

Title: Wednesday, May 4, 2005 Public Accounts Committee

Date: 05/05/04

Time: 8:30 a.m.

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to, please, at this time call this meeting to order. Thank you. I would like to on behalf of all members of the committee welcome everyone in attendance. Please note that the agenda packages were mailed out on Monday, May 2.

Before we approve the agenda, perhaps we should go around the table and introduce ourselves.

[The following members introduced themselves: Reverend Abbott, Mr. Chase, Mr. Danyluk, Mr. Griffiths, Mr. MacDonald, Dr. Morton, Mr. Oberle, Mr. Prins, Mr. Rogers, Mr. Vanderburg, and Mr. Webber]

Mr. Bonko: Good morning. Bill Bonko, Edmonton-Decore. I'll bring greetings on behalf of Laurie Blakeman, who is in Calgary at the symposium. Welcome to her fabulous constituency of Edmonton-Centre.

Dr. Swann: Good morning. David Swann, Calgary-Mountain-View.

[The following staff of the Auditor General's office introduced themselves: Ms Dawson, Mr. Dunn, and Mr. Saher]

[The following departmental support staff introduced themselves: Mr. Auger, Ms Norminton, and Mr. Watson]

Mr. Boutilier: Guy Boutilier, the MLA for Fort McMurray-Wood Buffalo, Minister of Environment.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: Now, could I please have approval of the agenda? Thank you. Reverend Abbott moves that the agenda for the May 4, 2005, meeting be approved as distributed. All in favour? Seeing none opposed, carried. Thank you very much.

I would also like to have, please, approval of the committee meeting minutes that have been circulated. Thank you. Moved by Frank Oberle that the minutes of the March 9, 16, and 23 meetings of the 2005 Standing Committee on Public Accounts be approved as circulated. Those in favour? None opposed. Thank you. The motion is carried.

Now, again, on behalf of everyone I would like to welcome Mr. Guy Boutilier, Minister of Environment. He will give us a brief overview of his department for the fiscal year 2003-04. I would remind again all hon. members that we are asking questions directly related to either the Auditor General's report from that respective fiscal year, the government of Alberta's annual report, or the Department of Environment's annual report for the fiscal year 2003-04. Thank you very much.

Please proceed, Minister.

Mr. Boutilier: Thank you, Mr. Chairman and members of the committee. Indeed, it is my pleasure as Minister of Environment to present and certainly answer any questions you may have on our '03-04 fiscal year. I want to say, though, at the outset that I do believe that Alberta Environment truly is continuing to demonstrate its leadership, and I now speak of previous ministers and staff, with the over 800 staff that are in the Ministry of Environment, in terms of what their work is each and every day.

I also want to thank the people from the Auditor General's that have reviewed our financial records in terms of giving the Ministry of Environment after, I'm quite certain, close scrutiny a clean financial opinion, which I'm very proud of. I really speak and give due recognition to our staff for their excellent work and the previous minister for what I am going to attempt to answer questions on today.

Significant progress has been made in protecting, preserving, and enhancing Alberta's air, land, and water, and Albertans, our bosses, have told us that the environment is a major priority for them. That, of course, was demonstrated once again in this survey that was done, It's Your Future, where they indicated that health, education, and environment are the top three priorities of Albertans. I'm also confident that '03-04 reflected the priorities that Albertans were looking for, and of course we want to continue to build on that momentum.

In terms of protecting our air, during '03 in our fall session we passed the only law of its kind in Canada, referred to as the Climate Change and Emissions Management Act, and of course the act continued to strengthen Alberta's existing legislation pertaining to greenhouse gas emissions and made Alberta the first jurisdiction in terms of demonstrating that leadership. In March '04 we committed to implementing recommendations made by CASA, the Clean Air Strategic Alliance, that ensures that emissions will continue to be reduced over the coming decades, which is so important. Adopting these regulations makes Alberta, again, a leader in North America when it comes to emissions standards for electricity generation in North America.

Pertaining to protecting our land, in December of '03 we held workshops and public surveys to develop a provincial electronic stewardship program, and, as you know, once again the first in Canada took place right here in the province of Alberta with our electronic stewardship program, which was introduced in February.

Of course, one of the key priorities of this ministry has been the Water for Life strategy, outlining actions aimed at ensuring Albertans have safe, secure drinking water and also healthy aquatic and ecosystems and a reliable water supply, you know, to support our vibrant provincial economy. We have appointed members of the Alberta Water Council to provide direction and advice. In fact, as Minister of Environment my first meeting with these officials from across every corner of our province is actually this Friday. So I'm looking forward to meeting our Alberta Water Council appointees relative to this important strategy.

In terms of the future, I want to say that improving and enforcing environmental regulations is an important part of our ministry regarding enforcement, and of course we have to continue to enforce our codes of practice. We also want to ensure that the act that we have regarding amendment of the Environmental Protection and Enhancement Act expands Alberta's upstream oil and gas reclamation and remediation programs. Municipal and industry people also can now report environmental incidents electronically, providing improved access. It's so important to collect our data and then be able to do an assessment on the data and take the proper action relative to what we have learned. History is a good teacher.

