

Legislative Assembly of Alberta

Title: **Tuesday, March 8, 1994**

8:00 p.m.

Date: 94/03/08

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I'll call the committee to order. First I'd like to call on the Government House Leader to make a motion.

MR. DAY: Thanks, Mr. Chairman. I hope this is the last time we have to do these readjustments.

Designated Supply Subcommittees

Moved by Mr. Day:

Be it resolved that Mr. Fischer be appointed to the designated supply subcommittee dealing with the estimates of the Department of Education to replace Mr. Doerksen and further that Mr. Sohal be appointed to the designated supply subcommittee dealing with the estimates of the Department of Advanced Education and Career Development to replace Mr. Doerksen.

MR. CHAIRMAN: Okay. You've all heard the resolution. Have copies been circulated, hon. House leader?

MR. DAY: Yes.

MR. CHAIRMAN: If they have then, all those in favour of the motion by the hon. House leader, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried. Hon. members, the levity with which we begin the evening really bespeaks a more important message, and that is that it is the tradition of the House that three members standing at the end of a vote constitutes a standing vote. However, the Chair took the liberty of assuming that a number of people had forgotten this and stood at various places. So I think what I'll do, if you wish a standing vote, is call the vote again.

[Motion carried]

head: **Main Estimates 1994-95**

Environmental Protection

MR. CHAIRMAN: For his comments, I'll call on the Minister of Environmental Protection.

MR. EVANS: Thank you very much, Mr. Chairman. I hope I can be even half as interesting as that last vote in committee.

I want to thank you very much, Mr. Chairman and colleagues, and indicate that I am of course very pleased to present the estimates for the Department of Environmental Protection for 1994-95.

Our Department of Environmental Protection, Mr. Chairman, is committed to this government's goal of eliminating the deficit. The three-year business plan process represents a new way of conducting business for government and as well for our Depart-

ment of Environmental Protection. These plans show that this government is committed to excellence and to renewal. Like all departments, Alberta Environmental Protection has developed a three-year plan that will ensure that Albertans receive the most value for every tax dollar. I want to state again that this department is taking a 30 percent reduction in overall budget, which amounts to almost \$121 million.

We have developed our three-year business plan around our core business, and that's protecting and enhancing the environment and managing renewable resources. Albertans expect a healthy environment, Mr. Chairman, as well as a high level of service from government, and my department will continue to meet these expectations. We have been creative in our budget planning to ensure that our high level of customer service continues, and we have eliminated duplication and streamlined our activities.

In the years since Environmental Protection's creation in December of 1992 many areas of overlap and duplication in services have already been identified and eliminated. Over the past year we've pooled equipment and vehicles and warehouses; we've amalgamated and streamlined our departmental support functions; we've amalgamated our community relations functions; we've created a single, integrated revolving fund; we've developed a new mission and principles for the department; and we've partnered with the Department of Energy in this province to deal with revenue collection and records management systems.

In 1994-95 the department will further streamline our operations, reducing our expenditures by \$48.5 million, or 12 percent. These reductions will be achieved through streamlining of service delivery, reducing staff by 107 positions in this fiscal year, implementing user fees, deregulating, reducing grants and programs, and privatizing.

In terms of streamlining, Mr. Chairman, in the upcoming year the department will continue to implement our integration plan. By the end of this month our internal regionalization task force will have an extensive plan in place to consolidate our regional offices and activities. Through integration, we'll provide a one-window approach to customer service, improving our service delivery and doing it at a lower cost. Under our integration plan we'll provide cross training opportunities for our staff. For example, our fish and wildlife officers, parks officers, and forest officers will become better acquainted with each others' duties. This will allow us more flexibility in staff assignments. It'll provide support for staff during peak periods, support for the bigger picture thing so that instead of hiring seasonal or part-time staff, we'll be better able to share the existing resources that we have. Cross training will also make it easier for staff to manage our natural resources on an ecosystems management basis and will provide employees with increased opportunities to learn and to expand their career options.

Also in 1994-95 the department will complete a plan to better co-ordinate our planning activities. Land planning and water planning were previously housed in two separate divisions. We recognize the similarities in the functions of these two divisions, and we'll co-ordinate these activities, providing a one-window approach to planning. This co-ordination will see the department realize a savings of over \$350,000 in this fiscal period. Our integration plan is only one way, Mr. Chairman, that we will streamline our services.

Before May of this year our department will complete a program-by-program review of all areas of the department. A previous review of all of our core businesses and services has already identified options for streamlining our operations and programs. This review will allow us to continue to find new ways to improve our program delivery.

One of the things that has realized some attention in the business plan, Mr. Chairman, is that the plan will include a reduction of 527 full-time positions. We've reduced 210 positions in 1993-94 through the voluntary severance option program, and in fiscal year 1994-95 we'll further reduce our staff complement again by this 107 positions. The reduction of that 107 positions will save the department more than \$4 million in this coming fiscal period. Notwithstanding these reductions, Mr. Chairman, my department is committed to maintaining and improving our service delivery to Albertans.

I want to talk a little bit about user fees as well. In 1994-95 Alberta Environmental Protection will continue our efforts to increase industry's and other users' share of the costs of environmental protection.

[Mr. Clegg in the Chair]

In addition to reducing our expenditures, our budget plan involves new revenue, or service fees, the major sector to be affected being in the forest industry. As announced in January of this year, Mr. Chairman, increased coniferous timber dues will replace the stumpage charges of the past. This new royalty, which, by the way, was worked out through agreement with the Alberta Forest Products Association, is more sensitive to market conditions and will permit a greater share of the profits to flow to the province. An annual increased revenue of \$33.3 million is expected, compared to the previous base of \$8.1 million. Increased dues for deciduous timber are also being developed, again in consultation with the industry. As well, the Pine Ridge Forest Nursery in Smoky Lake will begin to recover costs. In addition, the Environmental Centre in Vegreville will recover some costs through service charges. An additional \$3 million is expected to be recovered through partnerships with industry and other governments for some of the research projects that are done at this centre. Fees will also be charged for various environmental approvals, for licences, and for inspections.

In keeping with our user-pay and cost-recovery philosophies, we'll also ask individual Albertans to pay for being able to access our natural resources. As an example, Mr. Chairman, this year we'll begin to implement charges for the firewood that we provide in our campgrounds. All of these user-fee initiatives will provide an estimated annual increase of \$36.6 million in revenues that will be earmarked for the department by 1996-97. In our business plan the department committed to retaining this revenue to cover the costs of environmental emergencies, ensuring that we do sustain our natural resources. Called the environmental protection and enhancement fund, these moneys will be used to cover unforeseen expenditures not covered in our normal budget process. Items such as infrastructure related emergency repairs, emergency response to spills and contaminated sites cleanup, wildfire suppression, or drought and flood emergency response will be covered under this plan. Failure to address these emergency situations and to save our natural resources would of course result in a much greater long-term liability and a much more severe economic impact on the province.

8:10

I'd next like to go on to deregulation, Mr. Chairman. Alberta Environmental Protection will continue our efforts to eliminate unnecessary regulations which cause an unnecessary burden to Albertans. As well, our deregulation efforts will allow us to concentrate our time and our energy in managing our natural resources instead of managing an administrative process. Regulatory review is not new to this department. Developed in

consultation with Albertans, the new Alberta Environmental Protection and Enhancement Act came into effect last September. This Act consolidated nine Acts and reduced the number of regulations under those nine Acts from 39 to 16.

The review continues, Mr. Chairman. Our department is currently reviewing water management policy and legislation with the intention of streamlining this legislation. We'll continue to meet Albertans' expectations for effective and efficient delivery of the environmental protection mandate through actions such as harmonizing federal and provincial environmental laws and regulations. We've already made headway in this regard through the Canada/Alberta agreement to eliminate overlap and duplication in environmental impact assessments, and quite frankly I'm very pleased that we are the only province that thus far has entered into such a harmonization agreement with the federal government.

As well, Mr. Chairman, we're working with all Albertans to draft comprehensive development policies like the natural resources management policy framework and the forest conservation strategy. These policies will serve as a guide for all government departments regarding the future management of our natural resources. Policy documents like these as well as the Clean Air Strategy for Alberta and Special Places 2000 will focus and enhance our program development and our service delivery. My department will maintain its dialogue and consultation on policy initiatives and through state of the environment reports, integrated resource plans, and other existing public consultation processes will give Albertans an opportunity to input into the policy formulation of this department and this government. Albertans will continue to play a key role in those policies and in the programs that develop through the policies.

