks.

I'm going to move into the LARP a little bit, but it's regarding the development. As you know, there's a wee bit of development happening up in my neighbourhood, and there's a bit of a challenge in some of our growth. Outcome 5 under LARP refers to infrastructure development supporting economic and population growth. We've got strategies around CRISP and, of course, the

development of the UDSR, or the urban development subregion. That's of critical importance to our region.

You spoke earlier about the consultation programs that happen. I think that they're very complete, but as we recognize in any level of government and, you know, even amongst ourselves, from party to party, even once you've completed a process and you have a majority going a particular way, you're still going to have some people that are unhappy, and that will continue on. I've seen cases, not necessarily with your department, where the consultation needs to be reborn or where there's a public outcry and we have to get back into it again. That in the past for Wood Buffalo has tended to hamper our growth.

Here we are trying to manage the development of resources. It's not just sand and gravel. I mean, I live in the downtown core of Fort McMurray, and I live on top of an oil sands lease. We've got resources throughout the region, and there's sometimes an expectation that because they have a lease, they're going to be able to develop that resource.

I know that there's work going on right now in regard to the UDSR to establish what types of boundaries we should be looking at, what is an expected safeguard between urban development and industrial development, even considering these gravel pits that we have just bordering on the community now. I guess my question is going to be more towards the regulatory. Do we have provisions in a case like this to accelerate the consultation and the regulatory approval process in order to accommodate the need to facilitate that economic growth and pressure on urban development?

Mrs. McQueen: That's an interesting question. I want to say first and foremost that the work that you did when you were on council and that your current mayor, Major Blake, and council are working with us on – the issue of the CRISP, as you mentioned, and the UDSR – really does fall under the Department of Energy as lead, but you know that there are multiple ministries, as you have identified. We've got Transportation, Municipal Affairs, ourselves as well, that are full participants in that piece.

I would think that would be an interesting question to put out with regard to accelerating the approvals of the regulations. That might be an interesting conversation, and I'm assuming you're saying that as they pertain to the UDSR.

Mr. Allen: Or within the boundary.

Mrs. McQueen: Or within the boundary of the UDSR. I think what we always want to make sure is that with the work that is happening, led by Energy, with the UDSR, you know, there's some consultation happening with the community there. Where is appropriate land for the folks in the Wood Buffalo region to grow their community? Certainly, I know Mayor Blake has a number of concerns as well to make sure you can develop the airport, develop industrial areas, develop commercial, residential, all of those areas, so it's certainly something that we look at.

With regard to fast-tracking regulations, I think we always want to make sure that we're working with the municipality on that issue. I believe . . . [A timer sounded] Sorry. We can chat later.

Mr. Allen: Thank you very much.

The Chair: Thank you, Mr. Allen.

Mr. Hale, would you like to go back and forth with the minister?

Mr. Hale: Yes. Thank you, Madam Chair.

Minister, I'd like to talk a little bit about the water and the regional water plans. In my area I have two counties. The county of Newell actually has that regional water plant in operation, parts

of it. Parts of it are still being built. Both the county of Newell and the city of Brooks have put millions of dollars into a plan, and I know the WID is working with the county of Wheatland looking at a regional water plan. Now, there have been some concerns through the water conversations going on that these regional plans may be taken over by a more centralized plan. I'm just wondering if you can comment on that, if that's a possibility that's coming up, and if so, why would you take that away from the municipalities?

6:10

Mrs. McQueen: That's a great question. Certainly, it's not the intent. Where you might be getting some of that from in the water conversations is that if you look at the capital region and if you look at – I believe it's around 60; it might not be exactly 60 – communities that actually share on a regional basis, it is an example of where regional sharing can work, where you've got small communities that may not have the expertise. They bring their water licences to the table, and they share that. They may not have the expertise or the money to have their own plants or the expertise, then, to run the plants. That's an example for communities that want to share in a regional system. It's an example of how that could happen. But we're certainly not having those kinds of conversations.

What we are saying when people are asking – if you look at the water for life strategy, which I'm sure you've spent time looking at as well and the good work that was done, it really does encourage: how do we share regional water systems in the province? That only makes sense. Especially as you and I are from rural Alberta, it even makes more sense. For every small town or village it doesn't make sense financially for their ratepayers or for the professionals that need to run those.