The environmental approvals my ministry issued in 1993 are now up for review, and the department team presently is working on a regulatory framework even more efficient and effective because I believe that here in this province we have an attitude that we can always do better, and I think we expect no less from each and every one of us. Phase 1 of the team's work will reduce applications to our department by about 1,000.

Also, I want to say that Alberta Environment works with partner organizations such as the Tire Recycling Management Association.

So for the members here the next time you are in a hockey arena or in a curling rink and you're walking on the floor, if you look down, you probably will be walking on recycled tires. That, in fact, was again part of our recycling program dealing with the issue of tire management. Also, we deal with the Alberta Used Oil Management Association and the Beverage Container Management Board to encourage Albertans to reduce their personal waste by taking waste to round-ups that we have and, of course, also composting a variety of household items. So I want to say that I'm very proud of our ministry's record.

As well, in occupational health and safety I want to say that we did have only one lost day in this area. You may not be aware that in the Ministry of Environment we have some very high-risk environments when it comes to a lot of the work that we do in terms of maintenance and work dealing with the Oldman River dam, of course, down in southern Alberta. It has some high-risk areas in terms of the proper work that has to be done. In actual fact, the one lost day that we had, there was an employee that slipped on ice out on the crosswalk outside. So, ultimately, I want to say, though, that one is too many.

8:40

We also have set up a healthy workplace advisory committee to make recommendations for enhancing our workplace health, and of course that continues to be a top priority in terms of how we do our work in the environment.

In terms of providing timely information, we launched a new website, which is, I believe, important, connecting with what the Ministry of Environment is doing. Our information centre, which we share with Sustainable Resource Development: we responded to about 1,900 e-mail requests and about 20,000 telephone calls and served more than 10,000 walk-in visitors.

Pertaining to educating Albertans, my ministry partnered with other ministries to co-ordinate the monitoring and testing for the West Nile virus in the province. I'm happy to say that to date there has been no loss of life related to this virus, that we have to continue to be proactive on.

Alberta Environment remains committed to raising public awareness of provincial, national, and global environmental issues. Just two Fridays ago it was Earth Day, and of course we have Environment Week coming up and Waste Reduction Week. That, of course, will be coming up in the weeks and months ahead.

During the '03-04 year I'm very proud of our staff. The ministry received five Premier's awards of excellence and an Alberta emerald award, which, of course, was launched quite a few years ago, in fact at the time when the Premier was Minister of Environment. So I'm very proud of the people within our ministry. They are hard-working public servants. They're committed to the environment, to protecting, sustaining, and ensuring that we leave what we've inherited, you know, as good as – I used to say better than, but I'm sorry to say that I have to say as good as – how we found it in terms of the importance of our environment.

So with that, I'm certainly prepared to answer any questions by the members. Thank you, Mr. Chairman.

The Chair: Thank you very much.

Mr. Dunn, do you have any comments at this time?

Mr. Dunn: Yes, thank you. I'll be very brief again. The comments, Mr. Chairman and committee members, on the Ministry of Environment start at page 133 of our last year's annual report. Our major work in the ministry last year was to examine what we call the managing for results systems. These are the systems for business

planning, performance measurement and reporting, and human resource management.

We made three recommendations in the annual report, one of which we numbered to indicate that it was the most important recommendation. Recommendation 13, which is on page 138 of our report, says that the ministry could improve its process for developing new performance measures. Also, the ministry has to ensure that its measures actually assess what each goal is trying to achieve. We acknowledge the work the ministry was doing to improve the performance measures, and we understand that the ministry has accepted our recommendation in principle.

We believe that measures must be both relevant and sufficient. Our finding with respect to the goal that Alberta's environment is clean and safe was that the measures used by the ministry were relevant but not sufficient to measure performance. We are just starting our follow-up work, and we'll be examining the changes made in the last year and will report to you next year.

Those are my opening comments, Mr. Chairman. I and my staff will answer any questions which are directed to us by the committee. Thank you.

The Chair: Thank you very much, and we will proceed quickly with questions because we already have a fairly extensive list.

Mr. Bonko, if you could proceed this morning, followed by Mr. Rogers. Thank you.

Mr. Bonko: Thank you, Mr. Chairman. Just starting on the comment that the minister said "as good as." I would, you know, be more assured if he said his other one which was: left "better than" we actually came in with. Can the minister inform us as to when the liability of industry ends with regard to reclamation of contaminated well sites and when this becomes the responsibility of the government, you know, therefore the taxpayers?

