



Province of Alberta

The 27th Legislature
First Session

Alberta Hansard

Wednesday evening, April 30, 2008

Issue 12e

The Honourable Kenneth R. Kowalski, Speaker

Legislative Assembly of Alberta

The 27th Legislature

First Session

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[Errata, if any, appear inside back cover]

Legislative Assembly of Alberta

7:30 p.m.

Wednesday, April 30, 2008

Committee of Supply

[Mr. Mitzel in the chair]

The Deputy Chair: I'd like to call the Committee of Supply to order. Just a note that we concluded with the estimates from the Ministry of Employment and Immigration, and we'll be rising and reporting on those at the end of this evening after the estimates from the Ministry of Environment.

May we revert for one moment to Introduction of Guests.

[Unanimous consent granted]

Introduction of Guests

The Deputy Chair: The hon. Member for Edmonton-Meadowlark.

Dr. Sherman: Thank you, Mr. Chair. It is my great pleasure to introduce to you and through you my first group of visitors since being elected to this Legislature. I'd like to introduce to the members of our Assembly the Belmead 132nd Scout group and its Scout leaders. If I can ask all of our members to give them the usual applause as I ask them to rise. In order of height they are Ryan, Morgan, Jacob, Jackson, Jared, Tyler, and Dylan. They are accompanied by their Scout leaders: Brad Coleman, Nathan Bullock, Gerrit VanBruggen, and James Stewart.

Main Estimates 2008-09

Environment

The Deputy Chair: The hon. Minister of Environment.

Mr. Renner: Well, thank you very much, Mr. Chairman. It's a pleasure for me to spend the next three hours in a discussion around the budget for the Department of Environment.

Just before I get started, I have a few brief introductory remarks. I would like to take a moment to introduce to you and to members of the committee the excellent people from my staff who have joined us this evening. Some have joined me here in the Chamber, and others are in the gallery. First of all, some members may not be familiar with Jim Ellis, the new deputy minister. Jim is to my immediate right. Next to him is Bev Yee, assistant deputy minister, environmental stewardship; Al Sanderson, acting assistant deputy minister, environmental management. To my left is Ernie Hui, assistant deputy minister, environmental assurance, also new in his position; and Jay Nagendran, assistant deputy minister, responsible for oil sands environmental management.

Also joining us this evening in the members' gallery are Roger Ramcharita, my executive assistant, that most of the members are familiar with; Kim Capstick, communications director; Mike Dalrymple, senior financial officer; and someone who some members may recognize but not realize is now part of the environment team, our new assistant deputy minister of environmental management, Mr. Rob Penny. He will assume his responsibilities tomorrow morning, but I told him that all the tough questions will be referred to the gallery tonight and that he can look after them when he gets into work in the morning. Rob, by the way, has moved from Transportation. We look forward to working with him.

Mr. Chairman, tonight we're going to be discussing, as we all know, the budget of the Department of Environment. This consists

of total program spending of approximately \$403 million. It sets a strong foundation for us to act on climate change. The majority of our program expense is related to climate change, in fact, \$237 million. Before everyone gets overly excited about this, I want to make it clear that while we are committed to this funding, not all of this is directly government of Alberta funds. There are sources for some of these funds; namely, the \$155 million that will be collected from the climate change and emissions management fund that we introduced in the Legislature this spring. As well, there's \$52 million from the federal government in the ecotrust for projects that will result in real emissions reductions, as well as \$30 million to implement the 2008 climate change strategy.

Other funding increases this year that members should take note of: about \$2.4 million this year, \$16 million over the next three years, will be allocated to groundwater management and mapping, part of the Water for Life strategy, and \$1.4 million is dedicated revenue for the reclamation, contamination, and remediation audits.

There are numerous variations in the program from last year. Unfortunately, I'm sure it will cause some confusion, and we'll try to alleviate that throughout the evening. I want to advise members that most of these variations are the result of a change in the reporting structure that we have instituted in the department to better align programs and resources. We can get into a little bit more detail.

Other variations are due to the removal of one-time funding. We have the \$85 million for the settlement to Western Irrigation, that was discussed in supplemental estimates; \$15 million to Wood Buffalo regional landfill, also from supplemental estimates; and \$3.7 million for one-time funding to the town of Strathmore for compensation on the waste-water project. There was also one-time funding of \$4 million for oil sands reclamation research from the energy innovation fund.

We have added a number of FTEs to the department, and members will note that we now have approximately 890 FTEs within the department. The new staff have been allocated to Water for Life, climate change, cumulative effects, and education awareness programs.

We support the government priorities to ensure that Alberta's energy resources are developed in an environmentally sustainable way. Other priorities that the Premier has given to me include: to implement the climate change strategy, including conservation, energy efficiency, and adaptation initiatives – members may want to ask about some of these – to inform Albertans about our environmental stewardship, to address impacts of development through cumulative effects management, to integrate with the land-use framework, and to manage water resources to ensure quality and quantity to support growth. These are also reflected in the business plan and strategic priorities.

There are a number of new initiatives and programs that I'd like to highlight. They include: review the clean air strategy through the Clean Air Strategic Alliance, or CASA; implement the cumulative effects approach in the oil sands region; a third-party review of cumulative effects management association, the CEMA; establish a youth conservation team; update environmental impact assessment process; develop integrated monitoring strategy for environmental conditions and performance; and enhance our staff capacity framework within the department.

With those brief introductory remarks I look forward to questions and, hopefully, responses on my part to any members. Mr. Chairman, just to be clear, my understanding is that at least the initial speaker for the Official Opposition, the critic for Environment, and I have agreed that we will combine our 10 minutes each, to a total of 20 minutes. The intention is that we'll have a free-flow to-and-fro for that entire 20-minute span.

The Deputy Chair: That's correct, Minister.

The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Mr. Chairman. It's an honour for me to rise and thank the minister and his staff for joining us tonight for what I think will be a very helpful and productive discussion on the budget estimates for 2008-2009. At the outset I would recognize the tremendous efforts that I'm sure the department has undertaken in the last few days with all that's going on in the oil sands and the challenges that are being faced there. Thank you for your work for Albertans.

Some general comments as I just reviewed the budget in a cursory way, Mr. Minister. Can you talk a little bit about why the budget seems to have changed or declined in terms of the monitoring and evaluation line and what that change reflects? If you could talk in a little more detail about the 890 FTEs, especially the new full-time equivalents and what the breakdown is for the different areas of new staff. Could you talk a little bit about Climate Change Central and what kinds of investment in Climate Change Central you were planning to make? That wasn't entirely clear.

Finally, would you talk a little bit about where we are at with the implementation of the cumulative effects management team and where we are in terms of some of the key development projects?

Thank you.

7:40

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. The specific question as to why it appears that we have reduced the budget in monitoring and evaluation is one of those anomalies that I referred to in my opening comments. We have in fact moved data management staff from monitoring and evaluation to integrated information systems, and that, you'll find, is quite consistent throughout the budget. Where we used to have the data management staff that were involved in a number of operations integrated with the operations that they were supporting, we've now actually created a separate division that's responsible specifically for data management. So those folks have been pulled out in a number of areas, and then we've created a new area that is specifically within data management. I can assure the member that there is not a reduction in overall commitment or dollars with respect to monitoring and evaluation. We just are reclassifying some of the support staff that assisted with delivering those programs.

The FTE component. As I mentioned in my opening remarks, as of April 30 we have 826 permanent staff. We have approximately 40 permanent recruitments under way. Our analysis done in March of 2008 suggested that our three-year average turnover rate is approximately 6 per cent. When I indicated in my opening remarks that we have 890 FTEs, that would indicate that we are constantly in the process of recruiting to replace existing personnel who, for whatever reason, either retire or find opportunities elsewhere. We are at the same time planning to increase our complement. I talked about some of the areas where we need additional support, and that's in Water for Life, climate change, cumulative effects, and educational awareness.

We have 47 new full-time equivalents in this budget, and the breakdown is as follows. Thirty FTEs are allocated to the department. These FTEs have been requested to provide the necessary resources to the ministry: goals and mandates and various lines of business, such as communication, organization, and learning. Ten will go to Water for Life. Groundwater management, in particular, is where they'll be dedicated. Five FTEs are allocated to climate

change to support the initiatives of the new climate change action plan such as consumer incentives, promoting energy efficiency, supportive demonstration and deployment of clean technologies in advancing work to address climate change adaptation. And there'll be two FTEs allocated to educational awareness to support a public awareness campaign led by Alberta Environment. The campaign will be a comprehensive, sustained provincial information-based initiative targeted at homeowners, businesses, and stakeholders.

One of the areas where I'm most excited in this particular area is what will shortly be launched. We had the first, sort of, introduction of our Alberta conservation team at the environment conference that was held here in Edmonton last week. I don't know if the member was able to attend the trade show that was in conjunction with the conference, but our team had their first launch. They're getting themselves up and running, and I'm sure Albertans will be looking forward to meeting them at community events throughout the province over the next year. We'll be at trade shows, community fairs, agricultural fairs. Any kinds of areas where Albertans will gather, they'll have an opportunity to interact with the conservation team.

This is something that I'm particularly proud of and something that Albertans, I think, will appreciate, the fact that we are there providing them with the kind of information that they've been seeking. The member will recall that while we were initiating the climate change public consultation, one of the things that we heard repeatedly was that there's a real hunger for information and advice, and that's one of the objectives of this team as well as encouraging people to take up the initiative, to make some personal commitment to dealing with environmental issues on a one-on-one, personal basis.

Climate Change Central is under the direction of an independent board. We provide funding for this organization in a similar manner that we provide funding to a number of other organizations. I can't get into a whole lot of specific detail on their business plan. I would certainly be more than happy to forward a copy of their business plan to the member should he wish, but suffice it to say that Climate Change Central has been a critical arm for us to develop research for projects such as the work that they're doing with respect to diesel, biodiesel, and some of the testing that they're doing to allow for biodiesel to be used in cold climates.

They've also delivered a number of our consumer-based programs in the past, and we expect that they will be a key component in the delivery of our consumer-based incentive programs from an environmental perspective, climate change perspective on into the future. They also are a very credible organization when it comes to providing information and advice to individuals and businesses with respect to issues related to climate change and reduction of CO₂ emissions.

Cumulative effects. At this point in time the member is well aware of the fact that we do have the pilot program in place for the Industrial Heartland. We are actively engaged on the water and air issues related to increased development in the Industrial Heartland. We'll be very shortly engaging in a similar kind of a discussion with respect to land and sulphur management and the like. We expect that we will be expanding the program into the oil sands and implementing a more focused approach in the oil sands area on cumulative effects, somewhat as an extension of the work that we've done already on the Athabasca River. Some of the water-related issues we'll be able to expand.

We also anticipate that there will be a cumulative effects regime brought into place as we begin to deal with issues related to the Dodds-Round Hill coal development and gasification project that is east of Edmonton. Above all, in conjunction with the Minister of

Sustainable Resource Development as the land-use framework moves forward, there will be an integration of those two up until now somewhat parallel lines so that they actually begin to intersect. We can't adequately deal with issues related to land use unless we put into account some of the consideration on cumulative effects in watersheds and airsheds and everything else. So it is necessary at some point in time that those two programs that are independent but co-ordinated together as two different programs now will eventually have to be meshed and co-ordinated so that they complement and work together.

I think that pretty much covers the first series of questions.

7:50

Dr. Swann: With respect to the cumulative effects assessments, clearly, one of the key reasons to do the cumulative effects assessments is to determine the capacity of the ecosystem or the bioregion or the river system that we're developing in order to make decisions about approvals. Does it make sense to the minister that approvals continue while we're waiting for both cumulative effects and land-use framework? Does this represent stewardship from his perspective? Would it not make sense to get these in order and to slow down some of these developments until these necessary ingredients are in place?

Mr. Renner: Well, Mr. Chairman, I'll use as an example the work that we've done on the Industrial Heartland and specifically the announcements and the work that's being done with respect to a regional airshed. Through a rigorous scientific approach we have determined that there is capacity within this region for a substantial amount of new development that can still be accommodated within the capacity of the airshed. That being said, there is not capacity for all of the new development that is being proposed as well as all of the existing development unless we work diligently now on dealing with issues that are bound to come up as we begin to approach that threshold.

The way that environment departments have traditionally worked is on a project-by-project basis. So we set standards and we say: these are the maximum amounts of emissions that can come from any one particular plant. That's the model that we use when we determine that there is not sufficient capacity to deal with all of the applications that we anticipate receiving. We have established what that maximum is. We haven't said that we're going to slow up the development. We haven't said that we're going to put a moratorium on development. What we've done is say: there is a long-term objective that must be met, and as we make additional approvals, those approvals are going to be based upon how they're going to be accommodated within that grand envelope.

At the same time we're going to be looking at some of the existing players to see what their capital renewal program is so that we know that an existing plant that's been there for 15 or 20 years is due for a major retrofit in five years' time and so we can plan for that to have an impact. So it's a moving result that still lives within that overall target. The same thing will apply in all of the other areas as we move forward. We do have, Mr. Chairman, more than adequate capacity to increase beyond where we are at now. What we don't have is capacity to have unlimited increase beyond where we are right now.

