

[Chairman: Mr. Pashak]

[8:30 a.m.]

MR. CHAIRMAN: I'd like to call the meeting to order even though the minister is not with us yet. Before I start the list, I'd just like to maybe do a little business, if I may. I'd like to again welcome the Auditor General.

MR. PASZKOWSKI: Just on a point, Mr. Chairman, I hope that we are recognized in light of the fact that there are people that come in at odd hours and get recognized ahead of us. I hope that we are duly recognized for being here.

MR. CHAIRMAN: All right. Since it is the hour of 8:30, I'll begin a list, then, if that's what your wish is. [interjection] All right. Put your hand up. Is there anybody that didn't put their hand up besides Mr. Moore?

Actually, we'd originally scheduled this morning the Minister of Consumer and Corporate Affairs, the Hon. Dennis Anderson, but Dennis wasn't able to make it this morning.

MS SKURA: No, the other way around.

MR. CHAIRMAN: Oh, pardon me; it was the other way around. The Hon. Ralph Klein couldn't come on the 27th, so the Minister of Consumer and Corporate Affairs was very willing to make a shift with Ralph Klein, so at least we have the Hon. Ralph Klein scheduled for this morning.

AN HON. MEMBER: Are we waiting for Environment or consumer and corp? I'm sorry, I missed that.

MR. CHAIRMAN: Environment this morning.

We could do the approval of the minutes while we're waiting. We've circulated the minutes of the June 6, 1990, committee meeting, the meeting with the Minister of Energy. Are there any errors, corrections, additions? Okay, Mrs. Black moved that the minutes be adopted. Agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The only other item we might discuss while we're waiting is the document Guidelines for Public Accounts Committees in Canada, and I have received three written submissions from members of the committee with respect to that document. Generally, the view of the submissions that have been made to me indicates that they think the guidelines suggest two powers for the committee that go beyond what at least the members who made the submissions would like to see. Are there any other points that anyone would like to make?

From my own point of view, I think that document will be discussed at our meeting of the Canadian Council of Public Accounts Committees, which is to be held in St. John's, Newfoundland, in early July. The Chair and the co-Chair of the committee have been authorized to attend that meeting, and I suspect that unless I get by way of a motion some further direction from the committee, the point of view that I would take to that meeting is just a very simple one: that the document has been circulated to the members of the committee, the members of the committee had an opportunity to react to the document, and they're somewhat critical of the extended powers that are in the document. We'd previously agreed to support the document in principle but without committing, in a sense, the government to accept that document. It was just the view of the committee.

MR. JONSON: Just a question to you, Mr. Chairman. You said that we had agreed to support the document in principle. Who is "we"?

MR. CHAIRMAN: "We" were the people who were represented, not the committee.

Welcome, hon. minister.

Perhaps we can return to that item of business at the end of the meeting if there's time. But just to answer your question, "we" referred to just Mr. Moore and myself, who were present at that meeting.

MR. JONSON: I didn't want it to be confused with this committee.

MR. CHAIRMAN: Okay. I'll make that clear.

Well, this morning I'd like to welcome again the Auditor General, Mr. Salmon, and his associate auditor Michael Morgan. This morning we have with us the Hon. Ralph Klein, Minister of the Environment. I'd like to welcome him as well and give him an opportunity to make some opening remarks and introduce members of his department who are with him.

I should just perhaps mention, hon. minister, that the way the committee usually operates is that we do give the minister an opportunity to make a brief statement outlining any comments that he'd care to make about his department as it concerns the public accounts for the year ended March 31, 1989. I've already established the list of people who would like to put questions to you regarding those accounts. Generally what I do, hon. minister, is ask them to either refer to a recommendation or a comment that's made in the Auditor General's report for that period or to refer to an actual line item in the public accounts for that period.

So with that, hon. minister, on behalf of the committee I would give you an opportunity, then, to make a statement.

MR. KLEIN: Thank you, Mr. Chairman. Well, it's my pleasure, I think, to be attending the Public Accounts Committee. As members are well aware, this is my first appearance before this committee, and I understand that today we'll be reviewing the expenditures of the Ministry of the Environment for the fiscal year 1988-89. No doubt members will recall that the department was under the care and leadership of the Hon. Ken Kowalski and the hon. Dr. Reid in that fiscal year, with the exception of the period April to the end of the year in '89.

So if there should be any questions that are raised today that relate to events or issues that I can answer, I have with me today officials from the department that can provide you with the answer. Having said this, it is therefore appropriate at this point to introduce the people with me from the department. On my immediate left is Vance MacNichol, the deputy minister. Next to him are Ken Smith and Bill Simon, assistant deputy ministers. They will assist me, hopefully. I'm sure they will. They've been of tremendous help to me over my year as Minister of the Environment. We have a good team and a tremendous working relationship. I am pleased also that the Auditor General had given this department a clean bill of health in his 1988-89 audit.

There were seven votes under the department's General Revenue Fund that fiscal year. A total of \$109.5 million was appropriated for the department under the General Revenue Fund, and a total of \$121.4 million was expended under these votes. During the fiscal year supplementary funding totaled \$15.4 million, and that was obtained by special warrants. Out of

the \$124.9 million provided by the General Revenue Fund, \$3.5 million, or 2.8 percent, was left on the table.

Looking at the highlights of 1988-89, the department continued to focus on its revised mandate of both protecting and enhancing or improving the environment of the province of Alberta. The fiscal year witnessed a major emphasis on communications and education; for example, the water literacy program or water education program for Alberta schools. All of these were initiated in 1988-89. The department continued a very comprehensive and sophisticated approach to research with emphasis on emerging issues such as pulp mills, waste management, and new environmental technologies. About \$23.8 million was spent in vote 2. This was spent on pollution prevention and control, and this represented an increase of \$5.4 million, or 29 percent over 1987-88 expenditures.

A new compliance branch for enforcing Alberta's environmental legislation was created in 1988-89, and as well '88-89 saw the creation of a new recycling branch to provide continued emphasis on recycling. Over \$2 million was spent to provide financial assistance to municipalities for regional waste management systems, which included sanitary landfills, transfer stations, and incinerators. I had the opportunity of opening one just yesterday. I know that we aren't supposed to come into the present, but this was a landfill site that had been operating for over a year and a half. We just had to cut the ribbon to officially open it. That was at Hinton.