Mr. Boutilier: That's, first of all, a very good question. In fact, I think just a few weeks after I was appointed Minister of Environment, I met with the Auditor General on the exact point that you raise. I believe that as we're working on this plan, ultimately stewardship of the environment means that the responsibility of the industry relative to, if I could use an example, what they have done in disturbing the land – we need to be assured that Albertans are protected from any liability that may exist from that disturbance. As you know, there are stakeholders within industry that are indicating that 40 years ago when we were, to use one example, disturbing the land, we were following the laws of the day that were in existence. Yet today they're still saying: we followed the law, yet you are holding us accountable for something that took place 40 years ago when there wasn't a law in place. I think that it's a very good point. I believe, actually, that not only is there a financial liability of industry pertaining to that disturbance but also a moral responsibility relative to what they should be considering within their bottom line of what their responsibility is to Albertans.

So I can say, as I refer to a protector of the mother ship, that it's my view that pertaining to liabilities of such, the people of Alberta should not have to subsidize work that has been done by industry in past years. In the discussion that we had with the Auditor General, I want to say that we were on the same page relative to the fact that the important contingent liabilities you make reference to should be adhered to by the industry that, in fact, had that negative impact on our land.

Mr. Bonko: Okay. Thank you. My second question, then, would be: would you be willing to ask the EUB to increase the amount

collected from industry in a form of the orphan fund levy to safely remediate the large number of unclaimed well sites in Alberta?

Mr. Boutilier: That's a very good point, and I'll take it as a suggestion.

We haven't arrived at what the ultimate outcome would be, but one thing I can say is that we want to achieve the same objective, and of course I believe that industry, no different than government, needs to be accounting for what is taking place within this province. I want to say that I see many industries in Alberta that – industry is judged by the lowest common denominator in terms of performance, yet there are industries that are clearly shining examples of excellent work, where they factor in their bottom line the associated costs. Ideally, I would like to see, as we work closely with the EUB, where every single industry that does work in this province, that part of the cost in terms of disturbances are factored into their balance sheet.

In fact, one would have to ask the question why it hasn't been in the past. Probably the same answer as to why 40 years ago we didn't have the laws that we have today.

The Chair: Thank you.

Mr. Rogers, followed by Mr. Chase, please.

Mr. Rogers: Thank you, Mr. Chairman. Mr. Minister, on page 30 of your annual report it's indicated that some 60,000 tree seedlings, 1,500 trees, and 1,000 teaching kits were provided to schools across Alberta for Arbor Day and the centennial tree program. I believe that the Alberta Infrastructure figures indicate some 1,500 schools in Alberta. So it would indicate then that a significant number of these schools did not receive teaching kits. I'm just wondering if you could explain, Mr. Minister, any advertisement, promotional, or other efforts that your department might have used to try to enhance the participation and maybe get teaching kits in the hands of some of these other schools?

Mr. Boutilier: Yeah. Absolutely. In fact, I think we have to do a better job on the exact point that you raise. I know that the members of this committee take time off their busy schedules to be in schools, which is, I think, great. Each of us is an ambassador in terms of the promotion. You know, if we think of how often we're in schools during the course of the year, we have to continue that as just one way of educating.

We have an impressive education program in place, which continues. I'm not sure how many schools we do have in the province of Alberta, but the ideal situation is to ensure that at the grade 6 level and the grade 10 level, where we deal with environmental issues, each and every one of those schools has those kits. In fact, I'm looking forward as a former teacher myself – and I know that other members of this committee are as well – to some time in July when we bring together, actually, social studies teachers to participate in two days when teachers then go back to schools across Alberta, sharing with their students some of what I call hands-on experiences, that are so important.

In terms of leadership. Leadership, as they talk about, is that we have to have followers, but ultimately what we're trying to do as leaders is we really want to create more leaders, not followers. We want to create more leaders and a few less followers. More leaders will be the ultimate success of educating in our schools.

8:50

Mr. Rogers: Thank you, Mr. Minister, and maybe just a follow-up question. Certainly, you mentioned in your opening comments leaving this land as good as we found it, and I know that we all have

the desire, too, that at some point we'll do some things that will make it a little better. I believe, particularly in this area, that our youth – the best way to move this message forward and to achieve those is to grow our own and educate our young minds. So I guess that I'm still anxious to know if you've done any studies to determine why maybe some of these schools haven't participated.

Mr. Boutilier: Yeah. Sure. I'm going to defer to the Deputy Minister of Environment.

Mr. Watson: Thank you very much, hon. member. We work quite actively with the school boards across the province, so with respect to 1,000 teaching kits, most of those were probably distributed through the school boards in our major urban centres. I do acknowledge that our efforts with respect to reaching out and making better connections into some of the smaller school districts is an area that we're working on.

What we have been doing – the minister referenced the two-day event that we put on last year relative to water education, and that was a concerted effort to reach out particularly to rural school divisions. We brought 50 teachers, I believe, from school divisions right across the province down to southern Alberta to view some of our water management infrastructure, to meet with stakeholders. We brought stakeholders in from the irrigation industry, from the oil and gas industry, from the agricultural industry, people to talk about their perspectives on water, and we had a very real, positive reception from the teachers that participated and then took that information back to their school divisions.

So we've been using water as an area of reaching out and making stronger connections, particularly in the smaller school divisions, where our programs have traditionally reached out a little more successfully in some of the urban areas. So that's a focused area, and the water issues that are out there right across the province have been an excellent way of making greater connections with some of the other school divisions.