People have asked us to come, and part of the water conversation is to say: where are the examples where regional co-operation and sharing work? The capital region has been an excellent example of that. It's certainly something that we encourage, regional co-operation, whether it be with water, waste water, you know, other things, but it's certainly not something that's being forced upon people. We have some really good examples in rural Alberta, in your area as well, where that regional co-operation is already working, right? Those water licences are important for them and certainly not something that we're looking at changing. But we always do encourage communities to share regional lines. We think there's advantage to that; many communities do as well. We do incent that through dollars in some areas as well, under water for life, under transportation.

Mr. Hale: The region is doing it now with a bunch of municipalities and villages and towns. I guess the concern is that there will be more control taken away from them. That's not on the . . .

Mrs. McQueen: No.

Mr. Hale: Okay. Perfect.

Also, there's been some talk about FITFIR, first in time, first in right, and that's a huge concern with the two big irrigation districts that have water licences and supply water to thousands of acres. Can you comment on that? Are there going to be further conversations, I guess, about looking at that FITFIR plan?

Mrs. McQueen: Well, we think that FITFIR has worked and served Alberta well for over the last hundred years that we've had that. It's been a good model. I think there are areas where we're having good conversation, and we'll wait for some feedback from Albertans as well. There are a couple of guiding principles that

we're going by. One, we're not selling water to other jurisdictions like the United States. That's a guiding principle. We think that within the parameters of FITFIR there are opportunities to share water if municipalities want to do some of that, but the intent is that we have these water conversations, get some good feedback from people, and then hear what they have to say. So no decisions have been made with regard to that, and no decisions will be made without consulting Albertans.

We've heard some of that with regard to policy. We think there are some areas, especially in your area, you know, in the southern part of the province, with regard to a closed basin. It's a different water conversation than we're having in other parts of the province although everyone is talking about the importance of water. The southern basin is an important basin with regard to how we look at that. How do we grow that part of the province over the next several years by probably a million people and make sure that in a closed basin we still have people first, food, and then industry? Right? That's what's really been the discussion around the water conversation. We're getting some really good feedback and some good ideas from people, but no decisions have been made.

Mr. Hale: Okay. Thank you.

I'd like to get just a little bit more technical. I actually doubt that you will have the answer for me, but I was hoping you could get back to me.

Mrs. McQueen: It's a challenge.

Mr. Hale: Yeah. With our regional water plan in the county of Newell they've have to change the way that they treat the water because it's not just in each town. They went from using chlorine to chloramines, which is a chlorine and ammonia treatment. There have been some concerns in the communities because chloramines can turn into dichloramines and trichloramines. Trichloramines are not good for human consumption or for other animals. The way they turn to trichloramines is if there is some sort of organic material in the water and the water sits for an extended period of time. Many of residents, you know, will leave for a month at a time to go to Arizona, so they're concerned that there are going to be trichloramines present in their cisterns when they come back.

I've looked through the Alberta Environment website. They say that it's safe for consumption. I think there are over a hundred and some communities that already use chloramines to treat their water. It's been used in the U.S. since the early 1900s. But I can't find any technical data that shows testing results. It just says that it's safe to use.

Many people are wanting clarification more than just saying: yes, it can be used. If you could get back to me with any sort of testing results that have been done through your department – it would have been a while ago; it wouldn't be right now – I would appreciate that.

Mrs. McQueen: Absolutely. We will get back to you on that piece.

Mr. Hale: Okay. Thanks.

I'd like to jump over to fish and wildlife quickly while I have some time left. I want to thank you for the correspondence we had back and forth last fall with the Suffield army base, the cow elk tags. Is that something that's going to be looked at next year or the year after? Is it kind of an ongoing program? There were some concerns about the process to apply for the tags.

Also, the priority system with gaining tags seems to be a little bit misconstrued in different areas. You can be a priority 3 or 4, and your neighbour is a priority 2. He gets drawn, and you don't.

There are some inconsistencies there, so I was wondering if you could comment on that.