I want to talk a little bit, Mr. Chairman, about reducing our grants. In our three-year business plan we've outlined a 17 percent reduction in grants. During 1994 and 1995 we'll eliminate the mosquito control program as well as our funding for the Metis framework agreement. We'll decrease our funding to the waste management assistance program and the resource recovery grant program. As well, our insect and disease control programs will be reduced as a result of reduced insect problems. Now, that's cyclical, I grant you that, but we are on the downside of this problem. I think we have it under control around the province. We'll also decrease our funding for the Alberta Round Table on Environment and Economy and to our water resources cost-shared grants.

In our three-year business plan we've also outlined a 67 percent reduction in the capital project expenditures. Over the next few weeks I'll be providing you with more details on these capital reductions, the majority of which will be realized in this coming fiscal year.

Privatization and partnerships, Mr. Chairman, is a part of our program-by-program review. Alberta Environmental Protection is evaluating all programs or projects that are currently provided by the department to determine if opportunities for partnership, privatization, or outsourcing exist. We remain committed to providing excellent service to Albertans, and we believe that evaluating other options for service delivery is a big part of that commitment.

In 1994-95 we'll continue to expand and seek new opportunities for the private sector to provide services to the public. The privatization of some of our provincial park campground operations and maintenance is one example of that. The *Environment Views* publication and the coveted emerald awards will be funded in the future, Mr. Chairman, through private sponsorship. Both of these initiatives have had private sector involvement and funding from the onset, and I feel confident now that since they

are established, they will continue to be successful programs without the need of further government funding. My department will phase out our involvement in the management of the underground storage tanks program, which will now be carried on through industry. Any further expertise on the services this department provided to this program can be hired on an as-needed basis.

Partnerships will remain, Mr. Chairman, an important component of the way our department does business. We'll continue to work with minimum security work camps for facility maintenance and repair projects. We'll continue with our joint efforts with Alberta Energy to collect revenue and maintain our records management systems, and through our day-to-day operations we'll continue to work in partnership with all Albertans to maintain a healthy environment.

Mr. Chairman, Alberta Environmental Protection will continue to seek efficiencies within our department and will create a simpler system both internally and externally. Our regionalization and our integration efforts will allow staff to respond to environmental concerns faster and provide better customer service. We'll remain diligent in our efforts to streamline our regulatory system, and we'll continue to implement and enforce strict environmental legislation in this province. Polluters will continue to pay. Most importantly, Alberta Environmental Protection remains committed to the protection and management of our natural resources for future generations. I believe the highlights I've shared with you show that Environmental Protection remains a top priority of this government.

Mr. Chairman, that concludes my opening remarks and the highlights of our 1994-95 fiscal plan. I'm pleased to now participate by listening to the comments of colleagues on both sides of the House, and I look forward to their comments.

MR. DEPUTY CHAIRMAN: Thank you, hon. minister.

The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. I'm very pleased this evening to participate in the estimates of Environmental Protection. I want to thank the minister for his opening comments on the estimates for this year and for the new business plan.

I'd like to open this evening, Mr. Chairman, by congratulating the minister on his prompt and informative responses to questions that were put to the minister when we last debated these budget estimates. It seems like only a few months ago that we were here debating the same estimates and spending \$13 billion. It's just amazing how time flies. The point needs to be made, so I want to congratulate the minister on that, and I want to congratulate his staff as well for the effort that they put in to provide the information to us that was put forward in those estimates. We look forward to answers to the questions we'll be putting forward this year as well.

Mr. Chairman, this is a new era in budget debates and budget estimates, because we now not only have the estimates from each department, but we also have the business plans. While we may be and will continue to be critical of some of the aspects of the business plan, I also want to congratulate the minister for his effort in preparing a business plan in the time given to him so that we at least have some vision of the direction the government is heading. In the past we and other opposition have been critical of the government for not providing three-year business plans, and so I congratulate the minister for taking the time and the effort to listen and to follow through.

AN HON. MEMBER: That's the nicest thing you've ever said.

MR. COLLINGWOOD: Thank you.

Now, having said that, I think, Mr. Chairman, that I want to say on behalf of all Albertans who are committed to the preservation and conservation of Alberta's wilderness heritage, that both the budget and in particular the business plan are a major disappointment to these Albertans. The headline in the department's news release is Protecting the Environment Remains a Priority. While we wish that were true, the information that is provided, both in the business plan and in the budget, does not bear that out.

The fact is – and I've said this before, and I think it needs to be said again – that while we do appreciate the efforts of the minister, business is not government, and government is not business. This is not a business plan in terms of customer service, in terms of profit margins. We can't think, in particular, of Environmental Protection as providing a service to customers. The government is not business. They are not boards of directors. They are trustees. Their constituents are not customers. Their constituents are beneficiaries of this trust, which is Alberta's natural heritage. In fact, the beneficiaries of this trust are our children and our grandchildren and their children. They will inherit this province as we leave it to them, good or bad. The role of the government and indeed its responsibility is to protect the environment for those future generations.

8:20

Unfortunately, contrary to that notion, the government has moved, even in the area of environmental protection, to a model that now consists of outsourcing – which is the new politically correct term for privatization – user fees, and self-regulation. As has been said by the government many times, Alberta, even in the area of environmental protection, is open for business. Unfortunately, Mr. Chairman, business doesn't mean protection. Business means profit.

I would suggest it is not unfair to portray the Department of Environmental Protection as an adjunct to economic development. That can be borne out with a review of the department's business plan. Two statements contained in the business plan, Mr. Chairman, illustrate that fact. The first one is that the department is intent on consolidating, streamlining, and deregulating, which are all laudable. But the business plan says that those are going to be done "in support of the provincial economic development strategy." So, indeed, that is the goal. The goal is to consolidate and streamline with the intent of supporting the provincial economic development strategy. This is not a stand-alone policy. This is an adjunct to the economic development policy.

Another statement contained in the business plan in the section titled Implications of Business Plan talks about "changing roles and relationships with the federal government through an Environmental Management accord." This also is a streamlining approach, a consolidation approach, a harmonization approach: again, all laudable. But it does so with the view "to eliminate constraints and costs to industry." Now, again, the notion is laudable. The approach is laudable, but it is simply within the context of accommodating business in this province. We can accommodate business in this province, Mr. Chairman, but in the Department of Environmental Protection I would suggest that it must be strong and it must be independent of those types of impositions on a policy that is intended to relate specifically and solely to environmental protection.

In reviewing the business plan, Mr. Chairman, it attempts to achieve two main objectives. The first is to participate in deficit elimination. The second is to promote the Alberta advantage through exploitation of our natural resources. Had the words been different, if they had been stronger, if they had shown Albertans

that it was the intent of this department to fend off the mighty giant in economic development and energy, Albertans would be more comfortable in the approach that the government is taking in its new vision and its new strategy in environmental protection.

Mr. Chairman, before we go into detail on the estimates as provided in the budget, I want to just identify some of the major concerns that Albertans have with the approach and the direction the government is taking. The first, of course, is privatization. The highlight of the budget as identified by the minister in terms of privatization is the privatization of Alberta's provincial parks and in some cases the elimination of provincial recreation areas. We now have the minister on record as promoting a free enterprise model for the privatization of Alberta's provincial parks, suggesting that if a particular entrepreneur is not doing an adequate job in maintaining a provincial park, then people will vote with their feet and they will no longer patronize that particular campground or provincial park. I'd suggest that's not the model that we want to be going to with our provincial parks.

We need a process in place. We need a model in place that ensures beyond a shadow of a doubt that privately operated campgrounds and provincial parks in this province will be maintained to the highest possible standard of excellence. We need a system in place that if a private operator of those campgrounds fails in any way to accomplish that goal and objective, they will be severely dealt with by this government, so that the message will be received loud and clear. I don't think we've seen that yet, Mr. Chairman. I don't think we've seen a model or a position come forward by the government that says: if we're going to go into this model, this is the way it's going to be.