So the member is partly correct. We can't have absolutely unregulated, unplanned further expansion without recognizing that there are limits. But it's not necessary to put a stop to virtually anything new between now and the next two to three years that it'll take us to get that detailed plan put together because, frankly, we have capacity to take us well beyond that two- to three-year limit.

What we need to do now is make the right decisions today, make the right decisions next year, so that we're not impaired in making decisions 10 or 15 or 20 years from now. The whole concept of cumulative impacts is not focusing on what we're dealing with today, but rather it's focused on what we'll be dealing with in 15 or 20 years from now. The decisions that we make today have a very real impact on the decisions that we may or may not be able to make in 15 or 20 years.

Dr. Swann: Well, thank you, Mr. Minister. I guess the question, then – and this will be the only repeat on this theme – arises that if we have only recently begun to assess cumulative effects, it seems quite clear that we don't know the limits in some of the airsheds. We don't know the limits in some of the watersheds yet because we haven't done the work. This is a new science, as you've said. This is a new body of staff that are learning to do this.

It seems obvious to me as someone who thinks deeply about these issues that to continue going ahead as if we knew what those limits were, to go ahead as if we knew what climate change was going to do, to go ahead as if we knew what the groundwater scene was is to invite disaster, to invite the thing that we have already seen on the east coast cod fishery, to invite what we have seen on the west coast salmon fishery, to invite to some extent the overallocation of the southern river systems because we didn't fully understand the implications of climate change and the withdrawals and the groundwater and the licensing system. To me, Albertans want us to err on the side of caution, not assume that we'll deal with problems or overreach in the next decade or new technology will come along and help us.

I'm simply raising a concern that many people – developers, citizens, scientists – are saying to me, that we don't know as much as we think we know and that perhaps we should learn from history and from other parts of the world, recognizing that our desire for more, our desire for productivity and wealth often overstretches our capacity to understand the implications of what we're doing, and to recognize that to go at a slower pace to develop more understanding in the meantime is prudent, is in the interests of our children, is in the interests of a more sustainable future.

Mr. Renner: Well, Mr. Chairman, I think that the member is very passionate about the environment. I think it's very clear. He has on many occasions raised concerns about how we manage the environment, how we fulfill our responsibilities as stewards of the environment. But I think what he fails to recognize – and I think that as a result the logic of his argument becomes flawed – is that we don't operate in a totally unregulated environment today. It's not like we're going from total chaos to putting in this cumulative effects plan. We have an outstanding track record in this province of supporting, of requiring best in class, leading-edge legislation when it comes to industrial development. So we already have in place regulations that limit what we can do.

I'll look forward to expanding a little later.

The Deputy Chair: The hon. Member for Calgary-Mountain View.

Dr. Swann: Well, thank you, Mr. Chair. The very recognition of a need for a new form of planning under cumulative effects attests to the fact that we have not been addressing cumulative effects before making development decisions in the past. So could you expand on why we need this framework and yet we continue to go ahead as if we knew what we were doing, Mr. Minister?

Mr. Renner: Well, that's what I was about to get into. Given the fact that we have very rigid requirements in place now with respect

to environmental impact from industrial development and a rigorous regulatory regime that has reams and reams of data – that’s why we have an entire division within the department that’s now dedicated to our data management – we have a very good understanding of what the impact on the environment would be if we were to continue to develop under the same regulatory regime as we have in the past and we’re doing at present. That analysis has shown us that we can’t continue to have unlimited development without taking into account the cumulative impacts, without dealing with issues like water.

8:00

Right now we have limits on the amount of water that can be withdrawn for oil sands development in the Athabasca River, for example. That has already been determined. What cumulative effects does is bring into play some creativity, some meeting of the minds for all of the various users to determine how they’re going to continue to expand their production without putting increased demand beyond its capacity on the water. That is the kind of work that gets done under cumulative impacts. We’ve got a significant amount of research and background that’s already under way with the water.

The member referred to the South Saskatchewan River basin. We know what the capacity of that basin is. Now it’s time for us to get to work and develop the necessary go-forward governance and rules around water under our Water for Life strategy. That’s very much what the Water for Life strategy is. We’ve got a mature basin in the south; we have a relatively immature basin in the north. We take what we’ve learned in the south, we apply it to the north, and then we also overlay on top of that what we know needs to be done from a cumulative impact perspective, and we find ourselves in a position of being able to plan well into the future while at the same time not having to completely put a halt to development in the present. We control the development that we have in the present, we ensure that the development that we have meets rigorous standards, but at the same time we make sure that we apply some reasoned thought into how that present-day development is or could impact on future development.

The Deputy Chair: The hon. member.

Dr. Swann: Thank you, Mr. Chairman. Well, moving, then, to water and water management, line item 3.0.3 indicates \$13.8 million, an increase of just over a million from last year’s Water for Life program. The larger part of the capital is for water systems management and \$63 million, I gather, for operating expenses for water treatment facilities from other ministries. Given the challenges to our water, that have been recognized by a number of different organizations in the past year or two, and the concerns about climate change and the unpredictability of our water supply and quality changes I would have expected more investment in Water for Life and more watershed plans to be developed more quickly as a result of some of the threats that are now being experienced in managing our surface water and groundwater.

Mr. Renner: Water for Life, I mentioned in my opening comments, is augmented this year by additional funding to allow us to enhance and improve our groundwater mapping and groundwater information: \$16 million over the course of the three years. That’s not all new money. We have been doing some existing work on groundwater mapping, but it was done through a one-time funding that came through the energy innovation fund.

What I think is worth noting, and something that I’m particularly pleased about, is that this is funding that is now incorporated into our

ongoing program budget. As I explained to my colleagues, when I was arguing that this money should be added to our budget, groundwater mapping really has two components: one is the actual study of the geology in determining where groundwater is, but the most important part of it, quite frankly, is the ongoing monitoring. So you have a series of wells that are located throughout the province, and it’s not a one-time kind of an experience.

There are certainly costs in drilling those wells initially, and that’s part of it, but you really begin to learn the information that you need by studying the results of annual ongoing comparisons of water levels and water sampling and everything that’s associated with those. So this is a clear indication that the government is committed not only to put in place the mapping but also to put in place the funding that will allow for that ongoing research and background development.

I also need to point out to the member that a critical component in Water for Life is a substantial investment in infrastructure, particularly as it relates to water and waste water. That has been augmented in this budget about a hundred million dollars a year: \$300 million. It’s not reflected in Environment’s budget. It is, in fact, in Transportation’s budget, but it is directly related to Water for Life. So there is a substantial commitment by the government beyond what is included in Environment’s budget through another \$300 million in capital that’s included in other ministries’ budgets.

The Deputy Chair: The hon. member.

Dr. Swann: Thank you, Mr. Chairman. Well, your reassurances about water ring a bit hollow when we see reports like AMEC and the Radke report, the Rosenberg forum, and others that say that we really lack the data to manage our water appropriately. Those are independent authorities who suggest that we don’t know what we need to know to manage our water appropriately. Indeed, with climate change changing everything about our future and moving more quickly than we even anticipated, it’s hard to have confidence given these reports and your reassurances that we know what our resources are and what our cumulative effects are going to be before we’ve actually done the science.

Mr. Renner: Mr. Chairman, one of the critical aspects in the way we both gather information and develop policy with respect to water is through our involvement with WPACs. That’s the arm of public component that is so critical in the management of our watersheds. The community-based watershed planning councils, alliances – they have a number of different names – have been a tremendous success. We now have eight WPACs in operation. There is a commitment on the part of government to provide substantial funding to each of those WPACs in real resources of dollars that they can use and do use for research projects and the like as well as administrative support that is provided to them.

In addition to the eight councils that are already in place, we have two councils that are currently under development. The one that I’m most enthused about, although it’s going to be one of the biggest challenges because of the extent of the water basin itself, is the Athabasca. Up until now we’ve had CEMA in place in the northern region, but the contemplation of having a watershed planning council in place for the entire Athabasca region, which is basically the headwaters in the Jasper park area all the way through to Lake Athabasca and eventually into the Slave – that’s a huge diversity of users, of populations. It’s I think critical that we get all of those various user groups, idea generators working together and working with us as we finalize and implement a plan with respect to the Athabasca.

8:10

We have a number of other initiatives within our department to deal with water management of one kind or another. I think something that is related indirectly, if not directly, is the ongoing work that we have in conjunction with the universities of Lethbridge, Calgary, and Alberta in the co-ordinated effort that they have under the Alberta water institute. That is a body that is absolutely committed to ensuring that the very tools that the member is referring to, the basic science that is essential for us to make informed decisions and develop policy that is appropriate for this region is based upon really good, solid science.

Last week I attended the inaugural kickoff for that organization as they have begun to put in place a plan to invest in research projects throughout the province. They're enthused, to say the least, about the opportunity that they're going to have to finally get involved in some very real science related to water and groundwater in Alberta.

The Deputy Chair: The hon. member.

Dr. Swann: Thank you, Mr. Chairman. Well, with respect, Mr. Minister, the report indicated that the lack of comprehensive and reliable data makes watershed planning impossible. How do you address this by saying that we are not going to wait for cumulative effects assessments, that we're not going to wait for a land-use framework, that we're going to go ahead, when repeatedly organizations have said that we do not have the data to make the decisions we're making? We do not have the data we need.

Mr. Renner: Mr. Chairman, I don't know what more I can say. The member is quoting the same reports that we are reading, and the advice in those reports was that we needed to develop better science and we needed to invest in the necessary research. That's what we put \$30 million into the Alberta Water Research Institute for, so that we can gather that exact kind of information.

But I reiterate what I said earlier. We can't put the world on hold. We can't hit the hold button and say: everyone just sit back and wait while we decide what we want to do. We have to recognize that the world will continue to evolve around us, and we have to ensure that what we do today is not going to impair our opportunity to make decisions in the future.

That's why we're embracing the cumulative effects strategy, unlike the member, who would prefer that we simply put everything on hold, pretend that nothing is happening, that there's no need for us to do anything differently than what we're doing today, sit around and work out all of the perfect details, and then hit the start button again two or three years from now and carry on. Well, (a) the world doesn't work that way; that start button is going to be all rusted and shut down by the time we get to it. And (b) the fact of the matter is that even if we had it right, by the time we had it right, it could very well be outdated and time to review and continue to get it better. So these are kinds of initiatives that are constantly being improved. There's constantly new information, constantly new science. You need to be flexible enough to be able to incorporate that over time, and I believe that our Water for Life strategy will do just that.

The Deputy Chair: The hon. member.

Dr. Swann: Thank you, Mr. Chairman. It's clear that business trumps everything, even in the Department of Environment.

Mr. Minister, on the issue of climate change can you explain some of the new investment in the new climate change going forward. Relating the new investment to the previous targets and timelines

and carbon levy, how did we establish the targets, the timelines, and the carbon levy of \$15 a tonne for the hundred largest emitters, and how do you see this changing in the next year to two years?

Mr. Renner: Well, the budget does not drive the \$15 levy. The \$15 levy is an extension that is mathematically calculated to arrive at what the budget is. The reason for that is that this \$15 levy is a levy that we feel is a large enough amount of money. There are companies writing cheques for many millions of dollars for only the first six months of operation of this program. It's a large enough amount of money to catch the attention of industry, and frankly we've done more than that.

In the results that we released today, I'm pleased to report that in addition to about \$40 million that was collected in levy contributions from industry, much to a lot of people's surprise and certainly I think a recognition that this program can work and will work, we also had about 1.2 million tonnes of CO₂ that were reduced through offsets and another roughly 1.2 million tonnes that were reduced through implementation of further efficiencies within the industrial complex themselves. So for anyone to suggest that \$15 isn't enough to drive a change in behaviour, they only have to look at the very, very preliminary results.

At the same time, we recognize, Mr. Chairman, that that \$15 is not likely to be cast in stone for all of eternity. We've made that pretty clear to industry right from the outset. We have a lot to learn when it comes to developing legislation that regulates CO₂. It's never been done before. We are the guinea pigs, so to speak. We are implementing legislation that no one in North America has done before. We have a lot to learn; industry has a lot to learn. The first six months of operation have taught us both a lot. As we go forward, I anticipate that there may well be a point in time where a determination is made that we must either increase the target of intensity reductions to better achieve our overall objective or increase the amount of contribution that goes into any particular fund associated with it.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Well, thank you very much, Mr. Chairman, and thank you to the minister and his staff who've joined us on the floor, and I'm sure that there are staff joining us in the galleries. I can't see them, but I'm sure they're there. I just feel their presence.

8:20

There are three areas that I would like to talk about tonight, and we'll do a back and forth, so we're on the 20-minute clock. The three areas are around monitoring and evaluation, which appears as vote 2.0.2 under Environmental Assurance; compliance and enforcement, appearing as 4.0.3 under Environmental Management; and then we're into reclamation and emergency preparedness.

I note that the Kearl project – I'm assuming it rhymes with pearl if I've got the pronunciation right – in the oil sands lost its federal water licence in early March. Now, this would have been after the budget would have been prepared, and in fact these documents may well have been on their way to the printer when that decision was brought down. Essentially, the federal court found that approval of the Kearl project by the Alberta and the federal governments didn't fully explain why greenhouse gas emissions were not significant in this project.