Also, are you looking at different areas with the number of tags given out? Specifically, in our area the white-tailed buck deer tag is a general tag. Anybody can go buy it. I've lived there my whole life, and every year the number of animals you see is decreasing, but it doesn't seem to be reflected in the way the tags are sold. Is there an ongoing process, I guess, to monitor the number of wildlife available for tags?

Also, there are areas where there are lots of elk moving in, lots of moose moving in, and there are no tags given out. I've heard some concerns from farmers and ranchers on that, too.

Mrs. McQueen: Okay. On the first question that you asked, that was the first time that we have done that this year, so we are going to reassess that and decide each year whether it needs to be redone. As well, I think we had a good discussion about that on the base with regard to tags there. It certainly is important for us to look at, depending on what's happening there and working with base command as well.

The aerial survey is done every five years, and we get the feedback as well from the hunters with regard to the number of tags and the number of animals, depending on which ones they are. So we continue to review. The allocations are done annually based on the population assessments. We certainly look at those. Then the aerial surveys are done as well, as I said, every five years.

The Chair: Thank you, Mr. Hale.

Mr. Webber, would you like to go back and forth?

6:20

Mr. Webber: All right. Thank you, Chair. I'd like to go back and forth, please.

Minister, you have consistently identified the mountain pine beetle as the single greatest threat to our forest health here in the province. I want to focus a little bit more on that topic. I know that MLA Stier has talked a bit about the budget numbers and the \$40 million decrease, and you had mentioned that we would dip into our emergency fund if need be. Also, you mentioned that the federal government and the Saskatchewan government may be dipping into some money for this battle as well.

I guess what I want to say is that we're all deeply concerned about the pine beetle. I took a trip out west of Jasper with a couple of colleague friends of mine about a year ago, and we took a look at the sides of the mountains. It was just devastation. We assumed it was from the pine beetle. It certainly didn't look like any type of fire damage there. It's very concerning, concerning as hell, actually.

Can this battle be won? I hope so, yet I see, you know, not a considerable increase in the funding in that area unless the federal government and Saskatchewan come through. Do you personally think this battle can be won?

Also, what can be done with this infected wood? I know that furniture makers have trouble with the stain on it, and apparently it can't be built into any type of a product with any profit margin there. What about with respect to wood pellets? I know that wood pellets are a fuel that's used across North America and Europe. Do you see any use for these beetle-infected trees for things such as wood pellets or whatever else we can do with these infected trees? Maybe you could just talk a little bit about that and also about what your department is doing right now to battle this pine beetle.

Mrs. McQueen: Yeah. Those are great questions, and I really appreciate you raising those, especially from your perspective,

that you yourself have had the opportunity to see the devastation that's happened. I think of the work that our department is doing, certainly containment is the big piece of it, right? There are areas we can actually find the containment at about 85 to 95 per cent. We're really working hard on that piece.

Over the last decade this government has invested about \$300 million, about \$30 million each year, into the mountain pine beetle. It's a lot of money, but it's money well spent. I think it's different in a couple of areas. You know, we're fortunate to be able to learn from B.C. You see in Jasper what you see in B.C. when you go there and the devastation that happened there to the logging industry as well. Huge devastation. We were able to do a few things. One, we increased the fibre allotment so that they could use it sooner than they might be able to. That was one of the strategies we used that was a little bit different than B.C. We saw what was happening with the mountain pine beetle.

The other piece with regard to it. Each year we spend about \$30 million. Last year we got, actually, an extra \$10 million. We had \$40 million, but it was a supplemental requisition ask with regard to that. When things are looking better economically, we're going to try to have that in our budgets. We have a certain amount of money we use with regard to our budgets internally, but we'll also then go back for a request because it really does come to an emergency to deal with what we need to deal with as well.

Certainly, the wood is usable for about five years. They have to use it. But we can also use it for pellets, bioenergy, those kinds of things. It's important that we could use it as well. B.C. used theirs for pellets and other sources due to the large volume of beetle kill that they had. Alberta is certainly working to salvage the wood and use it for some of those things as well.