Now, to be fair to the minister, we have asked through a motion for a return or written question, I believe, for some of the copies of the contracts that presently exist with some of the campground operators. We haven't had a chance to debate that, but I would hope we are going to see in those contracts that kind of strict enforcement for the operation of those campgrounds. If it isn't built in, Mr. Chairman, we have to make sure that it is. I suppose I can, then, take the opportunity to ask the minister, as our first question in debate, if in fact that is the case, if it will be the case, if that's exactly what we're going to be doing in terms of the privatization of the operation of campgrounds.

The other question I want to ask the minister. The business plan is not clear on a number of these initiatives, Mr. Chairman, as to why in fact we're moving to these models. We're moving to privatization. We're moving to self-regulation. We're moving to outsourcing. We're moving to partnerships. The question may seem obvious, but I think the question has to be asked. Why are we doing it? Is it because we need to get the cost off the books? Is that why we're doing this? Is it because we need to shift the burden from individuals as taxpayers to individuals as consumers? We need to know why it's being done so that we can understand better how it's being done. So I'll leave that question to the minister.

Probably the issue of most concern to Albertans as they read the minister's budget and business plan is the notion of self-regulation. The minister has stated in the House previously, he stated in the business plan that the idea is to move to self-regulation and to have Albertans and communities and businesses and industry police themselves. Mr. Chairman, to my way of thinking that is naive in the extreme: that industry will take the initiative to police themselves when their sole motivation is profit. The issue has just come to the fore in Alberta with the fines that were levied against Procter & Gamble, which is now Weyerhaeuser. If one looks into the history of that issue, there was no co-operation

initially. There was no participation. There was no partnership. There was no indication or acceptance of guilt on their part. They fought it every step of the way.

[Mr. Tannas in the Chair]

I think that while the minister can say that we're going to all work together in partnership, we have a history of the problem in this province. We have to deal with it in that way, and we have to be tough on polluters. We know the minister will feign indignation about offences on polluting, but, Mr. Chairman, you don't pollute if you don't get caught. You don't poach if you don't get caught. What we need to know is that in fact the province is going to have sufficient resources to catch them. If we are simply relying upon them turning themselves in, we will not be acting in a responsible manner in protecting our environment. So I want to ask the minister: how will you police those you entrust to police themselves when their sole motivation is profit in a free-enterprise system?

8:30

AN HON. MEMBER: You're copying me.

MR. COLLINGWOOD: Continuing on – and it was a good point – I'd like to ask the minister how many prosecutors we have in this province who are solely dedicated to the prosecution of environmental offences. We need to know that we have the resources available to catch them; we need to know we have the resources available to prosecute them. I want to just mention to the minister that as far as we know, we have one prosecutor in this province who is entirely dedicated to environmental offences, and our neighbouring province to the west has, as I understand, eight prosecutors for that purpose. I'd like some clarification on that, if the minister could tell us how many prosecutors we've got and what we're going to do to make sure that these businesses are caught.

It's simply not going to be good enough, Mr. Chairman, for us to look to the business plan and say that we have a new idea, we have a new plan, we have a new direction, we have a new vision, and that's to work closely with our industries and our businesses. It needs an overseer. It needs a father. It needs a parent. It needs control. It needs guidance. It needs to have those things in place before we can entrust our environment to those industries. That only makes sense. So I look forward to the answers from the minister on those.

One of the other highlights of the minister's business plan is staff reductions. The minister talks about this particular area as cross-training, I believe is the terminology that he uses, and tries to put a positive sheen on this to suggest that fish and wildlife officers will learn more about forestry officers' work, and forestry officers will learn more about fish and wildlife officers' work. I can't speak on behalf of those individuals, but it strikes me that this may be an insult to both groups of professionals. We don't mix anesthesiologists with surgeons. We don't mix lawyers and their legal staff. These individuals have a job to do. They are trained in that job. They believe in their job. They are dedicated to their job. And they don't want to be somebody else because there's not enough resources available to do that. I don't believe that the direction and the approach that the minister is taking in this regard is going to provide the best or even adequate service or resources in fish and wildlife enforcement and protection or in forestry.

In that regard, Mr. Chairman, there's a statement that is made in the Environmental Protection business plan in the outputs and

performance measures. What the minister is attempting to achieve in the outputs is "better employee morale," and what he intends to do for better employee morale in terms of the performance measures is to rely on "staff consultation and teamwork approach to program and service delivery." I don't believe that if you have forestry officers doing the work of fish and wildlife officers and fish and wildlife officers doing the work of forestry officers, you're going to boost morale. I'm extremely critical of this. I think these people should be entitled and allowed to get on with doing the job they've been trained to do and that they're dedicated to do and not be mixing apples and oranges and hope that the job gets done.

The next area that is one of the major highlights of the minister's new direction is in the area of user fees. In particular the minister has made reference to what is the new environmental protection and enhancement fund. That fund is spoken of throughout the plan, and as the minister mentioned, it intends to take in revenue approximately \$36 million over the next three years. We've had this discussion before, Mr. Chairman, but let me say again that in some cases these are not fees; these are taxes because of the way they must be collected. We won't get into the debate again, but the minister's well aware of my position on that.

The notion of an environmental protection fund with the kind of details, the kind of dollars that we're talking about in this fund deserves a great deal more in the business plan than is there for what this fund is, how it's funded, and what it's intended to do. I think the business plan falls well short of what it is that fund is intended for. There are many concerns about the environmental protection and enhancement fund. First of all, the minister says that the money in that fund is intended to be used for things not covered in the budget. Well, his business plan says that the environmental protection fund is to supplement things that are in his budget. Perhaps the minister could clarify it for us. Is it for things that are not in the budget, or is it for supplementing things that are in the budget? I note when we get to estimates, Mr. Chairman, that there is for wildfire operation an amount of approximately \$36 million in the general revenue account, and there will be, depending on what else this fund is to be used for, a further \$36 million by 1996-97. It strikes me that in fact it is supplementary; it is not for things that are not in the budget. We'll look for clarification on that.

One of the statements about the environmental protection fund that is surprising, confusing, and disturbing is again contained in the minister's business plan on outputs and performance measures. The minister states in outputs that a "more effective and timely response to natural resource emergencies" – which are identified as "wild fires, floods, spills, drought" – is one of the outputs he's looking at. I'll assume for the moment, Mr. Chairman, that that is in relation to the environmental protection and enhancement fund. The performance measure for dealing with those attendant problems that will plague us at some point in time in the future – because natural disasters do occur – is to minimize the expenditure that's coming out of general revenue. Well, of course that means that we'll take it in user fees and, therefore, take it off the books of general revenue. It is to "reduce the consequences/liability of floods, fires, drought, spills." The disturbing statement is that a performance measure of dealing with environmental disasters and emergencies is a "contribution to economic development." Now, I'll leave that with asking the minister if he'd please advise what that statement means, and we'll be back.

MR. CHAIRMAN: The hon. Member for Lac La Biche-St. Paul.

MR. LANGEVIN: Thank you, Mr. Chairman. It's my pleasure this evening to rise and speak in Committee of Supply to the

Department of Environmental Protection. I would like at this time to express my appreciation also to the minister for the promptness with which he has answered our concerns and the co-operation of your staff.

The ministry of environment is probably one of the most extensive ministries in the government of Alberta. I think it has some implication in most other departments of the government, because it doesn't matter if you're in Energy, agriculture, ecotourism, municipal governments, or whatever; everybody has to get some approval and some licensing through the ministry of environment. I think it has a broad range of responsibility in this province, and it's a very demanding ministry to handle.

This evening, as the other members will talk about issues in Environmental Protection in general, I'd like to confine my comments to forestry. I believe that forestry is one of the fastest growing industries in this province. Going back in history, when the pioneers and the settlers came to the province, that was one of the main incomes they had on the farm. Everybody had a small sawmill. They would cut up a few logs, and they would get dimensional lumber to build their farmstead and also at times would be able to sell a few thousand board feet to supplement their farm income. As the agricultural land was opened, these small operators ceased to operate because there was a shortage of logs on their farms, and what happened is that the commercial operators replaced that with the allocation of timber from Crown land.

8:40

In the last few years this government has been able to attract to this province some megaprojects and multinationals, and the lumber industry is growing very fast. We're now exporting pulp and dimensional lumber by the millions of board feet, oriented strandboard, and plywoods. I think wood fibre products are leaving this province and are exported all over the world. In this province, if we look at the operation, there are roughly 200 sawmills – 50 are major operators – six pulp, and one newsprint company. I think that with this fast growth that we've had in the last few years, there's always a danger when you're growing too fast that you may overlook some of the other operators. I'd like your opinion, Mr. Minister, if we can guarantee some security of supply to the small- and medium-sized operators. I've had that concern, and there are many Albertans that have had that concern. These operators were here way before the big operations came in, and there are still a few medium-sized and farm operations that operate some small sawmills. I think the concern was raised in this session on both sides of the House, and it's an issue that keeps coming back.