Water management and erosion control programs have benefited 49 municipalities with 67 projects for a total expenditure of \$4.6 million, and 1988-89 also marked the completion of the reclamation of the Blairmore coal slack piles. This was the largest single reclamation project undertaken by Alberta Environment. Again, I had the opportunity of participating in the dedication of that most gorgeous project in the Crowsnest Pass. One of the advantages of being a Minister of the Environment is enjoying the opportunity to open the work of other ministers and the efforts of people who have perhaps left the department or who have gone on to other political endeavours. Nonetheless, it is a great project, and for any of you who haven't seen it, I would urge you to go down to the Crowsnest Pass and see this marvelous reclamation project.

Of the special warrant announcement the pesticide container collection was given \$2.9 million roughly. The HELP program continued and expanded at a cost of \$600,000. The management of underground storage tanks, MUST, was a new program at \$240,000. Beaver Dam Flats reclamation was \$2 million, and I can talk a little bit about this because I helped negotiate, as the mayor of the city of Calgary, that \$2 million that came to reclaim the old Imperial Oil refinery site in southeast Calgary with Esso Resources paying the other third. The water supplies assistance program, which ended, I believe, in March of this year, was provided \$9.5 million.

So, Mr. Chairman, with that very brief overview I will attempt to answer any questions you or members of the Public Accounts Committee might have.

Thank you.

MR. CHAIRMAN: Thank you very much, hon. minister.  
Mr. Payne.

MR. PAYNE: Well, thank you, Mr. Chairman. I'm somewhat puzzled as to why I made it to the top of the list, but thank you for so doing.

First of all, I'd just like to point out that I'm sure most of the members who have read the Auditor General's report are

aware that he found no matters to warrant inclusion in his report for the reported year. To me that suggests that the minister and in particular the officials who have professional responsibilities for the management of the departmental funds obviously have done their task in a competent manner, and I'd certainly like to compliment them. I want to do that because as you know, Mr. Chairman, I more frequently am on the other side of that coin and am somewhat critical where such competence isn't evident. But where it is evident, I think it should be acknowledged in the public record.

I know that the minister shares my concern and the concern of many of my constituents with respect to how we deal with toxic wastes and chemicals in the city of Calgary and throughout our province, and flowing from that concern, I would like to direct a question to the minister with respect to page 3.51, vote 2.4, Wastes and Chemicals. At the risk of appearing to ask the obvious question, I'm wondering if the minister or his officials can explain why close to \$1.7 million was left in that vote. It seems to me that the minister and, indeed, I guess most ministers of government were feeling the pressure of tight budgets during this fiscal year that we're examining today, and in light of that I'm puzzled as to why there would be such a significant amount of money left in an area where there is such widespread concern.

MR. KLEIN: Indeed, Mr. Chairman, there is widespread concern, but the answer to that question is really quite simple. It was due to a late start in the pesticide container program. It's not that we didn't want to spend the money; there simply wasn't the opportunity to spend those dollars.

MR. PAYNE: Well, it was a simple question, and it merited that straightforward answer. I'd like to thank the minister, and frankly, Mr. Chairman, I have no other sups to ask at this time.

MR. CHAIRMAN: Thank you.  
Mr. Thurber.

MR. THURBER: Thank you, Mr. Chairman. To the minister. On page 3.55 and the vote reference 2.4.3, the recycling program, I guess you would call it, had an estimate of \$1,246,000 of which only \$1,016,000 was spent. Given the government's emphasis and the modern day publicity and the mind-set on recycling, I'm curious, Mr. Minister, as to why there was an underexpenditure in this. Usually these things have a tendency to be an overexpenditure, but in this case it's just an underexpenditure. Could you give us any insight into why that took place?

MR. KLEIN: Well, the recycling branch was only formed in 1988, Mr. Chairman. While we've always had a policy of waste management in this province, particularly since the inception of the deposit for return of beverage containers, one of the first provinces to do so, we've had an interest in recycling. But we really didn't get into it until 1988. The department was not, as I understand it, fully functional, and consequently the level of expenditures were lower than anticipated. And while I don't want to take you into it now, I will just for a moment. This is an evolutionary thing, as I said, that was conceived basically in 1988, and I think that very soon we're going to see some exciting new things in the way of waste minimization and recycling in this province. I guess it's a matter of traveling 10,000 miles and taking the first step. We didn't spend all the money that was

allocated to us, because it was so new and not completely functional.

**MR. THURBER:** Recognizing that this program was kind of in its infancy at that time, what kind of criteria would be used to evaluate the grant applications at that time? Could you give us some insight into that?

**MR. KLEIN:** Well, through the resource recovery grant program municipalities and nonprofit organizations are invited to send proposals for recycling programs in their communities. Those programs are evaluated on merit, and grants are awarded accordingly. I can give you some examples of the kinds of grants that were given: the Lions Club in Drayton Valley, for instance, in your constituency was given \$12,250 to start up a recycling program; the Recycling Council of Alberta, \$20,000; the village of Ryley, \$45,962.

You might say, "Well, why so much to the village of Ryley?" They're involved in some unique programs there that could assist the overall waste management program in this province. It's an experiment relative to composting that is being done on a regional basis. It's a very, very worthwhile kind of a project. So that would be evaluated as a somewhat special situation, and the grant would be higher because we think that the results will be quite significant as they might apply to waste management in other municipalities.

**MR. THURBER:** In the recipients of these grants was it mostly nonprofit or municipality things, or were there some that went actually to private enterprise, to entrepreneurs in the field of recycling?

**MR. KLEIN:** Just looking at the list, and I don't have a complete list here, but I have a list that is, I think, representative of the grants and where they went, it looks like about 3 to 1 to nonprofit organizations as opposed to municipalities. Because these programs are, unfortunately, and we hope to change this - again, I have to go back to my city, Calgary. At least, that's where I was raised. You know, I'm growing quite fond of Edmonton; don't get me wrong.