What I'm also noting here – in citing the court judgment, the federal Department of Fisheries and Oceans told Imperial in a March 20 letter that the water permit issued February 8 had been rendered invalid. The letter stated that Imperial is not authorized to proceed

with any works or undertakings that will cause the harmful alteration, disruption, or destruction of fish habitat or that destroys fish by any means other than fishing. Now, Imperial Oil has asked for and I think received an expedited court hearing in May to overturn this, but the implications for the existing and the new operations I think are quite clear, and it sets a precedent that improper environmental impact assessments and improper approvals could jeopardize new oil sands projects.

I am noting at the same time that the allocation of budgets for that monitoring and evaluation line have decreased. They've gone from the \$19 million range into the \$13 million range, so about a \$6 million decrease in that budget. How does the province do due diligence in terms of requirements of environmental impact assessments, recognizing that the Kearl project is one of the results we could end up with when we have a decrease in that monitoring and evaluation funding?

Mr. Renner: Mr. Chairman, I already answered that question. A similar question was asked by the Member for Calgary-Mountain View. There is not a decrease in funding for monitoring and evaluation. There is, however, a reallocation of resources within the ministry. We have gathered together all of the data management people that support each of the various program units within the ministry and put them under one umbrella of data management, so we have removed the funding from a number of areas – monitoring being one, flow forecasting being another, river engineering, and a few other organizations within our ministry that deal with great volumes of data – and we've created one data management organization. So the funding in this particular area was simply transferred from monitoring and evaluation into data management. There is no net decrease in funding for this organization.

Ms Blakeman: Well, I take your explanation about moving money around, but essentially you are consolidating in data management, which is not necessarily monitoring. To say that you've taken money from a number of other sectors and essentially put it into an information technology format or a collection because you are reviewing large amounts of money is different than actually monitoring compliance with a project. Go ahead and make that one work for me.

Mr. Renner: Just to give an example to the member, it's not unlike having someone who's dedicated to providing IT services within the hon. member's office. If the hon. member had one person who does nothing but IT within her office and her colleague from Calgary-Mountain View had another person who does IT, you would both have IT within your budget. If a decision was made that it made more sense to take those two IT people together so that they would work as a separate IT supporting both of you, the budget stays the same. The number of FTEs, the number of people that are devoted to IT management stays the same. It's just that from a reporting relationship we have a separate division that is then developing specific expertise in managing information so that the people that are involved in the monitoring and evaluation have more reliable and extensive information to have at their disposal.

Ms Blakeman: I understand what you're telling me. If I had someone in my office that was responsible for monitoring that certain things were going to happen, that snow got shoveled outside of my office – and you could collect all kinds of information about how much the snowfall was and, you know, how many hours of sunlight you had and things like that – and if I also had an IT person or paid for part of an IT person as did my colleague, the analogy I

hear you making is that I've now given up my monitoring person, who actually went out and saw if this place got shoveled, and have rolled it into the IT person. So that's what I hear happening. There are two different functions there. But the minister is disagreeing. I'm going to move on into a different section.

I'm looking at the compliance and enforcement section, which is vote 4.0.3, under Environmental Management. There is a slight increase here of about \$2 million over last year's forecast. See, I think that given a lack of environmental officers to ensure compliance – this has been an issue for years. I'm wondering how a slight increase in funding – I mean, \$2 million under environmental protection is not a lot of money – enhances the ability of the ministry to ensure that compliance, to conduct inspections of sites, and to issue environmental protection orders?

Mr. Renner: Well, the underlying premise and assumption is that these functions have not been carried out. I'm of the opinion that our compliance officers have been and will continue to do an excellent job. We are putting our emphasis on the development of appropriate policies. You have to give the compliance officers the tools that allow them to do their job. I would rather have additional resources put into a thorough understanding of what are the rules that we're asking people to enforce and, more importantly, are they the right rules. Again, to reiterate what I've said before, I don't think you need more compliance officers to do a better job of protecting the environment. What you need is a set of policies and regulations and rules that those compliance officers have at their disposal to ensure that that stewardship and protective regime is in fact upheld.

Ms Blakeman: The minister may not have this off the top of his head, in which case please feel free to provide it in writing, but if I could get the number of environmental officers and investigators that have been employed by the ministry for the past five years. If you've got that off the top of your head, that's great. [interjection] It's environmental officers and investigators. That's what you're calling them in your documents. I'm assuming you know what I'm talking about.

I'm still somewhat on the same theme because I notice you have some additional work to do now with the cumulative effects framework for the Industrial Heartland. We think that's a good move, but there are questions there about how those targets are going to be enforced. So now you have a new thing that needs to be monitored and reported back on and some kind of compliance met. Can the minister tell us whether the targets for air emissions will be voluntary, or will there be strict regulations with penalties? How is the government supposed to know if the industry is reporting accurately if no one actually ensures compliance?

8:30

Mr. Renner: Well, I will get the information as best I can with respect to the numbers of investigators and inspectors. I think I did mention in question period today in response to a question that as of today, if memory serves me correctly, it's about 57 inspectors and 23 investigators that we have on staff. I don't know what it was last year or the previous four years. We'll attempt to get that information.

I do want to emphasize, though, that the whole issue with respect to compliance is really three pronged. Enforcement is only one leg of that triangle. Education is as important as anything. It doesn't do any good for us to have all of these great compliance rules in place if no one knows about them, if no one understands why we have them. The other thing is prevention.

Within the department there is a need for us to maintain a balance. It's not unlike the balance that needs to be maintained when we get into discussion around the budget for the Solicitor General and Justice. If the Solicitor General provides funding for more police, which is in this budget, then it stands to reason that Justice is going to have to provide funding for more court costs: judges, prosecutors.

We have the same kind of scenario in our program. We have the compliance officers, but if we don't at the same time balance the compliance officers with the educational component within our ministry, it's not going to do us any good. We need people out there educating not only industrial players but also individual Albertans because then that leads to this preventive side. That's where Albertans become vigilant. Albertans know what the rules are, and Albertans are able to assist our compliance side when they see something happening that they know shouldn't be happening. We don't have enough eyes and ears to be everywhere all the time. We do know that Albertans have a great deal of pride in this province. They have a great deal of respect for our environment. As long as they can have that information, as long as they can be informed, then they become a very important part in our enforcement and compliance mechanism.

Ms Blakeman: Okay. I'm just going to go back and put two of those questions back on the record because they didn't get answered. One of them was: could the minister tell us whether the targets for air emissions will be voluntary, or are there strict regulations with penalties attached? Secondly, how is the government supposed to know if the industry is reporting accurately if there's no compliance?

The minister is saying: well, there's education and prevention. Fair enough. I mean, this now becomes quite current because I'm hearing back from the minister that, well, we rely on working with the Alberta public. Okay. Good. Glad that the public is engaged. That's exactly how we found out about the birds being killed in the tailings ponds. Somebody phoned in and said: "This is happening. Does anybody know that?" In fact, the company had not reported it as they were supposed to. We rely on those citizens, tipsters, phoning in a tip. Who knows? Maybe they're whistle-blowers. I don't know.

So I'm back to the question: are those air emissions voluntary, or is there some kind of regulation with a penalty? How is the government supposed to know if the industry is actually reporting accurately? What's the process that you're using there?

Mr. Renner: Well, there are two sets of air emissions that we need to take into account. One is under our existing regulatory regime, that puts very hard limits on emissions. When we give an operating authority to an industry to produce something – doesn't matter what they're producing – there's a limit on SO_x, NO_x based upon best available technology, and we monitor that very, very closely.

The question is: how do we know that it's accurate? We know it's accurate for the same reason we know that you're not cheating on your income tax. We do audits, and if we find that someone is not being completely honest with us, we actually treat that as a more severe offence than, in fact, them telling us that they've had an issue, that they've had an occurrence of an exceedance. We require them to report to us any time that they exceed what is under their permit, and if we find that they haven't, then that's a very serious offence. We do audits. We do audits on a fairly frequent basis, but like any audit program we don't do a complete and total audit on every licensee every year. It's on a rotating basis, just as I haven't been audited – well, until I mentioned it tonight, I guess – by income tax auditors in many years. Maybe my number will now come up.

On the issue with respect to caps that the member referred to, that

is with respect to our cumulative effects program that we talked about. Those are overall caps. Those are caps that are cumulative from all of the licence holders in a particular region, and those are hard caps. We're a long ways from reaching those hard caps. I'm not concerned about us exceeding those hard caps this year, next year, or probably in the next three or four years. What I am concerned about is that the approvals that we are making today are made in accordance with our ability to continue to make intelligent approvals into the future. There is no need for us to track whether those caps are being exceeded today, but there will be an opportunity and a need for us to monitor whether those caps are being exceeded as we begin to approach them many years into the future.

The Deputy Chair: The hon. member.

Ms Blakeman: Thank you. Two final questions. If the minister could let me know – and this may have to be in writing as well – how many fines have been levied in the last 24 months around industry accurate reporting, for example, that you've discovered through your audits.

The second issue is around reclamation. Now, I notice that the reclamation and emergency preparedness is about a million dollars less than last year. I believe that this takes in the area of unreclaimed abandoned wells. I note that the December '04 licence liability report states that there are 31,772 unreclaimed abandoned wells. How can those be properly remediated when there's such a small amount of money in that reclamation fund?

Thank you.

8:40

The Deputy Chair: I'd like to call on the hon. Member for Edmonton-Strathcona.

Ms Notley: Thank you, Mr. Chair. Much like the previous speakers I would like to take the 20 minutes and just go back and forth. Every time I've done estimates so far, I've started by asking for your patience in the fact that this is the first time I've done this, and I'm probably going to be asking questions that are very obvious to many. So I hope that you'll be patient with that for this first round.

I think I have the ability to break down my questions as well into three general areas, and where I'll start is where the Member for Edmonton-Centre left off, which is the whole issue of enforcement and compliance and audits. I just wanted to replicate and slightly expand upon the questions she asked you, which I'm expecting you would provide a written response to, and that is with respect to ensuring we get a written response as well on the issue of how many inspectors and investigators have been employed by the ministry over the course of the last five years. If we could be provided with that information as well when you provide it to the Official Opposition.

In addition, I'm wondering if I can just be provided with the information – and maybe it's in the budget and I'm missing it; if that's the case, I apologize – on what the cost is for these 57 plus 23 inspectors or investigators. What do they take out of the budget? I couldn't find that in searching through it, but it may be there. If I could be provided with that information.

I'm also curious as to where those people are assigned in the province. Are they regionally based? If so, could I get a breakdown on where they're assigned, and in particular, of course, how many are working in the tar sands area? If it's not broken down that way, then however it is distributed regionally. I'd like to know that information.

Then the final question with respect to this. I don't know if you

have this information at your fingertips or not, but we talked about audits and how often audits are done and you talked about licences and, of course, you said that it's rotating and people with licences aren't audited every day. I'm just wondering if I could get the information on what the breakdown is in terms of the number of audits given in a year and how many active licences there are in any year. If I could be provided that information. If that's not at your fingertips, I could also get that in writing.

Obviously, as a general statement I, too, mirror the previous statements around I believe it was the Radke report recommending significant monetary increases in the funding for the Ministry of Environment. Obviously, we see that compliance is one of those key areas. The issue of it remaining stagnant or even stable is a little bit of a concern if we have tremendous growth in the amount of development, in the amount of stuff that needs to be monitored as well as the creation of new standards, which I understand is in process as well.

I'll leave it there.

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. Well, first of all, I appreciate that this is the first time that the member has been able to participate in the discussion of budgets. Although it's not my first time, I think it kind of feels that way all the time. It seems from one budget period to the next, one tends to forget what an exhilarating experience it is standing here for three hours.

I will address in writing many of the questions that the member has brought forward because I just don't have the detailed information available. We'll get that information to the member.

One of the questions that was asked was where our enforcement officials are located throughout the province, and we'll get the specific numbers to you. But I think it's important to understand that in addition to having a home base, we're a very flexible organization. Because of the nature of environmental incidents and issues related to the environment and from time to time compliance issues that we deal with, there is a tendency for our people to be concentrated in one particular area when it's necessary. We're dealing with a couple of incidents today, as a matter of fact: the one incident that we're familiar with, the tailings pond in Fort McMurray, and we've also had a small oil pipeline issue that we're dealing with. So we will have gathered people from a number of different locations to concentrate on specific issues as required. I can assure the member that not all of our people are located in Edmonton or Calgary but are spread out throughout the province. We'll get that specific information to her.

Ms Notley: Thank you for that. Just carrying on, I guess, a little bit to the issue of the environmental impact assessments, again questioning whether or not the budget has been increased enough to address the number of environmental impact assessments that need to be done at any given time and whether you think that the budget has increased adequately to keep pace with the number of cases where an environmental impact assessment is required. In particular, I note the news release that came out today with respect to the exemption of the transmission lines from environmental impact assessments. I'm wondering if the minister could advise on what number of environmental impact assessments that represents, what percentage or raw number you would anticipate no longer being the obligation of your ministry as a result of this exemption.

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. The issue of environmental impact assessments is an interesting one. Specific to the announcement that we made today on transmission lines, the number of transmission lines that this applies to is negligible. It only applies to transmission lines that exceed 500 kVa, and there aren't very many of those that are dealt with, so that will not have a huge impact on our ministry.