Also, with the fast growth there's sometimes a problem of overallocation. That concern has been raised by many people in Alberta. I think if you look at the government document annual allowable cuts summary of the province of Alberta, which is dated January 29, 1993, it's indicated that in the coniferous forest 92.4 percent are already allocated, so that leaves a very small percentage to be allocated in the future, and in the aspen forest about 63 percent are allocated. There's always a concern that these allocations have been done very fast in the last number of years. I'd like your comments to see if we still have enough reserve to look after a designation of Special Places 2000, the Canadian river systems designation, ecosystem areas designation, to protect the highly sensitive areas which are open to soil erosion, and the areas of special wildlife concerns where there are maybe problems. Some certain species like the wood buffalo would need a certain type of forest to survive. So there are a number of

demands there for protection besides allocation to industry and operators in the forest on a commercial basis.

Also, I'd like a comment from you on the white zone area where forest harvesting is happening, which could be a Crown lease owned by a farmer or private land, especially in the area where the soil is marginal, maybe not profitable to put into agriculture. At this time I understand we don't have any form of reforestation on these lands, and if they're going to be clear of trees and not put into agriculture, I think we should look at something to make use of that land instead of leaving it for soil erosion or just abandoned in the open. I wonder if your department would look at doing something in this area.

Also, the FMAs and Crown land reforestation. I am wondering, Mr. Minister: with the high process of harvesting that we're doing now, are we keeping up with reforestation? Are we growing as much fibre on a yearly basis as we're harvesting on the other side? Forestry can be a renewable resource, but it has to be managed in such a way, because if not we might end up like B.C. or provinces in eastern Canada where you overharvest for a number of years, and then you run short of logs. In B.C. I understand they had to cut their annual allowable cut by about 20 percent, and that's why there's a lot of pressure on Alberta logs going to B.C. today. They don't have enough supply, so they are looking for other supplies. I hope we don't end up on this side with overharvesting.

I have a document here that says we supply seedlings to companies like Al-Pac and other people that are holding FMAs on a 50-50 basis, up to about 600,000 seedlings per year for one FMA. I'm wondering why in this economy we are at this time paying for 50 percent of their seedling requirement. I thought it was a requirement for these companies to reforest as they harvest our trees. I'd like to have some explanation on that.

I'd like to come back to the exportation of logs to B.C. I understand that it could be happening to the U.S., to the state of Montana also. There was an article published in the paper not too long ago that a U.S. company was trying to buy 14 sections of land in the Pincher Creek area, and it was stopped. A good thing that Alberta has the foreign ownership land Bill, so these people were not able to purchase this land. If this were not in place, probably these logs would have been exported also. Are there other pressures to export logs to Montana similar to this one? I think that's quite a concern to our local operators here, because when we export logs, we export jobs and we don't have the value added here in this province.

Coming back to the small operators, in my riding of Lac La Biche-St. Paul there are about 20 operators that are medium to small size or family farm operations, and they're running short of logs now. I'd like to know if the Department of Environmental Protection would be prepared to approach the federal government to see if we could obtain a certain number of logs on the Cold Lake air weapons range. I understand that out there there's a considerable amount of logs that are good-quality spruce. In Saskatchewan last year they apparently obtained that permission, and the range is open for certain months in the winter for private operators to go in and harvest these logs. In the Cold Lake air weapons range on the Alberta side about one-third of it, or 25 to 30 percent of it, has been burnt over the last 20-some years because of old growth and fire spreading. It would be a financial benefit, instead of waiting for these logs to disappear through fire, if we could harvest and process them in Alberta. I think that's something that could be workable. It might need a little bit of negotiation between governments.

Alberta was about a year later than Saskatchewan to sign up with the federal woodlot management agreement, and I'm wondering, Mr. Minister, how this is coming, if we have a staff

that is advising woodlot managers, if we have a program in place, and if people are taking advantage of such a program. I understand that in the maritimes, where this was started many years ago, people are really managing their woodlots, but in Alberta we haven't been doing that in the past.

About the concern that I mentioned to you earlier about overallocating or overharvesting, I have a number of people who have expressed this concern. One is the Alberta Forest Products Association, and I would presume you have a copy of this letter. It was addressed to the minister in charge in 1991, and it expressed real concern in that field. Also, I have a copy of a letter here that refers to the 30 percent shortfall in the Alberta Newsprint Company FMA. We've discussed that for a number of months now, and I'm wondering: was this actual, or was that an estimate? You mentioned in the House that we have more accurate estimates now. I wonder if a new estimate has been run in that FMA and if we're closer to their needs than what this correspondence would refer to.

Also, the ADM of your department in charge of forestry had expressed some concern that there was a 40 percent range shortfall in the timber management area unit in the High Level area. If it's 40 percent, that's quite an exorbitant amount of timber to be out in that area. I was wondering if that can be confirmed. This was printed in the press, and sometimes there can be some articles that could be misleading, but I was talking to some sources, and they seemed to believe that this is a fact, that it's actually that short. The article says that there was a 40 percent range shortfall in two timber management units for a sawmill in High Level. He said that happened because aerial photos were incorrectly interpreted. This is something I'd like you to confirm.

8:50

Then there's a government document that's dated October 7, 1993, which talks about allocating timber in the A9 forest management unit. This is for three sawmills that claim they are very short of logs in the La Crête area, and these people are saying that if they don't receive enough logs, they're going to be losing something like 760 jobs. This area is very sensitive to the environment, and it's also a habitat for woodland caribou. I'm wondering how we can save this endangered species of caribou and at the same time allocate logs to the people who need them to create employment in that region. I don't know how this will be handled, and I'd like some comments on that.

Because of all these concerns and because we've heard in the House here that there has been some overestimation in some instances because of the procedure that was used to make the estimate, I was wondering if the minister has in mind to have in the near future an independent audit or an audit by his department to inform Albertans and this House exactly where we are in these allocations, if we have overallocated, the shortage, and how they balance out throughout the province. We might be a bit short here and then over in some area. The main thing is: can we balance this out to sustain the industry and supply the big appetite of our big mills in this province?

In the past few months or the past year, GAP has applied for some timber in the Grande Prairie area, and they were asked to go through an NRCB review. Just lately about 600,000 cubic metres of aspen were made available to Tolka Industries Ltd., and they were not required to go through an EIA. I was wondering why one company would have to do it and the other one did not have to do it. They're basically in the same region, and they're talking about the same amount of timber, and one was treated differently from the other. I'd like to know the reason for this. Also, there are two more companies, Weyerhaeuser and Louisiana-Pacific, who are bidding now for another allocation of

timber in the Grande Prairie area, and I was wondering if these people will have to go through an EIA and NRCB, because they're also talking about 600,000 cubic metres, which is the same allocation as Tolka received.

In B.C. someone wishing to sell timber from private land has to advertise it for sale so that the local operators have an opportunity to bid on it. Then a permit to export out of the province has to be obtained before the timber can be exported. I'm wondering, Mr. Minister, if this has ever been looked at for this province. Would that be a way to maybe reduce the exportation of logs or at least make the local operators aware of logs before they leave? Maybe it's a program that could be looked at.

Mr. Minister, that pretty well concludes my questions and observations on the forestry department, and I await your replies on some of these comments.

Thank you very much.

MR. CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. I'd just like to take a few minutes and address some of the issues that have come up related to my looking at the estimates for the department of the environment. One of the issues that's raised a lot of concern in southern Alberta, especially in the irrigation districts, that keeps coming back to me deals with the proposed water tax or the fee for water diversion from the rivers or from the groundwater sources. We heard the minister speak of this as being a proposal that they are putting in place with the hope of encouraging conservation of water. I would just like to suggest to the minister that the method he's proposing for this – as I have been led to believe it will be implemented, where they're going to deal with the charge based on the licensed withdrawal amount – to me will not encourage conservation. It will not encourage efficiency. Many of the licensed water users are currently not using their total licensed withdrawal. But if they're being asked to pay for the total withdrawal, it will do one of two things. It will encourage them to suddenly withdraw all their water, and who knows what they'll do with it once they get it into their system, or secondly it will set up a system where they'll come back and ask for some kind of a process to be developed to reduce their licensed authority for withdrawal.