But I do have to admit that if there was one thing that I failed to do when I was the mayor there, that was to convince the administration - I was voted down on council twice, and it's a democratic system, but twice I tried to initiate a blue box program. But in the city of Calgary there is an abundance of landfill. The city is still able to dump their garbage there at a cost of less than \$7 a tonne, which is very, very cheap in today's market. So the argument, of course, is that a blue box program and the collection and separation of recyclables is counter-productive. Therefore, there was no municipal initiative. That occurs in a lot of municipalities where they say: "We have a very, very fine landfill. Why should we get involved in this recycling business?" It's an attitude that has to be changed, because I think there is a public will not to landfill garbage if we can avoid it and to get into other forms of waste minimization: recovery, recycling, reuse, and so on.

**MR. CHAIRMAN:** Mr. Ewasiuk.

**MR. EWASIUK:** Thank you, Mr. Chairman. I know when we have an opportunity to speak to the Minister of the Environment, inevitably we have to talk about pulp mills. In vote 2.2 on page 3.51 under Environmental Assessment the figures indicate over \$4 million was allocated, and a good portion of the money

was spent. However, I wonder about the actual policy change in terms of the issuance of the operating licences to Daishowa and the construction permit. I was wondering when this policy was changed.

**MR. CHAIRMAN:** Hon. member, I'm not sure that we can ask for a policy change. Can you frame your question in such a way that . . .

**MR. EWASIUK:** I'd like to know when the policy was changed. What is it now, for example? Is there going to be public involvement in this change?

**MR. CHAIRMAN:** I think that question is out of order, hon. member, under the direction of this committee. The committee earlier, at the very first meeting, gave directions to the Chair that we would not pursue policy issues.

**MR. PAYNE:** Or future intentions.

**MR. CHAIRMAN:** . . . or future intentions of the government. That was the direction that was quite clearly given to the Chair. I feel bound by that. You can ask what was involved in that expenditure, for example.

**MR. EWASIUK:** The other question I'd like to know. I think there's obviously going to be a need for more and additional environmental assessments as we become conscious of and recognize the need for more assessments to ensure that we are not polluting our province. The \$4.4 million was spent. I was wondering if there was the intent to escalate this figure to ensure that there is.

**MR. CHAIRMAN:** Again, that asks for . . . Hon. minister, I'm trying to . . .

**MR. PAYNE:** Mr. Chairman.

**MR. CHAIRMAN:** Mr. Payne, point of order.

**MR. PAYNE:** Speaking to the point of order, as the member is well aware, members of this Assembly have a number of forums to raise questions with respect to intended policy changes, intended courses of governmental action. We just have a number of such forums. This forum, as you know, Mr. Chairman, is focused on the fiscal record of a previously reported fiscal year, and I just must insist on making that point of order today.

**MR. CHAIRMAN:** Well, I think I've already recognized the point of order, hon. member, and I've agreed with it. I think the question to the minister really has to do with that expenditure, and perhaps the minister can account for that expenditure.

**MR. KLEIN:** Well, Mr. Chairman, the environmental impact assessment program, like everything else, is somewhat evolutionary. I can only talk to the expenditures that took place at that particular time. I think it's quite significant in terms of the dollars spent to do thorough reviews of environmental impact assessments, those documents that were prepared by the proponents of projects. When you talk about the total cost of EIAs then, you have to do some extrapolations and understand that what the companies put out to prepare their environmental impact assessment documents was probably tenfold the amount

that the department spent in assessing those documents. Quite simply, Mr. Chairman, the money spent by the Department of the Environment, the some \$4 million-odd, was spent to do deficiency reviews of the environmental impact assessment documents.

Basically, what happened under the program of the day was that proponents – let's say it was, for instance, a pulp mill, and we'll go back to Daishowa because that was a 1988 project when the licence to construct was issued. So it takes us back to the period that actually we're talking about. In the case of Daishowa that company spent many, many hours preparing environmental impact assessment documents. That document then was taken out to public meetings – not public hearings in a formal sense but public meetings – in a number of municipalities in northwestern Alberta. Once that process was completed, the public comments and the company's documents were then submitted to the department. Basically, we had to spend hours and hours and hire scientists and use the resources of the department and consume a lot of administrative and staff time and a lot of paper, unfortunately, to do our assessment of the company's environmental impact assessment documents. It's called a deficiency review. In the case of Daishowa, I don't know how many deficiencies were identified. I would suspect it would be in excess of 200. Was it not, Ken?

MR. SMITH: I don't recall the actual number.

MR. MacNICHOL: It was a big number.

MR. KLEIN: It was a big number anyway – a lot of these deficiencies. These deficiencies are then communicated back to the company, and we say to the company: "Look, there's a problem here; there's a problem there. You've got a whole bunch of problems. Fix these problems and get back to us." Then we have to do another review of how they've addressed those deficiencies. That again involves a lot of consultants and a lot of experts from the outside. These are the kinds of things that contribute to the costs of conducting an environmental impact assessment.

From April 1988 to March 1989 there were some 92 environmental impact assessments, some not as extensive as others, but they included five coal mines, 17 industrial operations, 28 oil and gas projects, 18 EIAs related to oil sands operations, two related to water resources, five related to hydroelectric. Some of these are in conjunction with hearings that are conducted by the Energy Resources Conservation Board, because under this environmental impact assessment process we are also required as a department to become intervenors in ERCB hearings. What we do is an environmental impact assessment of a project. We give our opinion as to the environmental worthiness of a particular project. For instance . . . Oh, what would be a good example back in that era?

MR. MacNICHOL: Transmission lines.

MR. KLEIN: Transmission lines, yes. Well, anything related to the generation of energy. We did seven recreation and four sort of miscellaneous environmental impact assessments. So it was quite an undertaking. Of course, it's also a part of the duty of the environmental impact assessment branch, and was at that particular time, to go out and inform the public as to what is going on and how the public can participate or could participate at that particular time through public meetings and so on.

MR. CHAIRMAN: Supplemental.

MR. EWASIUK: Well, Mr. Chairman, I understand what the minister is saying, that what they're doing primarily is reviewing the assessments done by the companies themselves. I was wondering about the expenditures that have been used up here, why we as a department don't do the review ourselves and have public involvement rather than relying on the assessments being done by corporations and companies themselves.

MR. KLEIN: Well, again we're going back to 1988 and '89. We're trying to improve the system, and we see today the involvement of the natural resources conservation board. But going back to the process that was in place at the time, I think it was quite a good process. When you talk about the company preparing the document, why not the company? I said at the outset that if we had to pay for the preparation of the documents and the initial scientific evidence and all other matters related to the protection of the environment, I think our costs would quadruple. In other words, if we were to do it instead of the company, it would cost the taxpayers of this province many, many, many more millions of dollars.