The Chair: Thank you very much.

Mr. Chase, followed by Mr. Griffiths, please.

Mr. Chase: Thank you very much, Mr. Chair. The teaching reference. I just wanted to point out that a group called Evergreen Theatre, that is partially supported by the government, is doing a fantastic job in getting environmental messages out to young people in elementary schools.

I also wanted to very briefly thank the minister for appearing and explaining his budget last week, and I especially want to thank the minister for recognizing David Swann, the Environment critic, and myself at the icebreaker on the Bow. That diplomacy was very much appreciated, and to quote the chair's maritime lingo, at this particular award ceremony the old trout received a glass trout.

My question has to do with page 43 of the annual report under Greenhouse Gas Emissions Intensity Indicator. There are important questions to be raised. The target for the government is to cut the greenhouse gas emissions intensity of the Alberta economy in half by 2020 relative to 1990 levels. My first question for the minister is: can the minister explain how simply reducing emissions intensity relative to GDP will have an effect on climate change?

Mr. Boutilier: It's a good point. If you examine – I use the example of my own backyard – the oil sands industry in a province where the economy continues to grow because we've been blessed with so much natural resource, the best example is that emission intensity – the technology was made right here in Alberta – has been reduced

per barrel by about 50 per cent, which is significant. If we'd only known that technology 10 years ago, can you imagine what an even better environment we would have in terms of protecting it? So in terms of the emission intensity in a growing economy, the fact was that 10 years ago there were only a couple hundred thousand barrels being produced. Today, of course, the prediction being forecast is that the oil sands industry will be going to close to 1 million, to 2 million, to 3 million. So, obviously, anyone doing the math can quickly determine that that means there are, in fact, more CO₂ emissions because of the growing economy and demands.

I actually come back to the other day at the Sierra Club, who are, obviously, quite vigilant in their initiatives. It was interesting that I said that no matter what industries such as the oil sands or whatever are producing, they're producing it because there's a consumer out there purchasing it. So for each and every one of us, as much as industry has a responsibility, we as citizens have a responsibility in terms of how we use our energy.

I want to say that, you know, the ideal situation from a fossil fuel perspective would be that if consumers were requesting less of the product, there would not be the requirement of the expansion, of going from 1 million to 2 million to 3 million. But we all have an individual responsibility. I believe and I remain hopeful, to the hon. Member for Calgary-Varsity, that the technology of the last 10 years that I speak of will also be the technology – but that's only one piece of the puzzle.

Renewable energies and other initiatives. We have to continue to go down on a parallel track of helping to continue to reduce the emissions. So even if we are expanding, it's hoped that in the years to come that technology will actually cumulatively reduce the emissions that Canada produces, which, my understanding is, you know, on the whole global scene, of course, our commitment to get back to 6 per cent below 1990 levels.

Mr. Chase: Thank you. The minister has approached the answer for my supplemental. Does the government have any long-term strategy to implement a package of measures to significantly reduce GHG emissions, such as vehicle efficiency standards, strong efficiency standards for major energy-using products, enhanced financial incentives to promote investments in energy efficiency, and, as the minister referred to, investments in low-impact renewable energy?

Mr. Boutilier: It's a very good question. It's almost the theory of the carrot and the stick. You know, B.F. Skinner talks about behaviour modification. How do we modify the behaviour of consumers, which is the long-term sustainable future?

I do believe that for the most part North Americans are very wasteful people, and I say North Americans. If we examine what is taking place, for example, in areas such as Israel when it comes to water, where they live by a desert, the density of what they have, I believe that, ultimately, as we go down this road, hopefully history can be a teacher for us all relative to that.

I want to also say, though, the incentive. If I were to go around this room this morning and ask who perhaps may own an SUV or a pickup truck. You know it. We're all contributing to greenhouse gases. In fact, for those who didn't ride their bike this morning, you contributed to greenhouse gases this morning. How many walked this morning? Okay. Well, that's really good to know. I know the minister of health will be very, very pleased with that.

But as we go down the road, I want to say this. I believe that if we can modify behaviour by incentive in terms of the kind of home we build and the car we ride, I think government has a responsibility and a moral responsibility to be a leader in that way. It's going to come to the point, though, where the incentive has to also be

balanced with: if you do continue with this behaviour, then you may ultimately have to pay a price.

So in the years to come, the question will be for those who go out and buy an SUV. By the way, at one point I owned an SUV, as well, because when I'm driving from Edmonton to Fort McMurray and there's a potential moose on the highway, I want to be protected too. The bottom line is that that's one way of protecting. It's not the right answer, but it's one that I've pragmatically used in the past.

Anyway, thank you.

Mr. Chase: I'd like to suggest that I want to see the Environment minister preserved, and highway 63 is a dangerous route.