What this is going to do is provide an environment where all of a sudden we're going to see competition for this water. This user has extra; this user would like extra. Is there a process going to be set up to get it from the people who have extra to the people who need it? Is it going to be the marketplace that does it? Are they going to be able to bid for it so that I can sell my water rights to someone else? If this happens, what we're going to see then is a situation where this marketplace for water gets set up, and we're going to have to have a set of regulations that controls how this can be transferred.

My concern would be: is this the first step to potentially exporting water if the Americans offer the greatest number of dollars for a number of acre-feet that are being released from a license where the users feel they're being overcharged? This is a concern that is being expressed already in southern Alberta. What happens when this water goes out? Can the Americans bid for it? Can the people in B.C.? What about Saskatchewan? Are we going to maintain this as our Alberta water? [interjection] Well, that's already by the interbasin transfer authorization.

Chairman's Ruling Relevance

MR. CHAIRMAN: Hon. member, I hate to interrupt you, but I'm going to. We're in a delicate area, and the Table is having

some concern. The Chair is, certainly. We're considering the estimates for the year 1994-95 of the Environmental Protection department, and I know that we have before us as well, filed in the House at the same time by the Hon. Provincial Treasurer, the business plan for the next three years. I'm just going to mention this and let it lie, and you go ahead. There is a kind of catch in our mind as to how far we can go on the business plan when we're really here to look at the estimates. That's not to restrict you in any way. We're just throwing that stone out into the water and letting it be there for the moment for us to think about. It is a consideration that we need to come to on these new rules and that kind of thing to think about.

In any event, Lethbridge-East, we look forward to the rest of your set of questions.

DR. NICOL: Thank you for the clarification, Mr. Chairman. I would just like to say that the stone that was thrown in the water has sent out ripples that can be taken both for this year and next year as we get the implications in process. I will move on to my next issue. Thank you.

Debate Continued

DR. NICOL: Basically, I would also like to deal with the Oldman River dam. It's still in a controversial stage. We've heard that the management committee now has had a couple of meetings. The personnel that have been assigned or that have been asked to serve on that committee are not yet fully represented. My understanding is that the Peigan Nation has not designated or accepted a nominee to serve on it. Also, the environmental groups are still in the process of negotiations. My understanding is that Cheryl Bradley has either delayed her acceptance of her appointment or has actually turned it down; I'm not sure which. I would like to encourage the minister to make sure that this panel is up and operating fully. It's very important that this get operating so that there's no concern about the future of the dam for southern Alberta, yet we want to have accurate representation by all of the interest groups involved in making the appropriate decisions on the use of the water there.

9:00

I think we want to encourage the minister to continue his support for people from the river basin serving on that panel. It's important that we maintain the influence of the region on the membership of that review panel, so the selection of the missing members should be done with that in mind. I would suggest that some of these members who serve on the panel, even from the water users, from the environmental groups, from the Peigan Nation – the process can be set up so that as they are confronted with decisions that have to be made, a process can be put in place where they can consult with other people. They can go back to the water user groups in southern Alberta. They can go back to other environmental groups. The Peigan representative can go back to their chief in council. The decision-making process of this panel needs to be structured so that they can actually go through. I just would like to see the minister work to encourage that panel to be fully implemented. I noticed in your program that you're committed to that and that the budget is there.

Another issue that I've been approached about in the southern area is your irrigation rehabilitation programs. Here I guess it's not so much the changes that have been proposed. I know a lot of these are worked with Alberta Agriculture in connection with the minister's office there. Still, there are some needs for definition of the parameters that these cutbacks in funding are going to imply in terms of what kinds of standards are going to be

seen to be acceptable in terms of water efficiency through the delivery system. At what point is it important for a particular canal, a particular diversion gate to be restructured, to be rebuilt? We need to have guidelines defined in these areas so that the districts can more effectively plan both for their expectations and to let their water users understand that at certain points in time they may be facing changes in their water fee structure as their commitment to the upgrading or the rehabilitation of their systems gets in place.

I would like to suggest that I agree very strongly with your efforts and the minister of agriculture's efforts to put economics into this decision process, to make the dollar a little more important in how these decisions are made. This is being done. I think it's going to make farmers wiser users of their water. This is a good strategy and should be encouraged, and I'd like to see that expanded.

Another area that's been brought up in southern Alberta is the commitment to the Special Places 2000. The groups in southern Alberta have done a lot of work in identifying their designated areas. There has been some volunteer work and also some supported efforts to identify a large number of places that exhibit special ecosystems, special geological formations. Basically, now they're in a position where they don't know how to go about prioritizing these positions to get the support that's going to be necessary either to buy them out from private holders or to convince the public land agencies that these areas should be set aside for Special Places 2000. There are a number of them that are on public lands; there are a number of them that are on private lands. I'd like to see the minister work towards identifying specific funding that would be put in place to allow these groups that have proceeded to identify these areas the funding to access them, or a strategy set up where funding for these can be put in place – whether they're told they have to begin strategies for local fund-raising to buy out these land areas.

One of the problems that comes up in this: once a group goes through and identifies areas, they become public knowledge. Everybody wants to go out and see what's so special about them. If there's no process in place to protect them once they've been identified, they're going to be destroyed before we can get the process for protection put in place. So as these positions get identified, it's really important that we start a process of protection for them. I have been involved in some of their presentations already, and in the back of my mind was: gee, it would be nice to go out and have a look at that. Right? Every time we do that without appropriate precautions, we're going to destroy some of that special place that they've identified.

I'd like to encourage the minister to do more than just a commitment to Special Places 2000. It would be appropriate to begin to make that commitment, both in terms of dollars and possibly staff time, to help develop some guidelines and processes to actually implement these. It would also be nice to have these agencies given an idea of what level of total commitment the minister and the government see as a target. The original goals were quite optimistic, I think, in terms of the percentage of the land base that should be set aside under these special places. They need to have some idea of how close to that commitment the minister is willing to go so that they can set their prioritizations in place and identify the land base.

I guess another concern that came up when I looked through your material, the budget and the business plan, was the relationship to your continuing privatization of the provincial parks. I don't know how far this is going to go in terms of fees. You talk about charges for firewood, charges for camp space. These are, I think, acceptable under a lot of standards. The question that

comes up in terms of the privatization: is the day visitor as well going to be charged \$5 for a car to drive into the park at the beginning of the day?

It's really important that our provincial parks system has become a kind of an escape for a lot of the people in the big cities. I know; I farm right next to a provincial park just outside Lethbridge. On weekends and holidays the number of people that come out and visit Park Lake – it's really encouraging to see the chance they have to get away from the city. Even though Lethbridge is not what you'd call a great big city with all of the disadvantages, in speaking with a number of these people during the past summer, they conveyed to me that this was really all they could afford out of their leisure budget. The people who had more money were at the golf course swinging golf clubs. They were coming to Park Lake because all they had to put up was the gas to get their car out there. What we saw was a number of the lower income people in Lethbridge using this park as a real opportunity to take the family out, to get away from the city. So I guess I would encourage the minister not to go so far as a day charge at the gate of a provincial park. People with money can go to Banff, they can go to Waterton, they can go to the golf courses, but the people who are in our lower income groups right now are in a position where they want to have some kind of release from their apartment or their home in town.

9:10

You also indicate in your budget reductions in the number of dollars that are going into soil conservation activities. I recognize that this is consistent with all of the other line items in your budget; everybody had to take their share. My concern is: how has this been co-ordinated with the minister of agriculture in getting processes in place to make sure that the land base is still protected? Are you considering issues that would protect our agricultural land base both from degradation and from conversion into nonagricultural uses? It's going to become very critical for us, maybe not in the next five or 10 years but surely after the turn of the century. Unless our technological advances in food production increase significantly, population growth is going to once again overtake the capacity of the agriculture sector to produce, and we're going to need our agricultural lands. So I would just like to be sure that you're working with the minister of agriculture here in terms of protecting our agricultural land base both from a productive perspective and from a land use conversion basis.