Having healthy pine forests is important for us, and we want to make sure that happens as well. It does not affect the lumber quality, only the appearance. You see that dye. While it's still there, the quality is still good. It still makes pulp with a bit more of the bleaching than you would normally see. So in that period of time it's important for us to be able to use it as well. It does work well in pellets and certainly is something that we can use as well with the bioenergy projects.

I know you've been quite an advocate for this, and I really appreciate that because those of us that are in forest-based communities see the economics for our people that work in those communities. But it's bigger than our communities. It is about that excellent piece of pie that the forest industry provides to this province on the economic side, on the job side as well.

Mr. Webber: Excellent. I'm curious also with respect to any conversations that have been going on with the Americans. I know you've travelled a bit down south there, and I would imagine they're having the same problems we are with the mountain pine beetle. What are they doing down there? Anything different? Are they investing, or have they pretty much given up the battle?

Mrs. McQueen: On the panel that I was on last week in Kelowna on the 10-year anniversary of their fire, there was a panelist from Washington state that sat with us. The mountain pine beetle is not the bug that they have; they have another beetle. I'm sorry; I just can't remember the name of it. But they are dealing with the same kinds of issues, and it really boils down to getting ahead of these issues. As we know, the climate is changing. These kinds of things, whether they be wildfires, whether they be, you know, the bugs: we need to make sure that we also get ahead of that piece as well.

I read recently the good work that MLA Casey and a few others were doing on the municipal side for one of our provincial

committees with regard to the mountain pine beetle and getting ahead of it. MLA Casey mentioned it tonight, and I'll mention it again. It certainly is important for us to be able to get ahead of this and to contain it.

In the United States there's certainly been a significant kill. In some cases they've had as much as a hundred per cent mortality in Colorado. Drought in recent years has been a big impact for them as well. So it's not just Canada, B.C., and Alberta. We've all got to work together on this piece. We continue to work with the federal government to talk about the importance of this, too, the importance of them putting resources in their provincial parks, first and foremost, but also with regard to helping us with the bigger issue so that we can contain it here as much as possible so that we won't see Saskatchewan and other places see the issues that we've faced and that B.C. has faced.

Mr. Webber: Great. I've got a few more seconds here. One last question, Minister. I guess it's with regard to this past winter. I know that cold weather certainly affects the pine beetle in a positive way as it kills them if it's for a long period of time, two or three weeks, of minus 30 degrees Celsius type of weather. I haven't paid much attention to the weather up north here. Has your department assessed any predictions of how this winter has been with respect to our pine beetle? Has it been a cold one, or is it the opposite?

Mrs. McQueen: Well, I'm feeling good because my timing on this is really good. Our ADM was with me in Kelowna, and I asked the same question, so I'm feeling lucky on this one. Certainly, with regard to the amount of snow that came – but we had a lot of nice, warm weather, too. We didn't really have a real harsh winter although it feels like it's been forever. Those nasty

little beetles go down, then, to the bottom of the trees, and the snow that's there acts like a blanket for them. So it's a little bit early yet. I can't remember when we go out and start looking. June, Julyish we go and start looking at the counts. Certainly, we would have loved a few years ago to have a few solid weeks of minus 40. The weather doesn't always help us.

I think that what's really important for us as well is to ensure that we contain the bugs, get out there and do the counts to see how we're doing and try and get ahead of it as much as possible. I can't commend enough the department under Bruce and his team that works on this and the whole team for the dedication that they have with regard to this strategy and the containment. They are working really hard by learning from B.C. to save and to contain a very important industry in this province. They have just done outstanding work, and I commend them for that.

6:30

The Chair: Thanks, everyone. This is the conclusion of the estimates for Environment and SRD.

Thanks to your team, Minister McQueen. Thanks for paying attention, being very, very appropriate and cordial.

I'd like to remind the committee members that we're scheduled to meet tomorrow, April 17, at 10 a.m. in this same room to consider the estimates for the Ministry of Municipal Affairs.

I would like to thank all members of this committee for well-thought-out questions. They were very good. I think that when you read this *Hansard* record, you'll probably be quite impressed with the breadth of the questions and the depth. Thank you.

Dinner, as you can smell, is served in the next room.

Good evening. The meeting is adjourned.

[The committee adjourned at 6:31 p.m.]