Mr. Griffiths: Mr. Minister, in your annual report on page 62 through the category of grants I noticed that in 2004 the budgeted amount for grants was almost \$2 million, the actual amount was \$9 million, and that in 2003 the actual was \$10 million. I'm wondering why there was such a change first in the amount budgeted compared to the previous year and why the amount actually spent was close to the previous year.

9:00

Mr. Boutilier: Okay. Thank you. That's a good question. I'm going to yield to Monica. Monica, would you like to, as our financial wizard . . .

Ms Norminton: We had continuing obligations under two grant programs from prior years, the AWMAP, the waste management assistance program, and the AWMEC, which is – I always get the names mixed up – the water management and erosion control program. When we developed surpluses in other areas, we focused on continuing to pay those continuing obligations, so whenever there was money available, we put it into that grant program and let some other programs that weren't as high a priority actually slide a little bit to meet those obligations.

Mr. Griffiths: My second question. On page 30 the bullet in the top right-hand corner talks about Environment Week and Waste Reduction Week programs. It runs through the partners and how wonderful it was. I found it a little bit humorous that the very last line says, "Newspaper inserts featuring environment and waste topics were distributed in 500,000 newspapers," which would probably wind up in the garbage. I'm wondering: did you use recycled paper?

Mr. Boutilier: We did use recycled paper, and we're going to continue to modify the behaviour relative to where the newspaper is dumped every day afterwards, not to say that some days the newspaper does belong in the garbage. Is there anyone here from the media this morning?

The Chair: Thank you very much.

Dr. Swann, followed by Ray Danyluk. Dr. Swann is at the committee this morning. He is not an appointed member, but all Members of the Legislative Assembly are allowed to participate in committee affairs. They're just not allowed to vote. So please proceed, Dr. Swann.

Dr. Swann: Thank you very much, Mr. Chair. Good to be with you this morning. I, as many here do, take an abiding interest in sustainability, sustainable management of resources. Sustainable management suggests that we know that we're using only as much as will not deplete that resource for the future. In relation to water

it suggests that we know how much water we have and, therefore, how much is being lost from the cycle over time in order to ensure that we don't deplete the resource for the future. Mr. Minister, when will we know how much water we have in the province, both ground and surface water, so that we can sustainably plan for the use of our water supplies?

Mr. Boutilier: That's a very, very good question. The data collection, which some members here may not be aware of, is in the process. Part of our Water for Life strategy, the implementation plan, is collecting that important data. It's almost like an inventory account of what it is that we have relative to the impact on watersheds. So it's a very good question. Once we have completed the collection of that inventory, then the next question will be: what do we do with that information? It's one thing to collect the data, but then the next question will be: how are we going to continue to have conservation practices in terms of human behaviour and other to ensure that this is going to be around in the future from a sustainability perspective?

Relative to the plan that you're making reference to, I'll ask my deputy minister relative to our work plan of that data collection. So, Peter, just in terms of where we are relative to that data collection and the areas across the province.

Mr. Watson: Sure. Thank you, Minister. With respect to water I think it's fair to say that we've got a very, very good understanding of the nature and the extent of our surface water resources across the province. Typically, in most jurisdictions the understanding of the nature and the extent of our groundwater resources is more limited partly because it's underground and it's harder to measure and to identify where these resources are. So one of the things being considered for 2005-2006 through our Water for Life strategy and through some of the budget allocations is, actually, a significant investment in our monitoring programs.

We commenced last year a review of our groundwater monitoring network province-wide as well as a review of what other partners are doing with respect to groundwater information, such as federal agencies like the PFRA, as an example, who have significant amounts of information relative to groundwater. So we're completing that review this fiscal year, and that will help us put a plan together to optimize how we go forward and how we link the information from a variety of partners. One of our issues even on groundwater is that information is out there, but it traditionally hasn't been linked together, or we may not be capturing it in a common standard where we can speak to each other and pull this information together through a common portal.

So PFRA has significant groundwater information. The industry and the Energy and Utilities Board have information about groundwater associated with oil and gas development. Industry itself has information about groundwater resources when they're conducting a major project and assessing groundwater in that area. The other area of emphasis under our Water for Life strategy, hon. member, is to ensure that we've got common standards for these data so that these systems can speak to each other and we can bring it all together in a common portal. So that's another initiative we're working on this year as well.

So there's a lot more out there than we've linked together, and that's part of our effort as well as an expansion of our groundwater monitoring network province-wide.

Dr. Swann: Thank you very much. I guess it's impossible for you to say, then, when that might be available. But given that this is a key priority, do you have the budget to do the work that's needed to actually implement the Water for Life strategy?

Mr. Boutilier: Let me address that. Of course, over the next three years we have both operating and capital money. The capital portion of that, which we, of course, are in front of Treasury Board on – what we are requesting, as was outlined in the plan, is an investment over the next 10 years of about a billion dollars, which is, ultimately, what is required, enough that it averages out over the next three years to about \$100 million per year in terms of capital work, which is so important to our municipal partners in terms of the many common stakeholders. How we bring this portal together is so important. Ultimately, I remain optimistic that we will be successful in our capital budget in continuing to move forward with our Water for Life strategy.