Basically, Mr. Chairman, what we require is the proponent upfront the cost of preparing the initial documents; then we as independent adjudicators do the deficiency review. I think it would be inherently unfair then, now, and into the future for us to bear the costs of preparing environmental impact assessment documents for a company that stands to make a profit if the project is approved. You know, when I look at that \$4 million and so on, if I had my druthers, I would like to assess that cost to the company, but again we have to have some responsibility on behalf of the people of the province to operate as independent adjudicators of the environmental worthiness of a particular project and say as a responsible government that this is our cost and we're going to do the best we can as a department on your behalf, citizens, to protect and enhance the environment and do a proper adjudication of whether a particular project is environmentally worthy.

MR. CHAIRMAN: Final supplementary.

MR. EWASIUK: Mr. Chairman, that leads me to my final question. The companies do in fact contribute to the department in terms of the kind of work that needs to be done to sustain the environment, and I noticed that in the departmental expenditures for the year there was some \$121 million. On the other hand, the revenues were a mere \$769,000. That's quite a large spread, and it seems to me there probably can be and is room for trying to bring that closer together in terms of ensuring the cost-recovery for the kinds of things the minister just spoke about, where the cost is \$4 million to do environmental assessments. Perhaps there is an area there where some money can be recovered relative to the overall departmental revenue spending and receipts.

MR. KLEIN: Well, perhaps there is, but I think we have to look at this very, very carefully if we want to maintain our independence as a government and our ability to properly and independently adjudicate environmental impact assessment statements.

With respect to the \$121 million: I mean, that is my total budget, and I think it's very, very low. If you give me three times that much, I'll find some very worthwhile ways to spend it.

But getting back to the question, this is a very, very important component of environmental protection, and we see today that people are demanding more in the way of environmental impact assessments and public input and so on. I think in the future you will see more expenditures. I don't want to take you into the future, but relating to what has happened in the past, I think we have spent, and very prudently spent, wise money on doing independent assessments and evaluations, deficiency reviews of environmental impact assessment statements. It's a cost of doing business and it's a cost of protecting and enhancing the environment from an independent point of view, with the government and very fine officials and good scientists and good-thinking people being the independent adjudicators on behalf of the people of this province of the environmental worthiness of specific projects.

MR. EWASIUK: Actually, I guess my question really is what recovery process is there to recover . . . [interjections]

MR. CHAIRMAN: I'd have to get the consent of the committee. I think if it was a clarification question and the committee agreed to it, we'd allow you to put it, but that's not forthcoming. Mr. Bradley.

MR. BRADLEY: Well, thank you, Mr. Chairman. I, too, would like to compliment the minister and the department in terms of getting a clean bill of health from the Auditor General. I think that's very significant.

Since the minister mentioned the Blairmore coal pile reclamation project, I would like to take the opportunity to thank the department for the work which was done there and particularly recognize Lawrence Kryviak, a very dedicated employee of the department who oversaw a lot of that work. It has been of excellent environmental benefit to people of the Crownsnest Pass.

I wanted to ask a question on page 3.56 under vote 5, item 5.1.6, Government/industry acid deposition research program. I think this has been a very successful program, and I'm not sure it's well recognized by Albertans as to what has been done here. I wonder if the minister or his officials may be able to advise as to what progress has been made with this particular acid deposition research program and whether it's ongoing.

MR. KLEIN: Well, I'll let Mr. Smith elaborate, but the project is not now ongoing, nor has it come to a halt. Basically there was some extensive monitoring of acid rain deposition, and there was some criticism when it was perceived that the department brought this particular program to a halt. Basically the attitude was that we think we have enough data; let's do a scientific assessment of the data we now have. I'll let Mr. Smith elaborate, but if that examination indeed points out that further work needs to be done, we will give that due consideration.

Ken, maybe you can elaborate further on where we are now with respect to that program.

MR. SMITH: Thank you, Minister Klein. The acid deposition research program that some of the members here may recall was a program that extended a number of years and involved a total expenditure cost-shared with the government and the industry in the order of about \$11 million. It produced a very significant amount of data that the minister has referred to in terms of acid deposition and characteristics here in Alberta. During the following years, the department has undertaken a very intensive review of those data and has identified a number of additional follow-up activities that are related to the specific program and

other activities we have under way involving the governments in western Canada.

I believe we will be in a position shortly to provide advice to the minister as to what additional work should be undertaken to further refine our knowledge on acid deposition here in Alberta.

MR. BRADLEY: Well, thank you, Mr. Chairman. I guess one of the points I wanted to make was that my understanding is that this is one of the most significant pieces of research that's ever been undertaken in the world regarding acid rain and its effects on the environment in a specific area and we should get more credit for the work that has been done.

I want to move on to item 5.1.5, the Alberta Environmental Research Trust, and the appropriation there of some \$305,000. This particular trust has been ongoing for, I don't know, some 18 years and has, to my understanding, come up with some interesting research projects that have developed: for example, Tanknology incorporated, which was a project funded to the Athabasca Research Corporation and is now solving one of the underground storage problems we have with regard to testing.

With regard to this Alberta Environmental Research Trust, are there other examples of particular research funded in that fiscal year of research projects that have gone on to be successful in terms of improving the environment?

MR. KLEIN: Well, Mr. Chairman, there are a multitude of programs, albeit small programs and mostly through the universities and colleges and technical institutions, that in some cases have produced significant results. One of the most notable outside of the one referred to by the hon. member with relation to the MUST program, the management of underground storage tanks, is the research that was done on what led to the cause of a lot of sickness in southern Alberta in particular, sickness that came about as the result of a little bug that came from the feces of beavers. It was called beaver fever, giardia. It was through the Alberta research trust that this little devil was found and we were able to track down the cause of a very mysterious sickness that affected a lot of people, particularly in the Banff-Canmore area.

MR. CHAIRMAN: Final supplementary.