The issue of environmental impacts in general, though, does. That's another reason why we believe that going to a cumulative impact approach for environmental regulation makes so much more sense than the regime that we have in place now. An environmental impact assessment is put in place to deal with specified projects, primarily large projects, and is a very broad-based, shotgun approach to having a pretty in-depth review of everything and anything that could be associated with that particular project. That is the responsibility of the proponent of the project. The responsibility of Alberta Environment, then, is to receive that environmental impact assessment, review it, and then pass it on to the appropriate regulatory authority, be it the ERCB or the NRCB. It takes a significant amount of resources within the department to do a comprehensive review of these sometimes very complex and detailed EIAs. They can be literally filing cabinets full of information.

What we believe is a much more effective use of our time is to do a regional environmental impact assessment. So when we talk about a regional cumulative impact regime surrounding the Industrial Heartland, it probably isn't necessary to do a separate environmental impact assessment for each of five different upgraders that are all essentially doing the same thing and all within close proximity to each other because, frankly, the issues that they deal with should be more or less the same. We would see the opportunity for us to concentrate our efforts on doing one environmental impact assessment that would apply to that entire region. That's how, we believe, we can be much more effective. We can make use of our internal resources much more effectively and at the end of the day actually do a much better job for the environment because we'll be dealing with issues that are very specific to the case at hand rather than duplicating over and over and over a number of issues.

8:50

Again, we should perhaps be concentrating on the issues that I have already been discussing this evening, about: how do we allow development within an overall cap on emissions within the airshed? How do we reallocate and allocate the water that's available within a particular region? How do we encourage recycling of municipal waste water? How do we encourage recycling of industrial waste water? How do we minimize the impact on the river system? That's where I believe that we should be putting the emphasis.

At the end of the day if we achieve our outcomes, if we are able to ensure that we have minimal impact on the environment, then the number of independent environmental impact assessments are not as necessary as ensuring that the regional impact assessment that we do is done properly, accurately, and fully implemented in the licensing of various industrial expansion or new projects throughout that region.

The Deputy Chair: The hon. member.

Ms Notley: Thank you. Well, on that issue of the cumulative impact assessments my understanding from what I've heard discussed and from what I have discussed with others is that while that may be their objective, what we're seeing now is that many of them are not actually completed and that the process for having them completed is not necessarily in place and that the resources are still being

gathered and research is being done here and all that kind of stuff. It's not actually done in many cases, but it's okay to carry on with development and approvals because we have this sort of overall cap and we're sure we've got some breathing room inside of it.

I'm just wondering: is that information public? Like, what are the reports and the science upon which this sort of overall cap that you're basically using as your safety zone to justify taking more time to do the cumulative impact assessments – what's the science and what's the report and what's the information that went in to create those? Are those available to us in any given region at this point?

Mr. Renner: Well, Mr. Chairman, I remind the member that while we are developing cumulative impact and while we are moving to the regulatory regime that I just described, we have not and will not suspend our existing regulatory regime, and that is a regulatory regime that requires environmental impact assessments. It's simply not true that a project could ever proceed without completing one of these detailed EIAs. The contents of the EIA are public and are subject in most cases to public hearings associated with the approval of these projects.

So I can assure the member that there are no shortcuts that are being taken. I will admit that there are probably a number of EIAs that are beginning to back up in the queue, but the project will not proceed until they're complete.

The Deputy Chair: The hon. member.

Ms Notley: Thanks. Sorry. I think maybe I didn't make myself clear in my question. I was referring back to the previous conversations that you were having with respect to waiting on the cumulative impact and suggesting that you could still carry on with approvals pending the completion of the cumulative impact studies, not with respect to the individual one. I appreciate that there are the EIAs. But in terms of what the cumulative impact is and whether that's within allowable limits, you're saying: well, we can still move ahead because we know we've got a ceiling that's up here, and this is our safety zone that we can work within until we complete the cumulative impact assessments. So I wasn't questioning the application or the existence or the functioning of the EIAs now; I was actually more asking about the description that you had offered up about what we know, generally speaking, that we've got room to move in. I was asking about more information for that.

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. Let me use as an example the airshed caps that we put in place for Industrial Heartland. Those are flexible, and the reason that I say that there's flexibility is because we've determined what the caps are, we've determined what the capacity is, we know what the current emissions are because we have a very rigorous reporting process, so it's simply a matter of taking the grand sum of all of the emissions that are reported to us through our mandatory reporting process and calculating the difference. It does take a bit of a guess on our part on what the emissions might be from future development, but based upon historical records, historical averages, we know that an upgrader will likely have a certain profile, and we know that we can accommodate a significant number of new projects before we begin to reach that threshold.

All I was pointing out to the member earlier – and I'll point out the same thing to this member. The issue is not whether or not we have to suspend all new development today. The issue is what conditions we should be putting on the approvals that we grant today

so that we don't compromise our ability to make decisions and we don't compromise our stewardship responsibility 15 and 20 years from now, so that the decisions that we make today are in part coloured by some of the issues that we're contemplating under a cumulative impact.

The Deputy Chair: The hon. member.

Ms Notley: Thank you. I think what I'll do here is I'm just going to throw in a bunch of questions because I think I'm coming to the end of my time, and I'd like to at least get them on the record.

With respect to the watersheds, I did have a question there. Going back to your comments about, you know, not pushing the button and stopping all industrial development, let's just say for the moment that that's reasonable; we don't want to throw everyone out of work. The other way to go, then, of course, is to go back to what we were talking about earlier, putting significantly more resources into the process of developing your watershed plan, of developing your land-use framework and making sure that it happens faster because of some of the volunteerism that's going into that from the stakeholder communities. They're saying they don't have the resources; they don't have the funding to do it quickly or efficiently. The other way to deal with it, if you don't want to put on the brakes, is to put the resources in to make it happen faster.

Having said that, I'm wondering if I could get from you just a list of the number of watershed plans that have been developed and where they are, then; as well, what the predictions are with respect to the course of this year; how many the ministry or minister contemplates being able to point to having been successfully achieved by the end of the year.

Then, the final thing that I'd really like to ask very quickly is simply on the issue of Fort Chip. The people that are living up there, of course, have raised concerns around the environment there. I know that this may be considered a health issue, but in fact because they are too small of a population for any kind of epidemiological study to be relevant or applicable to them, they have been requesting that toxicological studies be done. If that is not through your ministry, because it's obviously got significant consequences and ramifications to the environment, is it something that you would be working on with the ministry of health to see completed?

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. The question regarding watershed plans is directly related to the number of WPACs, the watershed planning advisory councils, that are in place. As I mentioned, we have eight councils in place. They are all in the process of developing those plans, and they are at varying degrees of completion. To my knowledge none of them are complete at this point, although I'm told that there are one or two that are getting very near completion.

The balance I'll get back to you in writing.

9:00

The Deputy Chair: The hon. Member for Calgary-North Hill.

Mr. Fawcett: Thank you, Mr. Chairman. If the minister wouldn't mind, I would like to use the 20 minutes to go back and forth. I don't think we'll use all of that time, but if you wouldn't mind.

There are a couple of things I have questions about, more for clarification and information. The first thing is that the minister mentioned something about the youth conservation team. I'm not

sure if I've got that wrong, but if you could explain or elaborate further on what that initiative is and what resources are being put into that.

Mr. Renner: That's a program that I'm really quite excited about. It's the Alberta conservation team. It is going to be heavily geared to youth and manned by youth. We have a budget of \$2 million for that program. There will be a complete communication plan associated with it on a rollout. While I'd love to share all the details with all of the members tonight, it kind of ruins the impact of the rollout plan. But I indicated in my opening remarks that it is an initiative that is designed to educate Albertans, to provide opportunity for Albertans to learn more about what they can do as individuals to protect the environment, what initiatives they can take, what information is available, and where they can find that information. The intent of the program is to take that information to where the people are, so we will be present at community events, agricultural fairs, trade shows and the like throughout the province.

The Deputy Chair: The hon. member.

Mr. Fawcett: Thank you. Well, I look forward to the rollout of that. I think that's a good initiative. That leads me into what I wanted to speak about next, our sort of strategy around environmental stewardship. I think you'll be hearing me talk a lot over the course of this Legislature about personal responsibility. It would seem to me that a lot of the environmental issues and challenges that we're dealing with today are the responsibility of individual actions of people. As much as the opposition wants to blame big oil companies or large corporations or government for an action, a lot of the challenges that we face are the direct responsibility of our own personal actions. The oil companies are only developing a service that we're making individual choices of demanding on a daily basis and on an increasing basis.

I remember what was probably the most interesting conversation that I had during the election campaign, and it was with a woman that had up the sign of my opponent. Normally, you wouldn't go to that person's door. As you know, time is valuable. However, I found it very interesting to have a conversation with this person. She talked about the government's inaction on the oil sands development and how it needs to take a stronger stand to slow development, and you know climate change is the fault of oil companies, and the government isn't doing anything about it.

I turned around and said, "Is that your Suburban out there, ma'am?". She said, "Yes." And I said: "Well, there's the problem. This isn't so much about business, government, as it is about individual choices." So in the budget – and I would assume that this would be an initiative that is undertaken in a collaborative manner with Finance and Enterprise – is there anything that will provide incentives for people to make better choices? We're so used to doing things a certain way that sometimes it takes a financial benefit or an incentive for individuals to make better choices. Sometimes those incentives aren't going to be needed for a long, extended period of time; what they're needed for is just to change people's way of thinking about doing things in their own personal life.

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. The member makes an excellent observation. We do tend to focus on the large industrial sources of impact on the environment. That's not to say that we should excuse for one moment when those impacts become unacceptable or do not follow our regulations or extend into areas that

we've deemed to be inappropriate, nor does it mean that we should simply accept the fact that in order for us to have industrial development, we have to simply write off the environment and say: well, we have development at any cost. Clearly, that's not the position of this government. Clearly, that will never be the position of this government, and it certainly is not the position of this minister.

That being said, the member is absolutely right. For anyone to think that the issues we deal with can be solved solely and exclusively by coming down hard on industry is equally fallacious. We all need to recognize that the choices we make as individuals on a day-to-day basis and how we live our lives have a very real impact.

I spoke on several occasions as we rolled out the Project Porchlight campaign throughout Alberta, and I talked about how that one simple act of removing an incandescent lightbulb and replacing it with a compact fluorescent in and of itself seems like an insignificant event, but cumulatively if everybody does that one simple act of replacing an incandescent lightbulb with a compact fluorescent, it could have huge impact. That's just one. That's just one lightbulb. Think of how many other times we make choices, not just on lightbulbs but choices as to whether or not we should be recycling, choices as to whether or not we should be thinking about what the carbon footprint is of the automobiles that we drive and whether it's necessary, the choices that we make with respect to public transportation versus carpooling versus the convenience of driving one's own vehicle to work every day. Those are the kinds of choices that Albertans need to take seriously.

To specifically deal with the member's question, yes, there is a commitment within this budget. There's a commitment within this government's budgets to deal with a consumer incentive program. The mandate letters that were issued by the Premier indicate that among the responsibilities of my ministry are consumer incentives in conservation programs. The money, however, at this point, because of timing issues related to the budget, is in Energy. There's \$20 million. We will be working very closely with Alberta Energy in the allocation of those funds, and as I mentioned earlier, we'll probably be using Climate Change Central as a delivery vehicle for a number of those programs. I don't have all of the detail on those programs. They are currently under discussion, under development. But I can assure the hon. member that the point that he makes is an excellent one, and it's something that he'll see action on in the very near future.

Mr. Fawcett: Thank you to the hon. minister. Those are some good answers that I appreciate hearing. I don't want anybody to mistake me. I do believe that government and business do have a role to play, and the reason I believe that, as well, is that I personally believe that our environment isn't just about our environment anymore. It's about our future economy and the future sustainability of our province. You know, some might call it a war on carbon, or whatever they want to call it, but the reality is that people of younger generations are making conscious decisions not just about the environmental activities of jurisdictions and of companies but of their social interactions within the community as well. I don't envy the position of the minister and his department one bit in trying to integrate the purely initial reasons for trying to mitigate our environmental impact as well as to incorporate it as an economic strategy.

9:10

My next question: what is there in the budget that would allow you to work with likely the Minister of Sustainable Resource Development and the Minister of Energy to ensure that Alberta is known as the most environmentally friendly jurisdiction to invest and purchase goods and services in, in a manner that's effective and

efficient and where it makes sense economically? We've had a lot of discussion about wind power and solar energy. To me it just seems like we have a great opportunity here in Alberta. I would like to hear that there are some resources in the budget that are going to help us capitalize on that and be world leaders on that.

Again, I really think that not just in this country but around the world we're being looked at as a leader to provide those type of things. It isn't about government being heavy-handed with its laws and regulations; it's about looking for innovative solutions that make us do things differently than we have in the past. I think that would come from a combination of government programs and trying to, I guess, get business to think about a different way of doing things. I'm just wondering if there is anything in the budget that encourages different ministries to work together for that and for environmental improvement and economic development.

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. Excellent comments. Specifically to the question: is there something in the budget? There's not a line item in the budget that says: thou shalt do this; thou shalt co-operate. That being said, the Premier has made it abundantly clear to each and every minister that the day of managing through silos is coming to an end. In fact, I would like to think it has already come to an end, but those silos fall slowly.