The Chair: Thank you.

I would at this time like to remind the hon. members that we're dealing with the 2003-04 annual report of the government of Alberta, the annual report of the Ministry of Environment, and the Auditor General's annual report. This isn't a discussion on policy. We are reviewing the public accounts of this respective department.

Mr. Danyluk, please, followed by Mr. Bonko.

Mr. Danyluk: Thank you, Mr. Chair, and I beg a little bit of leniency. My preamble needs to cover my two questions, so I will ask the two questions together if I can, or at least try to get three questions into two.

Mr. Minister, my questions have very much to do with a couple of comments that Mr. Dunn had made, and that's in regard to performance measures. I will refer you to pages 33 and 34 of your report. I need to preface by saying that I am very much in a heavy oil area where flaring does occur, and there's always a concern of air quality and air monitoring. We have two or three major concerns, first of all, I would say, that being of trying to get accessibility to air monitoring. I see on your chart that you have, you know, some private operators that are doing air monitoring. I'd like to know where the funding for that comes from.

The second part of my question. When I was a county reeve the municipalities needed to have or felt that they needed to have access to this air monitoring because people were coming forward with those concerns and we weren't able to provide them the answers. Question 2 and a half is that there was always a concern when the government came back – and as I see, this chart says that you have a 96 per cent or a 97 per cent good air quality rating, yet we couldn't bring that message forward because we were just basically told, you know, "Come out here and check it." There's just a gap, and I want to know how that gap was addressed when you say 96 per cent.

Thank you very much for your leniency.

The Chair: Oh, you're welcome.

9:10

Mr. Boutilier: We actually have seven airshed zones in the province, and they're not all covered as of yet. So, hon. member, you raise an important point. As well, we also have three mobile units that travel the province, which are important in terms of collection. So you raise a good point, but with the seven airshed zones that we do have, we are not entirely covered yet relative to the point that you make. So it is an important point.

I would also say, though, that it's important to recognize that motorcycles are just one small example. If I could just for a moment, in particular a certain kind of motorcycle does have a negative impact on air quality, and we are working with the ministry of transportation relative to how we could perhaps take them off the road permanently. That would take the people off the road permanently.

I have been corrected by the hon. member: you don't drive a motorcycle; you actually ride it.

Mr. Danyluk: Yes.

Thank you very much. I can see that you haven't answered the question.

Mr. Boutilier: I'd like our deputy just to add on our seven air zones.

Mr. Watson: Yeah. As the minister indicated, in addition to the Alberta Environment air quality monitoring stations across the province, we have seven independent airshed zones. We're actively working with communities and industry across the province to try to get the entire province covered.

The other thing I wanted to raise was that where we have industry operating in certain areas of the province where we don't have an airshed monitoring zone, there is a requirement through industry approvals to conduct source monitoring of the emissions coming from their stack. In many of those instances there is a requirement in those approvals to conduct ambient air quality monitoring as well for the surrounding areas, again tied to the specific nature of the emissions from that facility.

That data and information are publicly available. They're not perhaps as easy to access as some of the data from the air monitoring zones, but it's something that is certainly available, and we can help facilitate that accessibility.

Mr. Danyluk: I'm glad that we have access to the information, but the question still remains: who pays for it? Do we pay for it?

Mr. Watson: The industry pays for it. In the case of the airshed zones, industry, communities, and government agencies like ourselves come together to operate collectively the airshed zone, and we collectively contribute. The majority of the contribution is from industry for these airshed zones, and in the case of industry monitoring required through their approvals, it's fully funded by industry. Even the ambient monitoring that we require in those approvals, that's paid for by industry.

Mr. Danyluk: And availability to municipalities of our own airsheds? [interjection] Same question; that's the question I asked.

The Chair: If you have any further information for the hon. member, you can do it through the clerk by writing to all the members.

Mr. Boutilier: Okay. I just was wondering if I was going to get the sixteenth part of that question.

Mr. Bonko: Well, hopefully, mine will be a little bit more concise then. With regard to your ministry's overall outline on page 39, reduction of municipal solid waste to landfills, I realize that there is a concern with regard to the rate that cities grow. So does the amount of waste that we put into the fills. What is this ministry doing with regard to reducing that amount not only with municipalities but with towns, hamlets? Are they in fact putting more money to help these areas reduce that?

Mr. Boutilier: Yeah. At the environmental conference last week, which the hon. Member for Calgary-Mountain View attended, I made a comment that my ultimate vision in terms of where we are and where we've been is, of course, continuing to encourage composting. I'm not sure how many of the hon. members in this room do participate in composting, but it's just one small example.

In fact, in my meeting with Dr. David Suzuki he indicated – and I must admit that as Minister of Environment my family has to do a better job – that they have, actually, three garbage bags of waste every three months.

Mr. Auger: One.