Your line item on water development also brings up issues of how much further are the minister and the government considering going in terms of their development of in-stream storage facilities. I'm aware of three or four projects across southern Alberta that have been proposed, and I just wonder if the cutbacks here mean that some of these projects are going to be delayed or if they're going to be done on a different scale or if some projects have been cut out so that others can go ahead. Just what is the strategy in terms of the reflection of your change in budget priority for this?

I noticed also, and I think it's been mentioned before, that there's been a reduction in the allocation in your line budgets for the NRCB. I think we want to watch that. This has become a very respected group. They did an excellent job in their review of the Castle River area, the Westcastle vacation expansion. The people in southern Alberta were extremely impressed with the diligence with which the group listened, reacted, and prepared what they felt was a very good report. I think the general consensus down there is that this group should be really commended on their activity and their approach. Does this mean that basically you see fewer projects in the coming year being

reviewed by the NRCB, or are you going to change the standards under which they act so that they can get their reports filed with a smaller budget allocation?

So it's just a matter of some concerns there. We finally have a process now that has proven itself to be very objective and very effective in listening to all aspects of a development scheme and seems to have done a very good job both in the Westcastle area and in Banff-Cochrane, your own constituency, with the Three Sisters project. I guess there's some concern in the southern Alberta area that this program be supported and its legitimacy maintained by appropriate funding. I think it's at your discretion to make sure that they are funded appropriately and effectively and that they're using their money properly. I hope that's what the reflection of the change is.

Thank you.

MR. CHAIRMAN: Thank you, hon. member.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Are you ready for the question?
Fort McMurray.

MR. GERMAIN: Thank you, Mr. Chairman. [interjection] I'm momentarily distracted by my friend from Redwater.

My comments tonight deal with the environmental concerns of the budget, to a lesser extent the business plan as presented over the first year of the three-year business plan, and some of the issues that are significant to Fort McMurray. In the course of this discussion and in the course of this debate it is very clear that environmental issues are unlike line issues in a transportation or public works budget where you can discuss specific items and specific value-added projects around the province. The environment affects all of us, and the interesting thing about the environment is that the decisions taken today will in fact have consequences many years down the road. So as a result, to discuss an environmental budget requires a certain amount of policy commentary being entrained in the discussion, and I think the minister understands that.

[Mr. Clegg in the Chair]

Of peculiar and unique interest to many Albertans, Mr. Minister, and of course to the residents of Fort McMurray and to the residents of the Athabasca-Wabasca area is the decision that will be taken or should be shortly taken as it relates to the Clearwater River and its designation as a heritage river. Now, I must tell you that prior to the June 15 election, the Premier attended in Fort McMurray and indicated that the river – and speaking only in the style that the Premier has of addressing Albertans, he said that the heritage designation for the Clearwater River was a done deal. As good as gold I think was some of the phraseology used. Environmentalists in that area and users of the river and people who are attracted to its beauty and its historic significance felt that was a commitment from the Premier that this river would be designated. Some people, whether rightly or wrongly, interpreted the Premier as it having occurred already. We're now nearly a year from that point of the Premier's visit, and my understanding is that the river still is intended to be designated but has not yet been so. Although I know it is not a cost item, it is an important item to some of the individuals living in Fort McMurray, and if the minister could indicate in his answers to the House when that river will be designated, that would be appreciated.

Since the last time the environmental budget was debated, I believe the Special Places 2000 report has come out, and since it has come out, it has allowed many individuals interested in the environment to study it, both from an economic impact and from how it will impact on their personal lives. One such group that has been studying the Special Places 2000 document is the various snowmobile associations that are located throughout the width and breadth of Alberta.

Now, I was surprised to be told and members of the House might be interested in knowing that there are approximately 15,000 snowmobiles in the province of Alberta. The snowmobile industry recognizes, like many of the industries – motorcycles, sports cars, any motorized vehicle – that there is the potentiality for some environmental abuse. Nevertheless, most of the snowmobile operators are family people interested in pursuing one form of recreation, and that is going in the wilderness in their winterized motorized vehicles.

The interesting thing about snowmobiling is that it is a tremendous value-added tourist recreational pursuit, and this has been evidenced time and time again in the Fort McMurray area, particularly this year. In 1993, Mr. Minister, we had an early and abundant snowfall, and although there were some days in Fort McMurray this year when the weather was a little nippy, that does not deter the true snowmobiler, nor does it deter their wallet when they come to spend money in Fort McMurray.

There are other areas in this province that have attracted a following of snowmobile enthusiasts. The Crowsnest Pass area is definitely one of those areas. In that particular area, that section of the province has not had as much economic impact as they may have had the last few years with the coal being down and the like. Snowmobilers pump cash into that area, and they are interested in that area. In the Whitecourt area snowmobiling is a popular sport and pastime. As a result, I want to ensure and extract from the minister, irrespective of how Members of this Legislative Assembly view snowmobile activities, that the minister will consult with snowmobile associations before the minister makes any decision that would affect adversely the ability to operate snowmobiles in this province in the least intrusive and the least restricted way possible.

9:20

There are other comments about snowmobiles and their regulation and registration in this province as vehicles, and I will leave those commentaries to the minister of transportation and the exciting debate that I know he will lead tomorrow evening in this House. When the word gets out of the excitement of that debate, we'll have to sell tickets here in the Legislative Assembly for the galleries because they'll be full tomorrow night.

I want to move on to the allocation and management of timber in Alberta. That has been touched on by my learned friends who spoke previously, but I want to touch on it again from a northern perspective. The logging industry to a large extent, unlike oil and gas that has developed a certain amount of centralized processing, is an industry where because of roads the difficulty of transportation of logs and the like has developed a certain value-added component right in the region where the logs are harvested. Now, there are many good public policy reasons that this should continue; that is, if there are logs being harvested in northeast Alberta, the value-added milling component and the value-added component, paper and whatever it might be, should be extracted in those particular areas. It is a wonderful natural program that allows for economic diversity, Mr. Minister, and in many parts of this province where they do not have oil and they do not have

heavy oil, lumber is a value-added resource that the communities are counting on to stimulate their local economies.

Now, against that backdrop, Mr. Minister, prices of lumber are high, higher than they've ever been, and the product is getting scarcer and of shorter opportunity in the province of Alberta. Transportation of logs in an unfinished and an unprocessed state is getting better. The trucks are getting safer, the trailers are getting marginally safer, and as a result, we now see the conditions ripe and the stage set for the transportation of logs to extensive distances, indeed even out of the province.

Now, I'll let others more learned on that issue speak to the issue of the out-of-province transportation of logs, but I want to talk about it as it impacts those people in the business in northern Alberta. There is no point in a debate such as this to start adding names or faces to the debate because the principals stand alone without putting on the name of each individual's favourite mill in Alberta, but I want to say that mill operators are concerned that they will get a sufficient . . .

I notice that the Minister of Municipal Affairs has moved over here and has settled right in. This may be the new news story tomorrow. This may be the big news story. "Minister Bolts the *Titanic*" would be the headline, I think. Something like that. Who knows?

To the minister of the environment. I digress talking about the Minister of Municipal Affairs. I want to say, then, that the mill operators in northeast Alberta are concerned about the transportation of timber out of their zone. The minister knows of at least one situation where we have communicated between each other about that concern and about lumber being processed elsewhere.

Now, there is another issue that has to be raised here, and I have to raise it with some sensitivity and again without names attached and without the casting of any fault or any aspersions. Whether rightly or wrongly the government has seen fit in the past to back certain mill operators in the pulp industry and in the logging industry. The government has backed in some fashion or another the operators. Now we have the stage set for this scenario, Mr. Minister. We have a shrinking supply of lumber, we have competition for new leases, and we have a natural fear on the part of the industry. If push comes to shove – and there is only so much timber to go around – the government will look biased in this regard if those organizations have in fact a third-party obligation that is guaranteed by the government or a loan to the government. If their plate is kept full while the other plates of the free enterprise operators who are going it on their own fall short, there will be the natural criticism raised across the length and breadth of this province that the government has boxed itself into a conflict and has put itself in a position where the appearance, irrespective of the safeguards, is that the government is providing a wood supply to those people who have a beholdng or an indebtedness back to the government to indirectly decrease the risk of a default that would cost the government an extended liability. In those cases where that exists in the province of Alberta, I would like the minister's comment on what steps he will be taking in the allocation of timber resources to ensure that that apparent bias does not materialize.