We are committed to working with innovation with Alberta Energy, with Advanced Education and Technology, with Alberta Agriculture, with Finance and Enterprise, across a number of different ministries to address the very issues that the member has brought forward. The way we do that is by clearly identifying that there are a number of priority initiatives that are government of Alberta initiatives, not exclusively the domain of any one particular minister or ministry. There are lead ministers that have been designated for those initiatives, but other ministers and other ministries have clearly been identified as being not only requested but mandated to support those government-wide initiatives.

The issues that the member brought forward are very real and very appropriately part of that government-wide initiative with respect to sustainable energy development. Much of that will fall under the lead of Alberta Energy, but Alberta Environment, like other ministries, will be an integral part of the implementation in assisting Energy to ensure that those kinds of initiatives, that kind of inviting regulatory regime, ensuring that we do not put roadblocks in the way of encouraging sustainable alternative forms of energy and other business initiatives that have a positive impact on the environment are encouraged, not necessarily subsidized, not necessarily creating an uneven playing field but encouraged in every way that we possibly can, particularly by removing unnecessary regulatory burden.

The Deputy Chair: The hon. member.

Mr. Fawcett: Thank you, Mr. Chairman. Again, I'm very excited about those answers. I'm hoping that your ministry will have a big role to play in the Premier's Council for Economic Strategy because I think that if we are looking to our future economy, environmental technology, the development and practice and applied use of that technology is something that we can be leaders worldwide on here in this province. So I would hope that the minister and his department will be leaders in that area.

I think that's about all that I would like to say. Thank you very much for your co-operation, for those answers. I'm glad to see that we're being proactive on a lot of issues rather than just reactive.

The Deputy Chair: The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chairman. I'm pleased to be able to rise tonight and take part in the debate on the estimates for the Ministry of Environment. I don't know if I'll go the full 20 minutes or not, but we'll share, the minister and I, as has been the case so far tonight. Thank you.

I want to start out, certainly, and focus on what's in the news today, which is the deaths of approximately 500 ducks that landed in a tailings pond at the Syncrude Aurora site on Monday. There are only three of the ducks that landed, it's my understanding, that have survived. All the rest have died. I am shocked that this came about because of a call from an anonymous tipster and not because of a call from the company, that the company did not alert the ministry. Although the company says that it was only hours away from doing that, the fact remains that we know about this because of the call from the tipster, and that's not the way the system was supposed to operate. I think this points, in my opinion, to a very significant failing in the way we have been stewards of the environment in the province of Alberta over the last many years.

At issue, Mr. Chairman, is the current method of self-reporting that this government relies upon in relation to not only industry's bird deterrent programs but also for possible seepage from liners from tailings ponds. I guess we shouldn't even call them tailings ponds. They're lakes. They're tailings lakes. The one in question is at least three kilometres across. It's a big body of what looks to a duck like water, only it's not water. It's a toxic stew of waste water, sand, heavy hydrocarbons, arsenic, mercury. I don't even know what else you'd find in there, but it's what's left over after you mine two tonnes of tar sands to produce one barrel of synthetic crude. Two tonnes of tar sands to produce one barrel of synthetic crude.

9:20

We have a real problem with these tailings ponds in that they've been growing for years and we've yet to make, in my estimation, a serious, committed effort to figure out what we're going to do about them. Now we have a real public relations problem on our hands. The Deputy Premier is down in Washington today explaining how everything's just fine and oil sands oil isn't dirty oil.

The Deputy Chair: Hon. member, I'm sure you're getting to the point with that, but we're dealing with the estimates of the Department of Environment, so I'm hoping you're going to lead into this.

Mr. Taylor: Mr. Chairman, I swear I will lead into it as quickly as the hon. Member for Calgary-North Hill led into anything. Probably faster.

The question is very simply this. You've committed \$11.9 million for fiscal 2008-2009 compared to \$11.8 million for the last fiscal year for oil sands environmental management. You spent \$2.2 million on the oil sands tailings research facility at the U of A, announced back in October 2004, but to the best of my knowledge the government hasn't done much of anything since to protect our environment from the effects of these toxic tailings lakes.

I'd like to hear from the minister, I guess, a justification for what seems to be a relatively small amount of money committed to, I think, a relatively serious issue, what he intends to do about this, and why there's no funding available for direct funding of tailings ponds research. Given the danger of these ponds and the fact that they've existed for over 30 years, doesn't the minister believe that more public dollars should be allocated to dealing with this massive environmental liability than has been done so far?

I'll let you answer now.

The Deputy Chair: The hon. minister.

Mr. Renner: Thanks, Mr. Chairman. Well, first of all, let me say that the issue that the member refers to with respect to the oily contamination of ducks on Syncrude's tailings pond is something that is clearly unacceptable, something that I spoke to at great length this afternoon during question period as well as on numerous occasions when I was addressing the media throughout today and yesterday. I, the Premier, and the government have been completely consistent in stating emphatically that this is something that is unacceptable. It's tragic, and we will do everything within our power to ensure that we find out why it happened and what needs to be done to ensure that it doesn't happen again. Spending an inordinate amount of time arguing about who reported what when is not going to allow us to arrive at those conclusions. I'll be more than happy to address the issues that the member has brought forward with respect to the chronological events that led to the tragic situation yesterday, but I am only going to do so after all of the facts are in, after we've had a thorough investigation and I know of what I speak.

Now, with respect to the government's commitment to dealing with the long-term aspects related to tailings ponds, the member made reference to funding that the government made some time ago. However, he didn't make reference to a funding announcement that was made just two weeks ago, I believe: \$3 million to the University of Alberta to continue with their research into the management of tailings ponds, specifically oil sands tailings ponds and mining tailings ponds in general. So there is an ongoing and clear commitment of the government.

In addition to that, I can assure you that industry is not simply sitting on their hands when it comes to tailings ponds. They recognize that there is a significant cost to industry associated with maintaining and developing these tailings ponds and to maintaining the bird deterrent system, that apparently was ineffective in this particular instance. So there is a significant amount of research dollars that are being dedicated by industry to finding long-term solutions to deal with tailings ponds.

Since the tragic circumstances of the last couple of days have become public knowledge, I have been almost inundated with e-mails from Albertans and others who believe that they have something to contribute to the technology related to tailings ponds management. I know that there are a number of small upstart companies, researchers large and small, that are eager to provide some comments and suggestions not only to the government but, more importantly, to the operators of these tailings ponds.

Mr. Chairman, I want to make it abundantly clear to this member and to all Albertans that the events of the last couple of days are under investigation. Whether the fact that we became aware of the situation is a result of a tipster or we became aware of it for any other reason, it would not have changed the reality that we're dealing with a tragic situation that needs to be prevented from happening again. That is the ultimate goal of this minister and this government.

The Deputy Chair: The hon. member.

Mr. Taylor: Thank you, Mr. Chairman. The fact is that it did happen, and the fact is that part of the investigation of what happened needs to get to these very questions. The minister knows that. The minister knows that anything less would be a cop-out. So I ask again: doesn't the minister believe that more public dollars should be allocated to dealing with the tailings ponds issue? I mean, we're talking so far about \$2.2 million in 2004 and another \$3 million a

couple of weeks ago – that's \$5.2 million – when we have \$100 billion of oil sands development activity on the books.

Given that seepage of tailings into the groundwater system through shallow geological units is a reality, what systems does the minister employ to constantly monitor this, I think, considerable threat to animal and human health? Wouldn't it be better for Albertans and for the environment if qualified public servants conducted inspections to ensure compliance with regulations? I think, Mr. Chairman, that we have a real issue here, and I'm going to use the debate on budget estimates for the Ministry of Environment right now to make this point. I think we have a real issue here around this notion of self-reporting and self-compliance.

I don't doubt for a moment that there are some fine minds at work on the tailings ponds issues and on many other environmental issues in the private sector. In fact, I'm thankful that there are because the government through the Ministry of Environment doesn't have much of a budget to do a heck of a lot. I mean, a total budget around oil sands environmental management of just a shade under \$12 million in the context of a hundred billion dollars' worth of development under way or on the books is a drop in the bucket, Mr. Minister. It's a drop in the bucket.

Mr. Renner: Well, Mr. Chairman, we're here to discuss the budget of the Department of Environment. When the member asked me if I believe that the budget is sufficient to serve the needs of Albertans, I would answer yes. And had the member asked whether I believe that more could be done, the answer to that is also yes. I would suggest that there's not one minister that will be before this House presenting his or her estimates that doesn't believe that if Treasury Board were able to provide additional funding, they couldn't do a better job, deliver more programs, provide more services to Albertans. But there also has to be consideration given by every minister at this table that we have a responsibility not only to deliver appropriate programs – in my case, to protect the environment and ensure that we are securing a future for our children and the next generations – but also to be fiscally responsible with taxpayers' dollars. In that capacity, Mr. Chairman, I believe that the budget that we have before us is the best budget that I can present that fits within that overall fiscally responsible regime.

9:30

I want to talk about the statement that the member made that would lead one to believe that it is a known fact that tailings ponds are leaching into groundwater. That's an assumption that this member makes. That is not an assumption that is based upon science. To the best of my knowledge and the information that has been made available to me, Mr. Chairman, there is nothing to indicate that there is an issue related to the leaching of tailings ponds into groundwater associated with industrial development. That's not to say that there is not evidence of heavy metals and oil-related substances in the water in that area, but all anyone has to do is walk around, spend some time on the Athabasca River to note that, in fact, there are natural occurrences of surface water in contact with sand that is saturated with bitumen. That's why we have the industry that we do in that part of the world.

Mr. Taylor: Can the minister tell us if any of the money for oil sands environmental management, page 181 of the estimates, item 5, will be directed into improving reclamation of the tailings ponds. If not, why not? Why is the minister not putting every effort and the expertise in Alberta into reclaiming this environmental liability?

Mr. Renner: Well, Mr. Chairman, let's not forget that it's not the responsibility of the government to pay the costs that are incurred by

industry. It's the responsibility of government to ensure that we have in place a regulatory regime and that we have in place the laws that require the industry who causes the disturbance on the land to engage in and pay for the costs associated with reclamation of those disturbances. I will never agree that that is something that the public purse should be responsible for; however, I do have the responsibility – and we take that responsibility very seriously – to ensure that those industries and individuals that cause those disturbances are held accountable and responsible for that reclamation activity.

Mr. Taylor: And who enforces these laws that the government has the responsibility of making when you have as few compliance officers as you do? You know, who enforces these laws when you have a budget of – if we approve the budget, as I suspect we probably will, given the majority that the government has [some applause] – \$248 million for the minister's department out of a total budget of \$37 billion? Oh, the racket has stopped.

Mr. Renner: Well, I think it's maybe a rhetorical question, but I'm going to answer it anyway. Who has that responsibility clearly is the government of Alberta and specifically the Ministry of Environment. In conjunction with every operating certificate that we issue, there are conditions that are applied. One of those conditions is that there be a reclamation plan submitted and adhered to. Again, it's the responsibility of officials in Environment to ensure that those reclamation plans are in fact being adhered to. It's not our responsibility to actually do the work; it's our responsibility to make sure that the work is being done.

Now, before the member jumps to his feet and says, "Well, when is the work going to be done?" the fact of the matter, Mr. Chairman, is that these are long-term projects. The reclamation plans that we're dealing with are many years in implementation, and we're just now beginning to see the results of reclamation on some of the very earliest projects in that area. Over time we'll see more and more as these projects that have been in operation for 30 years or more get to the point where we are seeing reclamation. But simply saying that a reclamation plan that's in place today should result in closing down and reclaiming the tailings ponds tomorrow is rather unrealistic and is not going to happen. The responsibility that we have is to ensure that the reclamation plans that are submitted to us are realistic and are being implemented in a timely manner.

Mr. Taylor: Timely? I hear the minister talking a good game, but I don't hear much in the way of timelines at all, timelines or targets.

The Deputy Chair: I'd like to call the hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Well, thank you. Mr. Chairman, I'd just like to use my time and go back and forth on one topic at a time.

Minister, over the past year or two within Whitecourt-St. Anne we've had some train derailments, and your emergency response team has come out and done some very excellent work and made good contacts with our local elected officials and landowners. But, you know, I haven't heard the follow-up from those derailments, if we're going to have any action against CN. It seems to me that more and more I look through these investigations and I don't see that follow-up. I'm wondering if that's because in your budget you don't have enough finances to cover the staff time for that, or does that then get punted over to another ministry?

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. The issue of follow-up with respect to charges that may or may not be laid is something that we have to deal with within appropriate jurisdictions. There are a number of jurisdictions that are involved in regulating the railroad industry. There is the federal regulator. There is interaction within Alberta with Transportation, that has a role to play with respect to the railroads, as well as Environment. We continue to work very closely with all of the various regulators associated with the railroads and CN in the instance that the member referred to. I can assure the member that should there be a necessity or an appropriate circumstance surrounding these incidents where charges or orders should be made, we will support in any way that we can the appropriate authority to proceed with those charges.

9:40

The Deputy Chair: The hon. member.

Mr. VanderBurg: Thank you. I will say on that that the staff from Environment were very professional and very knowledgeable about their job, and I want to thank them for the way that they've responded to my constituents.