Mr. Boutilier: One every three months. Sorry. I just tripled his garbage. It's one bag of garbage every three months. It was quite an impressive record, you know, in terms of what is taking place. But each of us in terms of how we educate encourage more of that behaviour. Some of the earlier comments about our school children – rather than talking to CEOs about what we think they should be doing with their companies, we're actually having a greater influence on their children and their grandchildren that are coming home saying to them: what are you doing? So I think our schools are a key link there.

The ultimate goal is, for those who are temporary residents here in the Edmonton area, if you live in a condominium right now and you have a garbage chute that you go out and you put it in, the key is to minimize and conserve that waste. Second of all, when it actually, then, goes down into a dumpster, into an alleyway, the ultimate objective would be that the actual dumpster and the minimal amount of waste would go right under the city. There would be no alleyways, there would be no dumpsters, and that waste would go under the municipality, ultimately where the waste is converted back into needed energy and the energy required for the municipality.

So I think we have a long way to go, but ultimately it would be my hope that there will be absolutely zero landfills in the province of Alberta in the years to come and ultimately converting that waste into energy, which I believe is a worthwhile objective in terms of where we want to get to. Composting is just one small part of that in terms of reaching that goal.

Mr. Bonko: Okay. My second one with regard to new technologies. Also, in some of these new technologies – and I didn't see it particularly addressed in this. How do we deal with those new technologies and their ability to be recycled or composted? An example is fire retardant materials.

Mr. Boutilier: It's a good question as well. I'll have my deputy comment further. Technology in the future – obviously, I have to remain optimistic that the technology of five years from now has not even commenced in research, so it is said. But as we go down that road, I do believe that behaviour combined with education in the research and development will make significant, shall I say, measures relative to that.

I'll ask my deputy also to add relative to that question.

Mr. Watson: Thank you, Minister. With respect to fire retardant materials, I must admit that I'm not an expert in that area or in those materials, but I did want to add some information to the minister's earlier comments. Monica mentioned some of the accelerated grants under our waste management assistance program. One of the things that that is doing for us, particularly in the northern part of the province, is getting the necessary infrastructure in place in terms of transfer stations and points where waste diversion can take place and sorting and identification of waste can take place and then a proper regional landfill for those wastes that do have to be disposed of in a landfill at the end of the day. So we've been accelerating our grant payments, particularly in northern Alberta, to complete that infrastructure that's required.

Then, in addition to that, we're seeing that a large proportion of our waste stream with the growing economy revolves around increased construction and demolition type wastes as well as some wastes from what we call the institutional sectors, from resorts and hotels and restaurants, and so on. So those are a couple of areas that we're working on, better policy and partnerships with industry to help us do that. Most of those wastes can be diverted. Even, you know, concrete, asphalt, rubble can be reused. We just need to do a better job of pulling those things out of the waste stream. So those are a couple of areas that we're working on in a significant way.

The Chair: Thank you.

Mr. Oberle, please, followed by Mr. Chase.

Mr. Oberle: Thank you, Mr. Chair. Mr. Minister, I wonder if I could refer you to page 38 of the annual report and the table that appears on it. In the first section of that table 69 per cent of the water treatment facilities meet the newest of the 1997 standard, and only 31 per cent meet some presumably older standard. It appears from that that the standards for water treatment facilities have been relaxed over time. From my municipal experience I know that not to be the case. I wonder if you could comment on that.

Mr. Boutilier: Yeah. Sure. Go ahead, Peter.

But I can assure you based on my previous ministry that, if anything, our standards continue to rise, to the chagrin of certain leaders who feel that the additional costs are prohibitive in terms of their normal operation within the municipality.

Peter.

9:20

Mr. Watson: Sure. What this performance measure is helping us understand is that all facilities are meeting the standards that are required through the approvals that have been issued. But as new standards come on board, we recognize that a drinking-water plant can't be redesigned or reconstructed overnight, so they meet the standards that are in place in their approval, and then if an upgrade to their treatment process is needed, we work actively with them to get that in place as quickly as possible.

What we want to see with this continuing information in this performance measure is the 69 per cent rising in the future so that we're getting closer and closer to a hundred per cent meeting the most current standards, and we're minimizing that lag time for facilities when a new set of standards comes out to ensure that they're upgraded to the latest capability. As the minister indicated in terms of our capital funding request, part of that is to ensure that we can continue to assist municipalities in making that transition. So we want to see over time that 69 per cent number rising quite a bit faster.

Mr. Oberle: Okay. Regardless of the standard chosen, '97 or presumably some older standard, it does appear that the compliance rates are relatively low. I would ask of the minister: are you confident in Alberta's drinking water supply?

Mr. Boutilier: Yes, I am. I am very confident in terms of our drinking supply. In fact, I can say that based on what I have seen and witnessed, Alberta is without question a leader in this country relative to that. We have to continue to take the attitude that with new standards and new mechanisms of monitoring, we want to ensure that this province will never experience what some other provinces have experienced in central Canada.

Mr. Oberle: Thank you.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Prins.

Mr. Chase: Thank you. In light of the minister's and his executive assistant's cultural heritage I would like to make reference to the mother ship and appeal to the minister to *levez-nous en haut*, Guy, or loosely translated, beam us up, Guy.