MR. BRADLEY: A final supplementary, again regarding vote 5, which I guess to a great degree involves the Alberta Environmental Centre at Vegreville. In this vote, Interdisciplinary Environmental Research and Services, other than the Environmental Research Trust and the acid deposition research program, which I've already asked questions about, there's \$10 million almost on an annual basis which is dedicated to environmental research at the Vegreville centre. That's a considerable amount of money which is being expended, and this is on an ongoing annual basis. I wonder if the minister might be able to advise us as to what significant results we are getting from this tremendous investment in environmental research.

MR. KLEIN: Well, the hon. member feels it was a tremendous investment. I would have been pleased to have seen twice that amount invested in environmental research, because we see today a very, very complex society in terms of the environmental issues that have to be addressed. You know, I can recall that when I went to school we didn't talk about the environment. The environment was a word that was very, very seldom used. We talked about nature. We talked about the birds and bees and the flowers and trees, all those things that were nice and

warm and soft and cuddly. Now we talk about NO<sub>x</sub> and SO<sub>x</sub> and volatile organic compounds and absorbable organic halides and depletion of the ozone layer and global warming. I mean, there's a whole new language. We have environmental accounts, environmental auditors, environmental psychologists. I've said from time to time I think I need an environmental psychiatrist, and perhaps we'll have one of those one of these days.

But this whole thing has grown phenomenally. At the research centre we're into toxicology research and pest control research, natural resources research and land reclamation research, waste handling and disposal research, water and wastewater management research, pulp dioxin and furan chlorinated organic research, and analytical and diagnostic extension services. We're doing a lot of . . . The one story I like to talk about, one of the most interesting projects going on at Vegreville right now, is the project that relates to grass carp. I think that's a very beautiful, very interesting program because I like to fish. It's of particular interest to you, through the Chair to the hon. member. It was started about 1988 with respect to the irrigation systems in southern Alberta. We introduced about 1,200 of these grass carp in late 1988 on a very, very controlled basis – and these fish, of course, were genetically engineered so as not to reproduce, I hope – to irrigation ditches and some dugouts. These fish graze the weeds in the ditches rather than using chemicals or mechanical devices to take the weeds out. I understand that they grow to be about 30 or 40 pounds. Some people have said that they can grow up to 100 pounds, which really is quite phenomenal. They're big fish. You can imagine the look on a ditch rider's face if he sees one of these things surface. They are fishable and edible. I've often said I don't know what you would use for bait – perhaps hay bales. They're a very interesting fish and they're working out quite well, but we have to be careful with them. That's the kind of research that takes place at the Environmental Centre at Vegreville, a very, very interesting place to visit.

The biological research again is very interesting to me because I have this fascination with bugs, especially bugs that eat other bugs rather than using insecticides, and weeds that knock out the bad weeds rather than using herbicides and so on. If you want a good example of what has been achieved at the Environmental Centre, a good practical example, I would invite any of the members of the Public Accounts Committee to travel to the city of Red Deer and go through the river valley park system there. You will not find any instance of the use of insecticides. All the insect control throughout that park, and it's a very beautiful, very extensive park, is being done through biological measures. That technology and the system was developed at the Environmental Research Centre in Vegreville.

MR. CHAIRMAN: Well, with all due respect to the minister, who seems to enjoy a fish story, if we're going to get to the bottom of this list of people who have questions they'd like to put to the minister, I'd ask that you might even consider just asking one question and maybe one follow-up. But that's up to you. You still have the right to ask your three questions.

Mr. Severtson.

MR. SEVERTSON: Thank you, Mr. Chairman. In reference to the minister's last comments, maybe he should get together with the Minister of Agriculture and have another use for hay bales, another market. You said hay for bait for the fish. Talk that over with Ernie.

Mr. Minister, you mentioned in your opening remarks research in the pulp mill industry. Could you expand on what research

was done in reference to the pulp?

MR. KLEIN: As you know, northern forestry development, especially as it relates to pulp mills and the processing of wood, has become a very controversial, very, very topical issue not only in this province but certainly throughout the rest of the country and, indeed, now throughout the world. I guess the problem actually started in 1985, and we got into it in about 1988. It has to do with chlorinated organics, this whole process of bleach, introducing chlorine to accommodate certain processes. The introduction of chlorine goes back 60, 70 years, and you can imagine the amount of chlorine that was used then and still is being used in some mills to the extent that the emission standards are probably 10, 20 times what they would be in any mill in Alberta under our standards.

But what was determined in 1985 is that chlorine, which is used to do two things in the making of paper – chlorine is used as an agent to break down the lignins, the glue found in the trees, and is also used as a whitener at the very bottom end of the process to produce nice white pulp to make nice white paper that can accommodate high-definition printing and photography and satisfy, I guess, a consumer demand for things that are pretty and nice. Nonetheless, it was determined around 1985 that chlorine, when it combines with organic material and is exposed to certain temperatures, gives off these things that are called dioxins and furans. Of the family of dioxins there are 75 and of the family of furans there are 75. Of those families, there is one in each family that is deemed to be highly toxic: one dioxin called 2,3,7,8-TCDD, and of the furan family, 2,3,7,8-TCFD.

We didn't discover this here. It was discovered – I don't know where – perhaps in Sweden or in the United States through the EPA. There was a lot of experimentation on animals, and this dioxin was deemed to cause a skin condition that I think was called chloracne. Further experimentation was undertaken, and exposure to high doses of this particular dioxin led scientists to believe that it could be a cancer-causing agent. That then got our people involved in doing our own research, and in 1988 we started to do some fairly significant research at the environmental centre in Vegreville relative to chlorinated organics, particularly as those organics might affect the northern rivers, in particular the Peace and the Athabasca, understanding that when you're dealing with this particular agent, you have to relate it to the effect it's going to have on the immediate environment. In other words, it would not be appropriate to do research here as it relates to the effect on fish of chlorinated organics in Missouri. So we have to do the research as it affects aquatic life in northern Alberta.

MR. SEVERTSON: Mr. Chairman, I'll go with your wishes and let some more . . .

MR. CHAIRMAN: Mr. Lund.

MR. LUND: Thanks, Mr. Chairman, and good morning, gentlemen. Looking in the Auditor General's report and noticing that you have a clean slate is something I want to congratulate you on. I can't imagine a department more fitting to have a clean slate than the Department of the Environment.

Looking on page 3.55, under vote 3.0.4 we have the Land Conservation and Reclamation Council. I see there an expenditure of \$1,733,664. Could you give us an outline of what programs fall under that vote and what that money was used for?