I want to move on to regional water projects and the Water for Life strategy. In Whitecourt-St. Anne we have a couple of opportunities for some regional systems, one from Whitecourt heading towards Mayerthorpe, Sangudo, and picking up a number of communities in between, and the other one deals with the Stony Plain constituency and the Whitecourt-St. Anne constituency on the east end, where we have an opportunity to pick up a regional waterline from the Wabamun area over through the summer villages – Minister, I had you there when you were Minister of Municipal Affairs – over to Alberta Beach, and then over to Onoway and the Alexis Indian band.

It seems like the expectations for the regional water projects are rising. The projects around the province that are on the books are many, and I just don't know if your budget is going to meet expectations. How are you going to deal with the rising expectations that we put on ourselves for these large regional water projects if the communities' expectations are that you're going to buck up about 90 per cent of these main lines that are going to hook up our regional systems? I'm just wondering if within your budget you think that we're going to meet expectations?

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. Well, clearly there is not sufficient opportunity within my budget to deal with regional waterlines. I indicated earlier in response to another question that there is capital funding in the government budget of approximately a hundred million dollars a year, \$300 million over the next three years, which is a significant amount of money. That being said, even that amount of money, the hon. member will probably recognize, is insufficient to meet the expectations of a number of municipalities and regional water co-ops and others who have identified opportunities for regional water systems.

I indicated earlier that we have a new addition to our staff sitting up in the gallery. We stole him from Transportation, so maybe he'll have some insights on how we can steal some money from Transportation, too. Glad to have you on board, Rob.

We have to come to a realization that there needs to be better co-ordination across government, and it really speaks to the issue that was raised earlier about whether there is sufficient capacity within the government of Alberta for initiatives that cross over departmental lines to co-ordinate policies. We have an excellent policy. We

have a policy that is most appropriate from an environmental perspective to encourage wherever possible the development of regional water and waste-water lines.

At the same time, we have some economic constraints that may not allow us to proceed as quickly as what we might want. That is another one of those issues that is inherent in dealing with any very large organization, in dealing with a population that has a number of varying and expensive demands placed upon its government. It's clearly an area that I would commit to continue to work on with my colleagues both in Transportation, in Treasury Board, and in our capital planning initiatives to ensure that the priority that needs to be established with respect to these regional water and waste-water lines is acknowledged to an even greater extent.

I think it goes without saying that competition is fierce. There is a huge demand for those capital dollars not just from regional water and waste water but for roads, for schools, for hospitals, for a myriad of other capital works projects that are constantly in demand throughout this province. All I can do is assure the hon. member that I will not be a shrinking violet when it comes time to argue my case, and I'll do everything that I possibly can to ensure that those regional water and waste-water programs are adequately funded not only now but into the future.

Mr. VanderBurg: Thank you, Mr. Minister. I agree that you did get a real find when you got this gentleman to come over to your department. Maybe finally we'll be able to run some waterlines and some sewer lines on some of the provincial highways now. That'll save us a lot more money, so we can build a lot more of these regional waterlines.

I want to comment on your budget, and I couldn't get it out of the documents. The Auditor General back in 2005 had some concerns with some drinking water issues: inspection, registrations. Are those being dealt with in this budget cycle?

Mr. Renner: Mr. Chairman, I'm advised that in fact the answer is yes. We are working on them, and they are accommodated within this budget.

Mr. VanderBurg: I guess I want to move on now to some of the boards and agencies that are under your department and the Environmental Appeals Board, headed up by Dr. Steve Hrudehy, a very knowledgeable man. You know, expensive and long, drawn-out appeals cause stress on both the appellant and on the board. In this budget have you allotted the proper resources so this board can deal with these hearings and these issues in a timely manner? I think we have some decisions that are back into 2005, 2006 still that have not been dealt with, and I don't know if that's lack of resources or if it's just the time it takes to deal with these.

The Deputy Chair: The hon. minister.

Mr. Renner: Thanks, Mr. Chairman. The Environmental Appeals Board plays a critical role to allow us to do our job properly in Alberta Environment. We make literally thousands upon thousands of decisions on an annual basis, from issuing very simple licences to very, very complex decisions surrounding industrial expansion and permitting. Every one of those decisions that we make is subject to appeal. I am confident that the Environmental Appeals Board is adequately resourced to deal with the appeals that are brought before them.

But I want to point out to the member that this is not a board that was ever designed to, nor does it, function simply as a formal hearing process-oriented organization. The primary focus of this

board is to resolve disputes through a process of mediation. The board members, and Dr. Hrudehy in particular, are very skilled at bringing the respective parties together, identifying what the issues are that are in dispute, and in the vast majority of cases are able to resolve the dispute long before it ever gets to a formal hearing process. So the number of hearings that the board deals with is fairly limited. That being said, once it gets to the point of a formal hearing, it does get very complicated, complex, and sometimes time consuming.

9:50

For that reason we are in the process right now of reviewing the process, a general overall review of how the decisions are made. I had lunch with Dr. Hrudehy just this week, and we discussed how we can review the process with the stated intention of developing an updated memorandum of understanding between the board and the minister to perhaps enhance their capacity to deal with these hearings but at the very least ensure that we're comfortable that the process is being dealt with in the most effective and efficient manner – or most effective and efficient manner that it can be. It's been a long time, Mr. Chairman. My lips are not following my brain quite all along.

Mr. VanderBurg: Well, that's quite all right. We've only got a few more minutes left at this.

I want to move on to the beverage container board. You know, I've met many of the members that sit on the board, and you have a great cross-section of stakeholders that are knowledgeable about their industry. But I've seen lately some of the stats, and I'm wondering if we're not quite getting where we want to be within that group. Is that because of, again, lack of resources? What's changed here that we're not getting the stats that meet the expectations of Albertans within the beverage container board?

The Deputy Chair: The hon. minister.

Mr. Renner: Thanks, Mr. Chairman. I think there are a number of things that have changed and have led to our downward dip in recycling rates on beverage container recycling. One of the areas that is causing some concern, particularly in our large urban centres, is the cost associated with the acquisition of land or buildings that are suitable to house recycling facilities. Like a number of other public services everybody wants a bottle depot, but they don't want to live next door to it. So there are planning issues associated with locating bottle depots, particularly in new suburban neighbourhoods. There are also issues associated with the real estate costs and rental costs. For that reason and others there is, I think, a feeling that perhaps there are better and more innovative ways for us to expand the opportunity for individuals to recycle containers.

The member will be familiar with hearings that were held last fall by the all-party policy committees here in the Legislature, that were very well attended by public and representatives of various organizations that are involved in beverage container recycling. I'm confident that we will be in a position to make our final decisions in the very near future. I will be bringing those forward to government within a relatively short period of time – I'm talking months not days – so that we can get on with getting the job done.

I should point out to all members that in addition to the minister we also have another person on the team in Alberta Environment that will be an elected official working on behalf of Albertans within Environment, and that's the hon. Member for Drayton Valley-Calmar. Like ministers there also are mandate letters on record with respect to the parliamentary assistants. One of the responsibilities

of the parliamentary assistant to the Minister of Environment is to assist with the whole file associated not only with beverage container recycling but waste management in general. We have had some very productive conversations and meetings, and the Member for Drayton Valley-Calmar is most enthusiastic in assuming her new responsibilities. I would encourage the member to have conversations with her as well, as she'll be playing a very pivotal role in rolling out this initiative as well as a number of others that we have on the go with respect to waste management in Alberta.

The Deputy Chair: The hon. member.

Mr. VanderBurg: Well, thank you. Again, the Alberta Recycling Management Authority do great work. Just keep giving them more work because that group has been very successful.

The Alberta Used Oil Management Association. I know the recovery is well beyond 80 per cent on the oil, on the oil filter side, but on the oil container side I think they're only in that 60 per cent range or 55 per cent range. I'm wondering if that's lack of resources in the budget or if people just aren't interested in the oil containers' collection. I know that when I go to my favourite shop and get my oil changed, they say that the recycling of the filter and the recycling of the oil is pretty easy, but the containers seem to go in that big bin in the back. I'm just wondering what your department is going to do to help the Alberta Used Oil Management Association increase those stats from that 60 per cent range up to that 80 per cent range, where they collect the filters and the oil.

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. I think there are probably two reasons for the discrepancy between the rate of recycling on the oil and the rate on the containers, the primary one being that we have a very high success rate of recycling for commercial operators that do oil changes, and they don't use containers; they buy their oil in bulk.

The Deputy Chair: I will now recognize the hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Mr. Chairman. It's a privilege to stand again and raise issues relevant to the budget. The minister has withstood a lot of questions and managed to sustain himself in the upright position so far. Commendable.

With respect to some of the budget related to the water management in southern Alberta, \$85 million for a lawsuit by the Western irrigation district, it would be helpful to hear from the minister more about that and what the reluctance was around reporting that in public communications. What does it mean? How was this figure arrived at? How was it established? What is the value of water? How is this going to affect other irrigation districts? What does it mean in terms of the water markets that we hear so much discussed? Does this have any implications for NAFTA? Those are the kinds of questions around this budgetary aspect, if you could, Mr. Minister.

The Deputy Chair: The hon. minister.

Mr. Renner: Thanks, Mr. Chairman. Well, I appreciate the comments that the member made. I am standing up rather well tonight. It must be the healthy lifestyle that I've been adopting lately, copying the hon. Member for Calgary-Mountain View. Maybe one of these days I'll even be small enough to go jogging with the hon. member, but I've got a ways to go yet.

Mr. Chairman, the issue that the member refers to is not actually in this budget. I identified it earlier as being one of the reasons why the budget may appear to have been decreased from last year, because there were one-time expenditures in last year's budget, this being one of them. I did address issues related to the \$85 million settlement to the Western irrigation district when we were discussing supplemental estimates, which is where this item actually was. For that reason it's in last year's budget, not this year's budget.

10:00

However, for the record, if the member would like me to further elucidate the \$85 million, the amount is a reflection of a court-mediated settlement. That was the figure arrived at by the judge that was involved in the long-standing court case between the government and the irrigation district. That was arrived at some time ago, and from the time that that settlement was arrived at until I was able to secure funding, there were some cost escalations involved, so the original amount that was suggested by the court had by that time escalated to \$85 million. That's the amount that was offered; that's the amount that was accepted. The dollars will have no impact on any other irrigation district. It deals specifically with this one dispute.

The issue, though, I think that needs to be noted is that because this was a settlement that was arrived at by mutual agreement, there were some conditions that the government was able to negotiate in that settlement, the most significant of which is that every one of those \$85 million must be spent by the irrigation district on enhancing their infrastructure. This isn't going to be a dividend that's paid to their members. This isn't going to be funds that will allow them to acquire other assets. The money that was approved by this Legislature in the supplemental estimates will be used exclusively to modernize and enhance their infrastructure, incorporating underground pipes to replace open canals, repair and modernize gates that have been the source of a significant amount of leaking and inefficiencies. The biggest component is to develop a plan and construct a fairly sizable off-stream storage facility that will enhance their capacity to have security of water for their members.

Dr. Swann: Thank you, Mr. Minister. Are you willing to comment a little bit on what the implications of the transfer are in terms of the value of water and how we're going to deal with the purchase or transfer of water between irrigation districts and various interest groups? That's one of the questions that Albertans are asking. Certainly, new developments want to know how much they're going to expect to pay for water rights from groups like the irrigation districts. If you wouldn't mind going back to why the other irrigation districts are not affected by this lawsuit. Were they not also affected?

Mr. Renner: Not being intimately aware of all of the details affecting the grants to irrigation districts because those fall within Agriculture, not Environment – Environment owns and operates the headworks and the diversion at source. Beyond that the irrigation districts themselves are responsible, and all of their government funding is through Agriculture, not through Environment.

I can say that the substantiation of the settlement is not so much a reflection on the value of water as it is a reflection on investments that have been made in other irrigation districts based upon the volume of water that is included in their licence. The dispute here was all about whether or not the government had unfairly reduced the licence of the Western irrigation district. The argument was: had the government not reduced that licence, there would have been additional investment in this irrigation district comparable to other

irrigation districts that did not have that same reduction in their licence. My understanding is that that formed a significant part of the analysis that was used by the judge to arrive at this amount. This had nothing to do, from my understanding, with the value of water. That's why it's perfectly logical that the government would then put a condition on this money, that all of it would have to be spent on infrastructure.

Dr. Swann: Thank you, Mr. Minister. In relation to the previous questions about reclamation and the issues relating to the budget for reclamation, many Albertans are concerned about the public liability for reclamation sites. It's clear that the upstream oil and gas have an orphan fund for dealing with abandoned and orphaned wells, where the industry pays when industry walks away from their responsibility to reclaim. The downstream sector does not have an orphan fund. The previous minister indicated that he wanted to see that happen during his time. That didn't happen, and I haven't heard you discuss it yet. Do you not feel that in the public interest there is a reason to move on this, on a downstream orphan fund for the oil and gas sector, for refineries and such?

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. I think we're getting into an area where personal opinion is probably secondary to public policy. The fact of the matter is that identification of the owners of downstream contaminated sites is probably easier than identification of ownership on the upstream side. The downstream side, particularly when we talk about refineries and such, is pretty specific and relatively few in number.