The Minister of Municipal Affairs tells me that I took a long time to say that commentary. I'm doing my best. The minister of the environment will understand I'm doing my best, despite the cheering section here to my right. It reminds me of high school football days.

AN HON. MEMBER: Those were girls.

MR. GERMAIN: Oh, I'm sorry. My eyesight is worse than I thought.

MR. DEPUTY CHAIRMAN: You're doing well.

MR. GERMAIN: Thank you. Thank you, Mr. Deputy Chairman of Committees.

MRS. ABDURAHMAN: Is he as cute?

MR. GERMAIN: What? The minister? Madam, I'll let you judge. Beauty is in the eye of the beholder.

I want to move on to another . . .

MR. N. TAYLOR: A mighty fine looking veterinarian.

MR. GERMAIN: Listen, the more you kibitz, the more *Hansard* will have to X out of my speech before I polish it and send it out for national publication. So keep heckling.

I want to move on now, if I might, Mr. Deputy Chairman of Committees, to the issue of policing and prosecutions. It is an area that is extremely sensitive. I know that the minister in jest says: send in an application. I want to remind the minister that sometimes you get what you wish for. On the problem of self-policing and prosecution I want to remind the minister that the public is considerably concerned about the handling of high-profile prosecutions of environmental cases in the province of Alberta.

Again, Mr. Minister, it is not appropriate or necessary for me to put names to alleged culprits, but every time there is an environmental case in the province of Alberta, it attracts a lot of press, a lot of media attention, and the public has a right to demand and the public has a right to know and the public has a right to feel secure that the prosecution was aggressive and that the prosecutor moved with forthright strength to shore up an environmental weakness that might have existed in the province of Alberta and to contain the breaking of rules in environmental protection. When this does not happen, it brings the minister's entire department into ridicule, and how this ties into the budget is that you cannot have a law enforcement officer for environment on every tree stump. We recognize that, but if the enforcement of environmental problems is not contained and is not pursued aggressively, then it will deter all of the people who are interested in the environment from being vigilant for environmental breaches, the same way that if you know that somebody is only going to get a slap on the wrist, you will not pursue bringing the crime to anybody's attention.

Another area that the minister will have to grapple with I think at some point – and it will be a budgetary concern, and it will have a budgetary impact – is what we are going to do about the increasing preoccupation that financial institutions have with environmental regulatory enforcement in the province of Alberta. I do not pose nor do I have any answer to pose to the minister today, but the minister has the benefit of a department that is trained, a department that has a sophistication and knowledge in this area, and by bringing the problem to the minister's attention, as other members have, the minister I'm sure will work on a solution to the problem, and the problem is this. As a result of some high-profile litigations in the province of Alberta, financial institutions who previously would have lent money, when all other lending conditions are in place, are no longer prepared to lend money in those circumstances where they feel that there is some environmental risk and that if they have to take the project over, they will be stuck with the environmental risk.

9:30

Now, you're going to say: "Well, what does that have to do with my department? What does it have to do with the department of the environment?" Well, it has this to do with the department of the environment. The department of the environment has to walk a tightrope between the economic commerce of the province, which of course is job creation and value-added jobs, and the concern of having the department forced to take back abandoned projects, where even the financial institution will not take the project back and will not work at selling or recovering the project, leaving the government with the entire tab for the environmental cleanup. So if this problem is not stickhandled clearly through the shoals and the rocks of the problem, the government and the department of the environment run the risk of stifling commerce and burdening the government further with environmental cleanup.

It would seem to me, just off the top of my head, that the only humble suggestion I might put out this evening is to consider, to the extent that the government has the constitutional validity to do so, whether the government might wish to restrict the liability of a lender who is obliged to take back a project on financial default to the value of the property itself and no other residual claim beyond the value of the property. If there is overzealous enforcement of environment and if financial institutions know that they could be on the hook for millions and even billions of dollars in environmental cleanup when they take back a project, they may never take the project back, and they may in fact stop lending to Alberta businessmen.

The last two comments that I want to make can be completed quickly and within the time that's allotted to me, Mr. Deputy Chairman of Committees. It's the issue of the regionalization of the forestry services facilities in some parts of Alberta, including the Fort McMurray area. There is a fairly extensive Fort McMurray forestry service network, and that network, as far as I can see, provides a tremendous service for the citizens of Fort McMurray and for the northeastern Alberta residents, many of whom are located in the riding of the Minister of Family and Social Services, the Hon. Mike Cardinal. Now, there is some rumour floating about that in the consolidation network the facilities in Fort McMurray might in some fashion be consolidated or retracted. Obviously, those rumours are very disquieting to the people who work in that area.

When I look at the size of the northeast Alberta area and I look at all of the vast area to the north and I look at the minister's timber property that has to be protected for and on behalf of all of the residents of Alberta and when I look at the forest fire suppression requirement . . . [interjections] You will have your turn. I'm sure we'll be debating Municipal Affairs matters at some point in the next two weeks.

I want to say to the minister that the minister has made a commitment to me that before there is any restructuring of those facilities, he will advise the participants and keep us informed. I hope that in response he will be able to say, if not in this budget, that there is no move for the Fort McMurray forest service in the immediate foreseeable future. At least he will continue his commitment to consult before any decisions take place.

The last commentary that I want to make before I turn the floor over to some of my other colleagues, including the Member for Redwater, is on the issue of the air in this province of Alberta. Now, the government, as I understand it, has been working on a clean air strategy for many years and has developed a clean air strategy and is concerned about toxins and other chemicals and air pollution. It is right for the government to be concerned. But unless it was missed or unless I missed it, I couldn't see any real

focus in the business plan or in the funding on any aspects of air quality control, and I wonder if the minister might make a comment or two on that issue.

With those comments, I will now turn over the remaining time, having come in once again under budget, to another member that wishes to speak to this issue.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. minister.

MR. EVANS: Thank you very much, Mr. Chairman. I quite enjoyed listening to the questions from hon. members this evening. I take some solace in knowing that if I don't get through all of the questions that have been asked, there may be another day to continue this discussion.

I want to begin, and I'll just go through as much as I can in the time allotted to me, Mr. Chairman. I'll go through point by point the concerns that have been raised. I want to thank members generally for the positive comments they've made about the way that our department does its business and in particular the business plan and the way that we've dealt with the budgetary process. I want to give thanks and credit where credit is due to the people in my finance division of Environmental Protection. My assistant deputy minister of the department of finance, Bill Simon, is in the gallery this evening. I know that all members, including the Minister of Municipal Affairs, who has just passed me a little note indicating his support for the good work that they do, would want to second that motion.

There was a concern raised by the Member for Sherwood Park about what we were doing in terms of preserving our wilderness environment. I want to assure that member that our department has taken an ecosystems management approach to all of our land basin in this province. Some examples of the way that we're doing this, and they've been referred to, are the heritage rivers program, the Special Places 2000 initiative, the forest conservation strategy, and our management plans with respect to water use. Those are a number of programs that are in place in our department.

I do take issue with the point that was raised by the Member for Sherwood Park about: if government is a trustee for the environment and if government is focusing on customer service delivery, is that somehow in conflict? Well, I don't believe that's in conflict at all, Mr. Chairman, because we are as a department and as government working on behalf of Albertans. We have to be focused on customer service delivery. We've got to make sure that we do provide service to Albertans in a positive way, because although regulatory control is one part of our department, there are a number of others such as our lands and forest function, such as our parks function, such as our fish and wildlife function that must be dealt with in a customer service oriented way.

Now, there was another comment made by the hon. Member for Sherwood Park about this supposed conflict between economics and the environment. Well, a man far wiser than me told me a couple of years ago that you can't have a healthy environment unless you have a healthy economy. When I heard that, I meditated on it for awhile before I came to the conclusion that he was absolutely correct. If you take a look at the healthiest environments around this globe, it's those areas that have the healthiest economy. [interjection] It's where you have the healthiest economy, hon. Member for Redwater. There's no question that if you have the money to deal with environmental problems and to deal with regulatory issues and to get out there and ensure that you have a healthy environment, that's the way you ensure it. You go down to Third World countries, and you

see where the problems arise because they just don't have the money to promote a healthy environment. So I want to make that point as many times as I have to until the hon. member comes to the same conclusion that I have come to.