MR. KLEIN: Well, it's basically a monitoring exercise. The \$1.7 million was expended on salaries and administrative costs for something like 32 permanent employees and to cover the travel costs for the field staff while monitoring industry activity and enforcement of regulations and requirements. It's a fairly extensive program that involves not only our staff members but full co-operation especially with the oil and gas industry because a lot of this is related to reclamation of wellheads. There are something like 165 nongovernment council members who are available to assist department staff on an as-required basis. These people are appointed by their various municipalities, counties, IDs, and special areas. So it's a very extensive program that involves not only our own staff to monitor the industrial activity but many other individuals involved with municipalities and so on to assist our department.

MR. LUND: So I understand, then, that this money really wasn't used for programs per se but rather to pay for people that were inspecting and monitoring. When we talk about a council then, how many government people, how many staff people are part of this council?

MR. KLEIN: Well, there are 32 staff people. But just to go back relative to - there was some money expended on actual reclamation work, and this is where the work required to fully reclaim a particular site was beyond the commitment that was made at the time that the licence to operate was issued. In other words, there was an undertaking on the part of the company to reclaim the site. The department said, "Well, this doesn't go far enough." The company then says: "Well, look. We have an agreement here that the site is to be reclaimed to the extent that you originally told us. If you want to do more, then you're going to have to pay." And we as a government said, "Okay, we'll pick up the additional costs." So there was a small amount spent by the government.

But, hon. member, to answer your second question, there are 32 permanent employees involved in this particular program. Most of the program is really monitoring the industrial activity to make sure that sites are properly reclaimed. This is basically a philosophy that is becoming more pronounced these days, and that is the philosophy that the polluter must pay. So basically it's an industry responsibility to reclaim the site, and it's our responsibility as guardians of the environment to make sure that the sites are properly reclaimed, and this is where most of the time is spent.

MR. CHAIRMAN: Final supplementary.

MR. LUND: Thanks, Mr. Chairman. Mr. Minister, you mentioned earlier about the municipalities being involved and some individuals. Exactly what's the relationship between the work that the department is doing and the council and the municipalities? When I think of a council, I think of a group of people making decisions, and yet how is that related to the municipality that you indicated is involved?

MR. KLEIN: Well, basically, we like to have a network of people who can be in a position to monitor on a more detailed basis the activity in a particular area. As I say, we have 32 people. They can't be everywhere at the same time, so we depend on local municipalities, counties, municipal districts, IDs, and so on to have people available through their planning departments or their regional planning commissions or an assigned council member to undertake this particular duty,

especially if there's heavy industrial activity in a particular area, and to report to our department so we can go out and do detailed inspections.

MR. CHAIRMAN: Mr. Paszkowski.

MR. PASZKOWSKI: Thank you, Mr. Chairman. I certainly would like to take this opportunity as well, as others have, to compliment the minister for the work that he's doing in taking us through this transitional period, in the direction and the attention that we have attributed to environment. And for that, Mr. Minister, I would like to extend my sincerest congratulations to you and wish you continued wellness in what is no doubt a very difficult transitional period.

MR. CHAIRMAN: Brief [inaudible] maybe is acceptable, but let's get on with the questions.

MR. PASZKOWSKI: My question basically refers to the water resources capital, and as you know, this is a resource that we're very rich in at the present time. Vote 4, page 3.55, reference 4.2.2. Your construction budget last year allocated in excess of \$5 million and expended somewhat less than \$5 million. Would the minister perhaps provide us with some insight as to the types of construction activities that were being carried out by the department under this particular element?

MR. KLEIN: Well, Mr. Chairman, the water resources branch is a very peculiar creature under the Department of the Environment, and a lot of people question as to why it's even there under our department. I think that the answer is quite simple. Water is our most precious resource, and to conserve and use it wisely I think is one of the most significant environmental undertakings one can possibly have under his or her jurisdiction; not only to use it wisely but make sure that the quality of the water is also maintained. That's where water quantity and control and so on intersects with Mr. Smith's department in terms of quality and making sure that it remains as pollution free as possible.

Nonetheless, to contain water and control it and use it wisely and properly, certain things have to be done. We have to put in, in some cases, dams and diversions, and it varies, of course, from region to region within this province. In northern Alberta, for instance, the problems of water are far different than they are in southern Alberta; there's too much of it. When you visit Mr. MacDonald on the West Prairie River, you stand there and as you're talking, you literally see his banks being ripped apart and him losing his land. I can tell you this quite truthfully. Maybe it just happened because I was there. It wasn't a particularly wet day, but as we were standing talking, there was a huge crash, and he says: "See? There goes another chunk." I think he's lost about a quarter of a section in the last year. So this involves a lot of channeling and slowing down the flow, and you find out that, unfortunately, what has been done in the past as a remedial measure turns out to be a huge problem. Because if you want to speed up the flow of the river, you find out that you create tremendous silting, of course, in Lesser Slave Lake, which has an adverse effect on the walleye population and the ability of that fish to spawn. And then you go back and you have to do some more work to correct what was thought to be a solution 20, 30 years ago. So we're getting better at water management and control of water as it affects our environment and as it affects erosion and fish populations and so on.

But to answer your question more specifically, these are all water control projects, most of them in northern Alberta, where the water flows are great. In southern Alberta, I might add, the problem is the reverse. It's a matter of managing water to make sure that there's an equitable share of water for agricultural, municipal, and recreational use in areas that are deemed to be water deficient. So the water control programs there are entirely different.

We have the Drumheller flood control program, \$109,000. The East and West Prairie rivers project, the one that I just talked about - Mr. Pratt and Mr. MacDonald; it was a most interesting experience - \$330,000, and I'm sure more is going to be spent. Hutch Lake: I just heard about Hutch Lake the other day, and I'm going to go up there, I understand - the 22nd of this month, is it? I think that's up in Mr. Adair's area. Again it's a water control project that has created a nice recreational area that has somehow gone sour. There's too much silting in that lake, and I guess we're going to have to look at it and find a way to clean it up. Nonetheless, it serves to control flooding and so on. Parlyb Creek and the Spotted Lake water control project, Pigeon Lake creek, Podruzny drainage project, and the Whitford and Rush lakes project are some examples of the kinds of water management projects that have been funded under this particular program.