The principle stands, that the cost of reclamation must be borne by the individual or corporation that caused the disturbance in the first place. I don't know that it would be prudent or acceptable for the public purse to be involved in any kind of a reclamation program other than and beyond what we're already doing in the case of some of the underground storage tank assistance that we provide to small operators, small family operators who, frankly, have inherited problems that they're not responsible for in many cases.

When it comes to the larger operators, I don't know that we need so much a program in place that has an orphan fund that everyone would contribute to – I'm not sure how you would even have a levy that would be appropriate or determine what that levy might be that would be appropriate to contribute to this fund – as much as we need at some point in time to take a much more aggressive approach to tracking down the owners of these contaminated sites and requiring them to clean up. At this point the liability remains with the owner, but the requirement to do the actual cleanup really doesn't fall into place until there is a contemplation of actually selling the asset, at which point usually the contamination is cleaned up before someone else is going to assume that liability.

10:10

I believe that at some point in time we need to get more aggressive, that we need to pursue those with much more vigour. But I've said publicly on a number of occasions that until I'm satisfied that we have dealt with the vast majority of these very small operators that would be financially ruined if we forced them to clean up the results of underground storage tanks that they inherited and that we are providing funding for over a period of time to assist, we would be solving one problem by creating thousands of others. I think we have to concentrate on cleaning up and assisting the small operators wherever we possibly can and then take a very aggressive stance against the larger ones.

The Deputy Chair: The hon. member.

Dr. Swann: Thank you, Mr. Chairman. Well, Mr. Minister, as you know, under Bill 29 contaminated sites do not have to be cleaned up. They can be sold to municipalities as brownfields. Again, it raises questions in the public mind: how serious are we about cleaning up old sites? In the case of bankrupt companies there is nobody to go after, and the public has to pay for it. Can you be clear about those issues?

Mr. Renner: Well, Mr. Chairman, I want to point out that cleaning up, in my opinion, means restoring the site to the point where it is no longer a risk to the public. You can do that in two ways. You can either completely restore, replace this contaminated soil, do what needs to be done to restore it to the point where it can be used for virtually anything, or you can put a caveat in place. You can restrict the use of that to activities that would pose little or no public risk. I think that there are circumstances where both of those alternatives make sense.

I think that there is a strong argument to be made that the best bang for the buck, the best use of public dollars and private dollars in some cases is to put those caveats in place, turn a brownfield site into a public reserve, into a park where people spend time intermittently. Clearly, we experienced with Lynnview Ridge what happens if we don't have the adequate safeguards in place to make sure that we don't establish housing communities and high-intensity activities on sites that have not been adequately cleaned.

I think it's like everything else in this world, that there tends to be a bit of a balancing act. I agree with the member that in some cases we do have to go all the way and clean up sites, but in other cases I think it makes a whole lot more sense and it's much more reasonable to restrict the activity on the site, to put a cap over the site but leave the contamination that's there, provided that we are comfortable and confident that there's not going to be leaching into groundwater and other kinds of complications that can come along with it. Obviously, that has to be paramount as well. I think that there are cases where it's perfectly acceptable, in fact I think preferable, to cap the contaminated site and restrict the future use of it.

Dr. Swann: Thank you, Mr. Minister. Well, clearly, this government is not committed to improving or even maintaining the standard of our land masses. We're talking about a progressive deterioration of our land and our opportunities for future generations. You obviously don't believe that polluters should pay when they take on a development, that they should have to clean it up and leave it in the condition in which it was before or equivalent land use. You have accepted the existing business ethic that we will cover it over and monitor it forever, at the expense of the public in many cases because these companies will be gone. This applies very clearly to the tar sands, where the biggest expenses will be saved by the biggest oil industries in the world, and we will accept the fact that all they can afford is to cover over and somehow monitor groundwater in perpetuity to ensure that our future generations are not harmed.

I'll move on to line item 3.0.1, page 180 of the estimates, intergovernmental relationships and partnerships. The government spent about \$18 million over budget. Can the minister explain what this relates to? How is that explained?

Mr. Renner: Mr. Chairman, that is another one of the items that I identified in my opening remarks. That is a reflection of one-time expenditures in a previous budget that are not reflected in this budget. In this particular case it again relates back to the supplemen-

tal estimates that the House voted on a couple of weeks ago. There was a \$15 million expenditure that was allocated for the regional landfill development in Wood Buffalo, in Fort McMurray. That was included in last year's budget. That is not included in this year's budget.

Dr. Swann: Thank you, Mr. Minister. Can you talk about our groundwater monitoring? We have some 200 groundwater monitors. Do you believe that's sufficient, and what is it telling us about the trends in quality and quantity of groundwater in the province?

Mr. Renner: I'm not in a position to give an expert opinion as to whether or not I believe it's sufficient. I'm advised by my staff, who I believe are very professional and are experts, that it is. This is the amount of budget that was requested. As I mentioned earlier, it's an extension of some one-time funding that we had in place extended out into the future in the form of program funding.

The Deputy Chair: The hon. Member for Lethbridge-West.

Mr. Weadick: Well, thank you very much. I'd like to compliment the minister on almost three hours of answering questions. We're just about through, but I do want to take just a minute to congratulate this department on moving the environment a long way forward over the last couple of years. I see in here some fairly aggressive goals that this department has set to achieve, and I just want to ask about a couple of them in the last few minutes we have. Mr. Minister, if I might, in your number one goal we talk about drinking water standards, and I noticed that as of this year about 20 per cent of our drinking water facilities don't meet the present standards. I note that over the next couple of years we're going to try to get that up to 90 per cent so that about 10 per cent won't. Is that something we should be concerned with, that we have 1 in 10 of our drinking water facilities not meeting the present standards that we have?

The Deputy Chair: The hon. minister.

Mr. Renner: Thank you, Mr. Chairman. I would be concerned with a statistic like that if I didn't understand the context in which it's presented. Like so many other things that we deal with in today's world, there constantly are technological improvements that are being introduced, and as a result of those technological improvements, we are constantly greening our standards and improving our standards.

10:20

When we identify that 20 per cent of the facilities don't meet today's standards, that doesn't mean that they didn't meet yesterday's standards. There is always a time lag. When we introduce new technology, when we establish a higher standard, which is inevitable as new technology becomes available, there is a grandfathering effect so that existing facilities can be brought up to that standard. Like so many other things that are involved with codes of one kind or another, new facilities are required to meet the new standard; older facilities have a reasonable period of time to come up. That's why we say that over time we want to increase that number, but in all likelihood it will never be a hundred per cent because we're always going to be moving the bar a little bit further along.

Mr. Weadick: Well, thank you. That does answer that question, and it gives a sense of comfort.

Included in these numbers do we have all of the First Nations

drinking water systems, or do we not control a lot of those? What's the standard? Because those are some of the ones that we do hear about.

Mr. Renner: We have a good working relationship with our First Nations partners in drinking water. The standards themselves are the responsibility of the federal government, so we do not set the standards. However, we have an outstanding relationship with First Nations. We have a longstanding tradition of providing technical advice and expertise, which we have an abundance of within Alberta Environment. Notwithstanding the fact that these are the responsibility of the federal government, our operating people that work within the regional offices of Alberta Environment work very closely with First Nations to ensure that they have at their disposal the same kind of technical expertise that other operators have throughout the rest of the province.

Mr. Weadick: So they would, then, actually meet a federal standard. Do we do the testing, though, or is that done on those facilities by federal agencies?

Mr. Renner: The testing itself is the responsibility of the operator, whether they're First Nations or whether they're the city of Lethbridge or, you know, the town of Redcliff. It's the responsibility of the operator to provide us, Alberta Environment, with the results of testing. Like all other programs, there is, again, an auditing provision to ensure that those test results are accurate.

The member might also be interested to note that we're just in the process now of moving those test results to a web-based system that will facilitate an ease for us to receive those test results. It will make it simpler for the operator to submit those test results. But I think, most importantly, from a public transparency and information perspective it will allow us to provide those test results to the public through web searches, web-based systems. It's a system that I have a great deal of confidence in and that I think Albertans should also be confident in.

The Deputy Chair: The hon. member.

Mr. Weadick: Thank you very much. I'm glad to hear about the web-based. That will probably simplify the reporting a whole bunch and streamline it.

I want to move on to goal 4. Once again I compliment the department on some very aggressive goals. Under the municipal solid wastes to landfills section presently we're using about 800 kilograms per capita of solid waste to landfills. The target for the next three years is to reduce that to 650. That's fairly aggressive. Having been involved in municipal government and seeing how difficult it is at that level to get it reduced, maybe you could just take a minute or two to talk about it because we don't control a lot of that what the strategies might be for us to really go forward. I think it's a great goal, and if we can make it, it would be hugely beneficial to the landfill issues and solid waste issues in the province, how we're going to get from the 800 to the 650 over the next three years.

The Deputy Chair: The hon. minister.

Mr. Renner: Thanks, Mr. Chairman. Well, the member is absolutely correct. This is a very aggressive goal. I believe that if you set targets that are easily achieved, you haven't accomplished very much. In this particular case I can guarantee you that it's not going to be easily achieved. But I think there is, to use the oft-abused phrase, opportunity for a lot of low-hanging fruit. In particular, the

work that we have under way with the Alberta Construction Association on signing an MOU and putting into place a demolition and construction waste regime has an opportunity to dramatically impact on that. It's true that from a municipality's perspective to change behaviour is something that takes time, takes a lot of education, and at the end of the day takes a lot of commitment from a lot of households.

On the other hand, a significant amount of that material that's currently going into landfills is directly associated with the construction and demolition industry. If we can have the kind of success that we anticipate having on the construction and demolition side, that per capita number should be able to be reduced dramatically. There are a number of other initiatives that we will be taking, but this one is an area where if we do it right, if we're successful in getting the co-operation from the construction industry, we should see some relatively immediate results from it.

The Deputy Chair: The hon. member.

Mr. Weadick: Thank you. Thank you, Mr. Minister. That's really good to hear. I think that is probably one of the ways to get some of the major benefits.

I was looking in the budget at climate change and emissions management. It's a brand new line this year. We're showing \$155 million this year and \$95 million over the next two. I'm assuming that a lot of that is for the carbon sequestration project, or at least a portion of that. Maybe you could expand on what that approximately \$350 million will be used for and if there's any partnership with private industry in that area as well.

The Deputy Chair: The hon. minister.

Mr. Renner: Thanks, Mr. Chairman. That's a very good question. I think we all need to clearly understand that these funds are those that are generated through the compliance mechanism of our emissions management fund and the legislation that we had. In fact, the bill that I tabled in the House this afternoon is designed to create the body that will make the very decisions that the member is referring to. This is a fund that results as industry, large industrial emitters, does not come into compliance with their intensity reduction targets that have been set out in our regulations. So these are industry dollars. There has been a commitment all along that there will be a significant amount of industry input into how those dollars are spent.

However, that being said, clearly, the purpose of having those dollars is twofold: to incent industry to make the necessary improvements to prevent them from making the contribution in the first place, but barring that, to have funds available to invest into the necessary infrastructure and technology to implement carbon management techniques. The one that appears to be the most promising at this point, of course, is carbon capture and storage.

The Deputy Chair: The hon. member.

Mr. Weadick: Well, thank you. My final question is about the cumulative environmental impact assessments. I applaud the government. It is a very positive thing to see that we're going to try to do it on a regional basis. However, even doing CIA-type assessments is fairly extensive just on a project-by-project basis, so to do them for an entire region is going to be a fairly major undertaking. Looking at the budgets, are we comfortable that we have enough in there to complete the cumulative impact assessments for these regions and then manage them on an ongoing basis? Of

course, there's a substantial investment in keeping them current so that we can continue to monitor where we're going. Are we comfortable that there's enough there, Mr. Minister, to both complete these very aggressive plans and then keep them?

10:30

The Deputy Chair: I hesitate to interrupt the hon. Member for Lethbridge-West, but I'll now invite officials to leave the Assembly so the committee may rise and report progress.

Pursuant to Standing Order 59.02(5) the Committee of Supply shall now rise and report progress.

[Mr. Mitzel in the chair]

The Acting Speaker: The hon. Member for Calgary-Egmont.

Mr. Denis: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions for the departments of Employment and Immigration and Environment relating to the 2008-2009 government estimates for the general revenue fund and lottery fund for the fiscal year ending March 31, 2009, reports progress, and requests leave to sit again.