9:40

The hon. member has a real problem with the concept of privatizing the operations of our provincial parks and recreation areas. I want to spend a little time on that, Mr. Chairman. I am not saying that we will allow willy-nilly an operator to do whatever he or she chooses or they choose and then depend on the buying public, the people who are going to go and use those provincial parks and recreation areas, to say: "Well, to heck with you. I'm not going to spend my time and my money in that area." Obviously, we as a government, as a Department of Environmental Protection, have to be wary of and in control of the agenda to ensure that our natural resources are dealt with in an environmentally sensitive and proactive way. Now, that doesn't mean that we have to be involved in the day-to-day management of all of our provincial parks and recreation areas. I think there are economic opportunities for the private enterprise people in this province to take over many of those day-to-day management functions and to leave the regulatory side, the policing and the enforcement function, with the people in my department. I think that's a very good marriage. I think it's worked well with the 17 provincial parks that we have privatized in the '90s. I think I can say without fear of contradiction that it will continue to work well in the future.

The Member for Sherwood Park asked: why are we moving to privatization; why are we moving to outsourcing and self-regulation? Well, we are doing it to ensure that we are making the most of the money that we have available to us. The hon. member is well aware that there's a substantial reduction in the budget of this department, as I mentioned in my introductory comments, some 30 percent. That is required to ensure that we can balance our budget, as we promised the people of the province of Alberta by 1996-97. I'm very pleased that my department is contributing to that and at the same time focusing on the core businesses that our department should be delivering and, in doing that, identifying those areas that provide an economic opportunity to the private sector throughout this province.

The issue of self-regulation, Mr. Chairman, is a good one to dwell on. I've referenced this on a number of previous occasions. I look at the smokestacks that we have around this province in industry, and I look at the monitoring that is done of the emissions from those smokestacks. Alberta has taken a very proactive role in this to ensure that we have in-stack monitoring so that we know where the devil the pollution is coming from if in fact the levels for air emissions that we allow in this province are being exceeded.

I think I've used this example in this House before as well. Ontario looked at this a couple of years ago as an improvement to their air quality monitoring. They said: well, we'd love to do it, but we cannot afford it; we can't throw that kind of a cost on industry in our province, and we can't take on that responsibility as government. Well, you know, we've done it here in the province. About \$40 million a year is going into those reports of in-stack monitoring. We get about 5,000 reports a year. What our department does is not worry about every one of those reports and ensuring that we get them. We audit the reports. We make sure that we go and take a look at the in-stack monitoring equipment to make sure that it's doing a proper job on a regular basis, and we are, again, saving the taxpayers a great deal of money. Now, what that means is that in addition to having

ambient air monitoring in the industrial sections of this province, we have in-stack monitoring.

[Mr. Tannas in the Chair]

Again, the hon. member has said: what are we doing about enforcement; what are we doing about ensuring that polluters pay? Well, that's a very, very good way of ensuring that the polluter pays. As the hon. member, who is a lawyer by profession, knows full well, the question of proof beyond a reasonable doubt is a difficult thing to prove when you're talking about an ambient air monitoring system. You have, for example, in the area east of the city of Edmonton, in Strathcona, a number of industrial operations. If you get a monitoring of air that is over the permitted emission standards somewhere in that industrial area, it's difficult to prove where that's coming from. If we do in-stack monitoring, as we do in this province, we have a leg up in proving who the polluter is. I think that's extremely important. I don't want to leave the impression either that we are self-regulating as a policy now and that this hasn't been the way we've been doing business. We've had self-regulation in a number of different aspects of environmental regulatory services in this province for a number of years. In fact, it's estimated that for every dollar that government spends on monitoring, industry in this province spends about a hundred bucks. I think that's responsible by industry, and I think it's an effective way to use our money as well. The principle, Mr. Chairman, is that the polluter pays, and we're going to ensure that that continues to be the principle in this province.

You know, when I was traveling the province as the chairman of the Environmental Legislation Review Panel, we heard over and over and over again: it's great to have \$1 million fines per day as a maximum fine, but you've got to make sure that you have enforcement. I take that seriously, and certainly the enforcement capability of our department has to be maintained even in this time of budgetary restraint. Those who police themselves police themselves only in the sense of reporting to government. Government then takes that information and makes sure that it is accurate information, that the industries that we have in this province are meeting their requirements under clean air and clean water licensing. If they don't, we take them to court, and we get convictions. I just use the example of the P & G charges. We recently had guilty pleas to a number of charges and resulting from that the highest fine that has ever been levied in the province of Alberta: \$140,000 in fines.

Staff reductions and the issue of what we've called in the business plan cross-training. The member has expressed some concerns about: what the devil does that mean, and is this a disservice to the people who are involved in the department? Well, number one, I want to recognize publicly that the majority of the people who work in Environmental Protection are very well educated, and they do have a specialty that they are very, very proud of. I am in no way, shape, or form trying to get away from recognition of that specialty. However, when we are talking about a concept in this department of ecosystems management, it is extremely important that we carry through with that principle and that we ensure that our staff are as educated and well attuned to deal with all of the aspects of the ecosystems that they deal with on an everyday basis as they possibly can. I think that again will improve the level of service to the people of this province. It will ensure that we are effective and efficient in the use of personnel and the use of funds that we have available to us. I want to ensure that what we are doing is creating a secondary expertise for our officers who are out in the field rather than

diluting their primary expertise. In no way, shape, or form am I suggesting that. I want to assist them in developing a secondary expertise.

Now, the next point I want to talk about a little bit is the environmental protection and enhancement fund. The hon. member said: well, you didn't talk about that very much in the business plan. Well, what we are going to be doing is bringing forward – I hope in this session – some amendments to the Environmental Protection and Enhancement Act which will expand the fund. The fund is identified. It's rather restrictive in the Act the way that it's described now, and we'll be expanding that. I'm sure the hon. member will have ample opportunity to debate that in the days and weeks to come.

I want to move on, then, to the comments from the hon. Member for Lac La Biche-St. Paul. I appreciate the comments that he has made about the importance of our forest industry and the importance of having security of supply of wood for our small- to medium-sized sawmills. Believe me, Mr. Chairman, I agree wholeheartedly with him when he says that those small- to medium-sized companies are the backbone of the forest industry in this province. They are what created the forest industry, and I am very much dedicated as the minister responsible for the allocation of timber fibre in this province to ensure that these small- to medium-sized operators have a reasonable wood supply so that they can continue to employ people and continue to get value added from our forest resource.

9:50

Now, we have talked in days previous about the whole issue of inventory and whether we have an adequate inventory and adequate methods for inventory. Well, I look at what the industry is using to determine inventory, the techniques that they're using, and I look at what we are using as government. We don't do this in isolation, Mr. Chairman. We work together using the best available technology that we have, the best available inventory methods. I used an example here – I think it was in question period a day or two ago – that in my view proves out that we are very accurate in the kinds of inventory that we are keeping, because in the Grande Prairie timber development area, where we may very well be coming forward in the near future with a request for proposals, we had an inventory by industry who were involved in that area on the coniferous side. We chose not to just merely accept that inventory. We went in and did an independent inventory, and in point of fact the new inventory has shown that we have about 20 percent more fibre than we thought was in that

industry inventory. So the methods are improving, and I think our productivity is improving.

I'm heartened as well by the techniques that are being used by the industry, whether that's in the Free to Grow standard or whether it's in other and better and improved methods that are being used by the industry to reforest and to get more productivity out of the annual allowable cut that they are getting out of our forest industry; that we have a much brighter future than we had a past.

Now, Mr. Chairman, I would love to go on, but I see that my time is almost up. In view of the hour and recognizing that there will be other opportunities to continue this debate and to answer other questions from hon. members, I would move that the committee rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of Environmental Protection, reports progress thereon, and requests leave to sit again.

I also wish to table a copy of the motion agreed to in Committee of Supply pursuant to Standing Order 56(2)(a) and (b), changing the membership of the following designated supply subcommittees: Education, Mr. Fischer to replace Mr. Doerksen; Advanced Education and Career Development, Mr. Sohal to replace Mr. Doerksen.

MR. ACTING DEPUTY SPEAKER: All in favour of the report?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed, if any? Carried.
Hon. Deputy Government House Leader.

MR. EVANS: Thank you very much, Mr. Speaker. I'd like to make a comment about how much progress we made tonight and how enlightening the proceedings were, but that would be somewhat subjective.

[At 9:57 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