MR. CHAIRMAN: Would it be fair to say that I think the minister has anticipated all your supplementals?

MR. PASZKOWSKI: No, I don't think it is fair to say. But I'll be very brief and very quick with one, and I'll forego the second one.

As you well know, drainage is a very, very key ingredient to my constituency. There are many projects that have been initiated or we would like to initiate. I note there has been a bit of an underexpenditure, and I'm sure there are many within our constituency that would be overjoyed to be able to utilize the extra funding. So I guess what I would like to ask: would the minister provide us with some of the . . . Were the projects completed? Were there some that were not completed, or why the basic issue of underexpenditure?

MR. KLEIN: In 1988-89, Hon. member, eight new projects were initiated, and 13 projects were completed out of the 30 projects that were initiated.

MR. PASZKOWSKI: Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Cardinal.

MR. CARDINAL: Thank you, Mr. Chairman. In public accounts '88-89, page 3.55 under vote reference 3.5.2, Environmental Compliance program element, there was a lapsing of approximately \$172,000, or approximately 70 percent, of allocated funds during that fiscal year. Can the minister provide some insight as to the reason for the substantial underexpenditure in this particular vote?

MR. CHAIRMAN: Could you repeat the reference for the minister?

MR. KLEIN: Oh, I'm sorry. Could I have the question again, because I heard 3.5, and 3.5.2 is not referenced.

MR. CARDINAL: Three point five five, and the vote reference is 3.5.2.

MR. CHAIRMAN: No, I think it's 2.5 . . .

MR. CARDINAL: Yeah, 2.5.2. I'm sorry about that.

MR. KLEIN: Mr. Chairman, could I have the hon. member repeat the question, please?

MR. CARDINAL: Sure. It's under environmental compliance. There was a lapsing of approximately \$172,000, or 70 percent of allocated funds.

MR. CHAIRMAN: You're asking about the underexpenditure.

MR. CARDINAL: Yeah, the underexpenditure. Just give a reason why there was such an underexpenditure on that vote.

MR. KLEIN: Well, again this was a new program that wasn't fully staffed. Basically, we weren't able to spend the money that we anticipated would be spent on this particular program. It wasn't fully functional for the entire year. It is now, this department of environmental compliance - a very important department.

MR. CARDINAL: My supplementary on that one is: what functions are performed by the environmental compliance section, just in general?

MR. KLEIN: Well, the major function, of course, is to compile and gather evidence for consideration by the Attorney General's department in the case of alleged pollution or violations of stop orders or control orders. It's a program that is going to grow and grow, because people are now saying - and I think that we all have a sense of this - that we're no longer going to be nice to those who pollute our air and our land and our water. It's no longer acceptable, at least the second time around, to just talk to these people nicely and say, "Don't do this again." The emphasis, I think, is going to be on enforcement. Because there is such an environmental awareness out there, this program is going to grow and grow considerably. It has been the past policy of this government and other governments throughout this country to use the so-called education/consultation approach relative to matters of pollution, but now it's considered such a serious situation that enforcement and measures to bring about compliance are going to be much more pronounced.

So, basically, the compliance division will review evidence collected in response to a contravention of environmental legislation and determine the appropriate enforcement response. It's to review licences with respect to their enforceability in any potential enforcement concerns. It's to review the kind of legislation that hopefully we're going to bring about soon with respect to enhanced enforcement. To some degree the compliance branch is involved in education programs to inform the public about Alberta's environmental legislation and enforcement policies, and basically to say, "Folks, look; we're going to be tough, but we're going to be fair." And the message going out through this division right now is that things are going to be even tougher.

MR. CHAIRMAN: Supplementary?



MR. CARDINAL: Thank you. That's looked after my supplementary.

MR. CHAIRMAN: Mrs. Black.

MRS. BLACK: Thank you, Mr. Chairman. I'll try and be brief with my question, but I would like to commend the hon. minister and his department for having a clean bill of health. It's nice to see that on an Auditor's report. It doesn't happen very often.

My question really pertains to vote 6, where we transferred from the General Revenue Fund \$27,958,000 to the Alberta Special Waste Management Corporation. I was wondering if the minister could explain the investment in the joint venture that the corporation has a 40 percent interest in; if you could explain the background of that joint venture very briefly to us.

MR. KLEIN: Well, the joint venture is a partnership involving Bovar, which I think has since been acquired by Trimac, or at least a major interest, Bovar having as a subsidiary Chem-Security as the operating agent for the special waste management facility at Swan Hills. Basically, the arrangement with respect to capital is that the private company funds 60 percent of all capital operations – the construction of the facility, the addition of new burning units, and so on – and we fund 40 percent. But we also guarantee them an operating profit, which is allocated each year in the form of a subsidy. Hopefully, one day that plant will make a profit, and of course that subsidy will no longer be required.

Basically, that is the arrangement that we have with Alberta Special Waste Management. Certainly there has been some criticism of the subsidy, but all I can say is that . . .

MR. MacNICHOL: Breaking new ground.

MR. KLEIN: That's right. As Vance pointed out, we're breaking new ground. We're the only province in Canada with a facility of its kind. There is a tremendous opportunity, and I've made this public before, to at least give consideration to regionalizing that facility, rather than having Saskatchewan and the Northwest Territories and British Columbia go through the horrendous problem of trying to site one of these things – and it is a huge problem – and safely transporting and disposing of hazardous wastes. I mean, we've been doing it now for three or four years. Of course, we have our own backlog of toxic waste that is now contained in soil and other solids. There's a backlog of that. Basically, what we're in the process of doing now is upgrading that plant to handle the solid wastes that exist throughout the province, about a four-year backlog at this particular time. It's a costly item, but it's not so costly in terms of decontaminating and having the ability to not only decontaminate but to destroy, to kill, those wastes.

I think all one needs to ask for is the bill that was acquired by the government of Quebec relative to the PCBs that were rendered harmful as the result of a fire at St. Basile le Grand. Of course, what they tried to do is – we offered to take those PCBs and destroy them on a controlled basis. There was an election coming up, and they said, "Well, you can't do it fast enough." They thought they had a deal with Wales. Well, when the PCBs arrived at Wales, the longshoremen refused to unload them. When they got back to Quebec, the longshoremen in Montreal refused to unload them. On they went to try again in Wales, and they got the same answer, so they came all the way back to Quebec. The Russian captain of the freighter got so fed up that in the middle of the night he simply dumped them

in Baie Comeau, the Prime Minister's riding, and there they sit today, most of them. Now we have another request to take those PCBs off Quebec's hand. So I'd like to see the bill that was run up just to – I think it was probably close to our total operating subsidy for the waste management facility at Swan Hills.