The Acting Speaker: Does the Assembly concur with the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

Government Motions

Policy Field Standing Committees

12. Mr. Hancock moved:

- A. Be it resolved that the following members be appointed to the Assembly's five standing committees:
 - (1) Community Services: Mr. Rodney, chair; Mr. Hehr, deputy chair; Mr. Benito; Mr. Bhardwaj; Mr. Chase; Mr. Doerksen; Mr. Johnson; Mr. Johnston; Mr. Lukaszuk; Ms Notley; and Mrs. Sarich.
 - (2) the Economy: Mr. Allred, chair; Mr. Taylor, deputy chair; Mr. Amery; Mr. Bhullar; Ms Blakeman; Mr. Campbell; Mr. Marz; Mr. Mason; Mr. McFarland; Mr. Weadick; and Mr. Xiao.
 - (3) Health: Mr. Horne, chair; Ms Pastoor, deputy chair; Mr. Dallas; Mr. Denis; Mr. Fawcett; Ms Notley; Mr. Olson; Mr. Quest; Dr. Sherman; Dr. Swann; and Mr. Vandermeer.
 - (4) Public Safety and Services: Mr. VanderBurg, chair; Mr. Kang, deputy chair; Mr. Anderson; Dr. Brown; Ms Calahasen; Mr. Cao; Mr. Jacobs; Mr. MacDonald; Ms Notley; Mr. Sandhu; and Ms Woo-Paw.
 - (5) Resources and Environment: Mr. Prins, chair; Dr. Swann, deputy chair; Mr. Berger; Mr. Boutilier; Mr. Drysdale; Mr. Griffiths; Mr. Hehr; Mr. Mason; Mrs. McQueen; Mr. Oberle; and Mr. Webber.
- B. Be it further resolved that Government Motion 8, passed by the Assembly on April 17, 2008, be amended in Part C
 - (a) by adding "remuneration for" before "the Policy Field Committees";
 - (b) by striking out "designated as Category A Committees for the purposes of the Members' Services Committee Allowances Order, RMSC 1992, c.M-2" and substituting "at rates determined by the Special Standing Committee on Members' Services".

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. The purpose of Government Motion 12, of course, is to populate our policy field committees. The names of the members of the House that are assigned to each of the standing committees – the Standing Committee on Community Services, the Standing Committee on the Economy, the Standing Committee on Health, the Standing Committee on Public Safety and Services, the Standing Committee on Resources and Environment – are printed in the Order Paper; I won't repeat them. In order to ensure that the committees are available so that we can in fact refer business to them, it's necessary and appropriate to populate the committees at this time, so I would ask the House to concur in the motion.

There is a section B to the motion, which, in essence, amends Government Motion 8, which had indicated that the policy field committees would be, I believe, category A committees. It strikes out the designation of category A committees for the purposes of the Members' Services Committee allowances order and essentially allows for the Members' Services Committee to establish remuneration for members of the policy field committees at rates to be determined by the Special Standing Committee on Members' Services.

Mr. Speaker, it's anticipated that a proposal will be taken to the Members' Services Committee which would provide for the compensation not only of the chair and the vice-chair of the committee but also of members of the committee. That is, of course, the purview of Members' Services, so it's appropriate for that to be discussed at that time, but in order for members to understand the purpose of section B, I felt it necessary to outline that tonight.

The Acting Speaker: Does anyone wish to speak? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker, for the opportunity to rise and speak to Government Motion 12, which, as the Government House Leader has described, is peopling, I think the word is, the policy field committees, which are five this time around instead of the original four and also the very interesting section B, which is clearly about payment.

When I first saw this motion, I thought: "Oh, yes. Well, okay. Yeah, I know what that one is." We had talked about it briefly in the House leader negotiations. My concern was that the committees not start to meet while we were still in session. We are underresourced in the Official Opposition, and interestingly enough, although the original intention of the policy field committees was to meet at night in place of our night sittings, in fact when I went back and looked, only one of the committees ever met at night, from 6:30 to 7:35, once. So all the rest of the committees met in the morning or across lunch hours or across dinner hours, and I thought: oh, great. So on top of the schedule that we were already all working in the House – and I don't know what the government caucus does in the morning; I know what we do in the morning – the idea that we'd be now trying to shoehorn in some additional meetings, struck me as inhumane. So that had been part of the concerns that I had expressed around these committees.

I have no issues particularly with the peopling of the committees or even that, once again, rather than this being purely a democratic renewal initiative, it's clearly following, shadowing if you will, the government standing policy committees because they've now become five, and this is now mirroring it exactly and becoming five again. It looks like, according to Motion 8, it's also picking up the

public hearings, public submissions mandate that the standing policy committees had.

My real reaction came when I looked at section B. My first reaction was actually a fairly colourful stream of swear words because I thought: there's the money that I needed. I was being told the money wasn't there for the Official Opposition caucus, and there was the money that I needed. I was pretty frustrated because I have been in a small caucus before, trying to serve the best interests of Albertans. Whatever the rest of you think of the Official Opposition, we are here to do a job. We take our job seriously. We want to do the best job we can possibly do.

My second reaction was: I'm not doing this again, which was to try and stumble through with not enough resources to fulfill the parliamentary mandate that we have as Official Opposition. As soon as I was elected, I started seeking additional funding to support the Liberal caucus, the Official Opposition caucus, because I felt that we were in some cases traditionally underresourced and in others specifically underresourced given the job that we now had to do.

That's around some very specific examples. For example, we have a southern Alberta caucus. Well, the Tory caucus here does not pay for their southern Alberta office. That's paid for out of other places. But we have to pay for our office out of our caucus budget, and it's costing us double now the allocation of what we're getting. So we're having to sacrifice from other things. I'm particularly interested in having enough research support to support what we're trying to do here. You know, we're trying to do 23, 24 budget debates here. We're trying to ask questions in question period around 23 ministries. We're trying to do that with five and a half researchers.

We won or lost the number of seats that we won. As an MLA I accept that. I accept what happened. What I can't accept is that we can't get properly resourced to do that job, and what I can't accept is that we're asking five and a half researchers to that amount of work.

So when I looked at this motion, I thought: there's the money. Clearly, the government is not going to bring forward a motion to refer something to Members' Services if the money is not there. Obviously, the money is there. So the very money I was looking for is here to be sought and decided upon by the Members' Services Committee to allocate money to MLAs to sit on this committee. I'm sure my colleagues will disagree with me, but I don't care about the money for the MLAs. What I care about is finding enough money to resource our caucus to do the job that we need to do.

So I thought: right, I will bring forward a motion and sewer this baby for, basically, taking our money. I thought: well, that's not very nice of me. But then I started to think about the motion, and I was prepared to bring forward a motion that, basically, opened this up and said: "Okay. Well, if we're going to send something to Members' Services, let's send two things to Members' Services. Let's send the request that I had to Members' Services at the same time." That would have been interesting. I've decided not to do that tonight, mostly because everybody's looking pretty bleary-eyed, and I think they all want to go home.

10:40

I did want to put on the record the process that I've gone through in looking at whether or not I was going to support this motion. It is much larger than those policy field committees. These policy field committees came into being because we were trying to seek a way to open up and make this Chamber more accessible to the people in Alberta, to give them a venue of being able to speak more directly to us and to be more involved in and participate directly in

preparation of bills and of regulations, to be able to conduct public hearings on particular bill ideas that are referred out to these committees. The whole idea was to take this place and open it up to Alberta and to draw Albertans into that process, to make this more relevant to people.

To me, it's all a part of democratic renewal. The very idea of these policy committees is about democratic renewal. It's about engaging our citizenry. To me, having an adequately resourced parliamentary system is also about responding to those citizens and is also a part of democratic renewal. I think appropriate resourcing should be available to all of the caucuses. Perhaps the other caucuses also need additional resourcing. I don't know. I'm not responsible for them; I'm responsible for mine. I've tried to explain tonight some of the reasons why we need additional resourcing. It's mostly about the researchers. Anything that takes money away from them is a problem for us.

In the end I thought: well, are you willing to support this government motion on the face of it? I think, Mr. Speaker, that I am, because as part of my thought process around all of this it is about that democratic renewal. It is about that engagement of the citizenry. In peopling these committees and getting them ready to start working – please don't make them start working before we're out of session; that truly would be inhumane – if there's a need to compensate members of the committee, fine. Whatever. I don't think that's why people got onto these committees. If it's going to keep them happier, fine. A big part of what we did when we first negotiated these committees was proper resourcing of it, and that we understood at that time.

Having gone through that entire thought process, which I've now shared with all of you, I am at this point prepared to support Government Motion 12 and to advise my caucus to support Government Motion 12. But I do want that understanding of the other resourcing that I am seeking on behalf of the Official Opposition caucus.

There are other routes for me to go through to secure that, and it does go before Members' Services, but that's what I thought was going wrong. When I first looked at that, that's why I so angry. I thought money was being used to pay MLAs, who are already being paid, frankly, to be here and do a certain amount of work, when I thought that same amount of money should be used to resource the staffing behind the work that the Official Opposition does. But it is different money. It's the same purpose that we're trying to achieve with both things here, and at this time I'm willing to support what is behind and in fact appears on the paper for Government Motion 12.

Thank you.

The Acting Speaker: Do any of the members wish to speak?

Some Hon. Members: Question.

[Government Motion 12 carried]

Government Bills and Orders Third Reading

Bill 5

Appropriation (Supplementary Supply) Act, 2008

The Acting Speaker: The hon. President of the Treasury Board.

Mr. Snelgrove: Thank you, Mr. Speaker. I rise to move third reading of Bill 5, the Appropriation (Supplementary Supply) Act, 2008.

The Acting Speaker: Does anyone else wish to speak? The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Speaker. It's with pleasure that I rise to talk briefly about supplementary supply estimates and make some comments relating to this recurrent application for supplements to the existing budget from fiscal '07. In the context of an overheated economy where inflation and cost of living are high, most of us, perhaps, would have anticipated even extra, even beyond what the existing supplementary supply called for. Given the other part of the context, which is excessive dependence on fossil fuels at a time of an international war on carbon, we would expect and hope to see, I think as most Albertans, an attempt to move some of our nonrenewable resource wealth into alternatives: energy efficiency, renewable energy, energy conservation measures, and attempts to develop a green economy.

We also see significant land auctions and an attempt to move towards regional planning with the land-use framework. We would hope that these measures might cool the economy and reduce the demand for supplementary supply in future years and that, in fact, a commitment to raise royalties in the province would actually slow the economy in an appropriate way, that would allow some of our housing issues, some of our employment issues, some of our environmental impacts to actually improve.

Well, the Liberal recommendations have been on the table for years and include that all surplus be broken into four categories, of which the first third would be going into savings, the heritage savings trust fund in particular; another 35 per cent would go to postsecondary endowment, 25 per cent would go to infrastructure, and 5 per cent to an arts and humanities investment.

Last year we debated 16 out of 20 ministries. That is 80 per cent needing supplementary supply. This year we're only debating half that many. So I think we need to acknowledge that, perhaps, better planning has occurred. At least I'm willing to acknowledge that possibility and congratulate the government on reducing the supplementary supply requests.

In the context of Environment, most of the increase in the budget that we saw in supplementary supply was, as discussed earlier, \$85 million for a lawsuit in association with the Western irrigation district. Pleased we have been with the substantial increase in groundwater mapping, a critical issue for Alberta. The Ardley and Paskapoo formation as well as the Horseshoe Canyon must be more clearly mapped if we are going to understand and address some of the impacts on our groundwater of this unconventional gas development called coal-bed methane and shale gas development. The \$15 million for the Wood Buffalo landfill is clearly an important investment, as is the money for the Strathmore waste-water treatment. I guess that the questions will continue to arise as to what the next steps are for Alberta Environment and how we're going to address some of the growing environmental liabilities that we all, including our children and grandchildren, are going to have to face.

There were some questions that came up on specific issues in supplementary supply relating to the timing of when, for example, the Education supplementary for the one-time payments of \$1,500 to teachers was going to be disbursed, how it would be disbursed, and how it will affect retired teachers. These are important questions that we've raised and still don't have answers to.

In relation to the budget supplementary for Employment and Immigration it's unclear in the supplementary estimate of \$14,887,000 requested how much of that is increased caseloads and cost per case. The cost is partially offset by the savings in other programs, but how much of this is new staff? There's a reference to 150 new staff. Is this the full amount, or are there other expenses

that are not clearly indicated here? Or have, in fact, the costs of each case increased? It would be interesting to know more about that.

10:50

On the Energy side the supplementary amount was \$14,500,000 to provide \$7 million more for transition costs of the new Alberta Utilities Commission, 3 and a half million dollars for operating costs of the Alberta Utilities Commission, and \$4 million for transition costs to the ERCB. Is the \$14 million the total cost of the split of the EUB, or are there other expenses hidden there that are not clear?

Other questions that relate to supplementary supply are in relation to funding Alberta's future, and this would have 35 per cent of our nonrenewable resource revenue allocated. With the surplus savings plan there appears to be, again, a conflict between our vision of the future and the possibility of saving our nonrenewable resources. Can, for example, the government explain why even with our own projections they show that the nonrenewable resource revenues are going to decline in the future? How are we going to sustain these kinds of drawdowns and expenditures of surplus and supplementary requests in the future? How are we going to get our house in order and address a more sustainable approach to these issues?

We've talked in this House repeatedly about the rent supplement program and how it supports in some cases rent gouging. The question, I guess, is: is there a better way of dealing with this than supplementing those that would simply increase the rents? I think that there are better ways, and we have made some of those recommendations.

Well, those, Mr. Speaker, are my key questions about supplementary supply. I'll take my seat and allow others to speak to supplementary supply. Thank you.

The Acting Speaker: Any other members wishing to join the debate?

The hon. President of the Treasury Board to close debate.

Mr. Snelgrove: Question.

[Motion carried; Bill 5 read a third time]

Government Bills and Orders Second Reading

Bill 6

Appropriation (Interim Supply) Act, 2008

Mr. Snelgrove: Mr. Speaker, I rise tonight to move second reading of Bill 6, Appropriation (Interim Supply) Act, 2008.

The Acting Speaker: Do members wish to speak?

Some Hon. Members: Question.

[Motion carried; Bill 6 read a second time]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:53 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

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