MR. CHAIRMAN: Just in the interests of letting all the parties have an opportunity to put questions today, could I get unanimous consent to let Mr. Bruseker move up the list?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed? Mr. Bruseker.

MR. BRUSEKER: Thank you very much, Mr. Chairman, and to my colleagues in the committee.

A couple of questions have been answered already, but I would ask a question regarding page 3.56, and in particular vote 5, Interdisciplinary Environmental Research and Services. Under that program we have a number of other research facilities around the province, and I'm thinking in particular of the Alberta Research Council. We see \$10 million being expended on this program, and I'm wondering: under this program where we're seeing research done in a variety of areas, what is happening here to ensure that we're not getting duplication of research efforts at the Alberta Research Council or at the Agricultural Research Council, et cetera? Because it seems to me there could be some waste occurring there.

MR. KLEIN: Well, what we try to do is to make sure that there's full co-operation with the Alberta Research Council, with the agricultural research stations, and with the Environmental Research Trust, as that program funds research projects in universities and other private educational institutions. Perhaps there is some duplication, but there's also a tremendous sharing of information, and that's what basic research is all about: different people doing basically the same research on the same projects and coming to slightly different conclusions and then comparing results. Most of the research, however, at the Environmental Research Centre is very, very specialized, and most of it is applied research. It's a very, very hands-on kind of operation. Not too much basic research is . . . Vance, maybe you'd like to elaborate.

MR. MacNICHOL: Just as a final check, Mr. Chairman, the staff of the two organizations work closely together, like assessing projects and who's going to do what, so that there's no overlap. So there is a link between the two groups at the top.

MR. CHAIRMAN: I'd like to thank, first of all, members of the committee this morning for being so co-operative and yielding their right to ask questions in the interest of allowing more members to get into question period. I'd also like to thank the hon. minister for taking time out of a very busy schedule, appearing here today, and trying to answer questions as fully and as comprehensively as he did.

MRS. BLACK: Mr. Chairman, before we adjourn, earlier we had discussed what your response would be when you attended the meeting on public accounts, and I'd like to make a motion to that effect.

I so move that the Alberta Public Accounts Committee does not support the major expansion in the role of the public

accounts committee as advocated in Guidelines for Public Accounts Committees in Canada, as this direction conflicts with the existing role of the Auditor General and the Legislature and therefore would cause duplication and conflict.

MR. LUND: I second that.

MR. CHAIRMAN: Here we have a motion. Is there any discussion on the motion? I think this an interesting motion. I think it might require some thought and debate. You can put the motion and we can vote on it right now, if that's your choice, but I wonder if there would be any interest in referring or tabling that motion to another meeting.

Mr. Lund.

MR. LUND: Thanks, Mr. Chairman. I certainly agree with that motion. We've had that report for some time now and had opportunity to look at it, and certainly I feel that it really . . . We've got the Legislature; we've got this committee that has an opportunity to question the ministers. I don't understand. Why do we have to all of a sudden give it all these powers, that we bring people in and we bring witnesses in? I just don't see the need for that kind of an action.

MR. CHAIRMAN: All right. So you're speaking to the motion.

MR. EWASIUKE: In light of the time, Mr. Chairman, I'd move that the motion be tabled to the next meeting.

MR. CHAIRMAN: Motion to table. There's no debate on a motion to table. [interjections] No, it's just a motion to table until next week's meeting. It doesn't defeat it. Just by way of interpretation, it's just that in light of the hour, Mr. Ewasiuke would like to table the motion until we have some opportunity to debate it.

MRS. BLACK: The alternative, Mr. Chairman, in light of the hour, is to call the question.

MR. CHAIRMAN: But there's a motion to table. We can call the question on the motion to table.

HON. MEMBERS: Question.

MR. CHAIRMAN: Those in favour of the motion to table? Those opposed? The motion to table is defeated.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Well, you can't cut off debate. We're going to stay here until we debate it - right? - except that the clock has run out.

You can't cut off debate.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: You can call the question all you want, but if people want to speak to the motion, that's their entitlement.

AN HON. MEMBER: But nobody's speaking.

MR. CHAIRMAN: Well, does anyone want to speak on the motion? Mr. Bruseker.

MR. BRUSEKER: I would speak against the motion for a couple of reasons. I'd like to have the opportunity to review the document a little more thoroughly, and Mrs. Black has not pointed out what her concerns are specifically. So I think we should have the time to debate that, and if we're going to debate a motion, then we should have the document in front of us. At the moment I, to be honest, didn't bring it with me because I didn't realize this was going to come up for debate. So to have a motion to do away, in a sense, with the document or at least negate the recommendations made in the document without really having a full debate to discuss the pros and cons of that I think is pre-emptory.

MR. THURBER: Mr. Chairman, we've had this document in front of us for some - what? - two or three months now. If anybody hasn't read it and made up their mind on the contents or where it may lead to by now, I would suggest that it's not a time to take more time with it.

MR. CHAIRMAN: Mrs. Black.

MRS. BLACK: Yes, Mr. Chairman. I agree. We've had the document before us, and actually I would not have brought the motion forward at this time had you not indicated earlier that you had to attend a meeting again and make some representations on behalf of Alberta. Now, I feel it's important that we give a position from this committee as to what we feel our position in public accounts should be. I've reviewed the document, and I'm sure Mr. Bruseker has read the document as well, and my mind is clearly made up as to what I feel of the document. I think we should proceed so that the Chair and the Vice-Chair have a clear direction from the committee.

MR. CHAIRMAN: All right. Is there any further discussion?

HON. MEMBERS: Question.

MR. CHAIRMAN: Hearing no further discussion, the question is called. Those in favour of the motion as proposed by Mrs. Black? Those opposed? The motion is carried.

MR. MOORE: I move that we adjourn.

MR. CHAIRMAN: Those in favour of the motion by Mr. Moore? Those opposed? The motion carries.

[The committee adjourned at 10:03 a.m.]