Now, to move from the satirical to the deadly serious. Does the minister have concerns about the proposed Compton safety procedures with regard to igniting a potential well blowout of 36 per cent hydrogen sulphide sour gas in Calgary's southeast city limits, potentially affecting 250,000 residents, given the Pincher Creek Shell plant's January sour gas leak, in which both considerably more sophisticated primary and secondary ignition systems failed? The Compton hearing went throughout the 2003-2004 time frame.

Mr. Boutilier: I think that it's a very good question. Obviously, it falls somewhat outside of my ministry, yet it is connected in the fact of the hearing through the Energy and Utilities Board, so perhaps the Minister of Energy – but the point from the mother ship perspective of the environment: we always have to be vigilant relative to what is taking place in our province, and I think it's an important point. Also, as we embark on the next period of time, you know, we're hearing from residents their continuing concern. As public officials if our public is concerned, we need to demonstrate that leadership.

So I would like to have confidence in the fact that the Energy and Utilities Board, in terms of its hearings, in terms of what they factor into the exact point you're making, has to be also considered relative to the safety of our citizens.

Mr. Chase: Thank you.

My supplemental is directly connected to the AEUB, or the Energy and Utilities Board. Given the fact that the EUB is . . .

The Chair: Mr. Chase, excuse me. I'm going to have to rule that question out of order. The EUB is under the jurisdiction of the Minister of Energy. This is the Environment ministry. I'm sorry.

Mr. Boutilier: But I like the idea of taking over the EUB.

Mr. Chase: I would as well. That's the concern I wish to express.

The Chair: No. We're going to proceed with Mr. Prins, please.

Mr. Prins: Thank you, Mr. Chairman. On page 9 of your annual report at about the middle of the first column it says that

Alberta Environment has introduced a new drinking water performance measure that includes water treatment plant design, operating requirements, and performance standards of regulated waterworks facilities to produce safe drinking water.

Now, again, as Mr. Oberle has a municipal background, and I do, too, and we've just implemented our new plan for a new waterline from Red Deer to Blackfalds, Lacombe, and Ponoka, I guess my question would be: what actual improvements have Albertans experienced since the introduction of these new measures in 2003-04?

Mr. Boutilier: That's a very good question. I'll yield to the deputy minister on the specifics of some of the plans you're making. Obviously, central Alberta is a particular area of interest as well.

Mr. Prins: It's a huge interest, a hugely important issue.

Mr. Watson: Thank you, Minister. Drinking water outcomes is one of the three overall outcomes under our Water for Life strategy, providing safe, secure drinking water, and as the minister indicated, we've got a very comprehensive program for ensuring safe drinking water in the province. One of the things that we identified is that in a number of instances, particularly in smaller communities, they're having a challenge in attracting and retaining qualified operators for these systems. So one of the things that we've done to help mitigate that is: using funding under our Water for Life strategy, we've put in place through our regions across the province additional drinking water abatement officers. Their role is solely to get out and work with those operators in those treatment plants and help them work through issues or challenges they may be facing and help them do the best job they can with respect to the operation of the plant.

One of the things we've also recently done is an assessment of all of our drinking water plants across the province to come up with a province-wide plan for how we would continue to ensure protection of drinking water. Through that we've identified a number of areas in the province where some regionalization concept may be a good way to go. In your community we're looking at a regional waterline that supplies water to a variety of communities. In other communities it may be co-operation in terms of regional management of small drinking water plants within a community, and we've identified those areas where it would make sense and are putting strategies in place to do that.

So there are a number of things that we've made important strides forward on, and we're continuing to take this very seriously.

Mr. Boutilier: If I could, Mr. Chair, also say that, of course, we're linked at the hip, literally, with the ministry of infrastructure when it comes to much of those improvements where the Ministry of Environment says that this regional plan makes the most sense, it's the most economical. Then, at the same time, it's determining of the infrastructure dollars that are available in partnership with, you know, the county and the municipality relative to ensuring that it takes place. But I believe that we've got to continue to take that holistic approach between our ministries of Environment and Infrastructure to ensure that we get the optimum usage of our dollars relative to how we can have the most enhanced delivery of that service.

Mr. Prins: Thank you, Mr. Chairman. Actually, they've answered my second question in the process.

The Chair: Okay. Thank you.

Dr. Swann, followed by Mr. Webber.

Dr. Swann: Thank you, Mr. Chair. There's been a widespread perception that Alberta Environment is on a starvation diet since the early '90s and that it's very difficult to have confidence that industry is being adequately monitored. I'm wondering if you could give us a sense on your environmental officers who are out in the field, through perhaps some measure of how many environmental protection orders have been on average given on industry generally over the last decade, including this 2003-04.

Mr. Boutilier: I don't have the number at hand, but I can give you some small examples. History is a teacher in terms of industry's performance. So we have an approach where those to whom we have issued enforcement orders in the past, we obviously remain ever more vigilant of. Relative to if you've done something that we

had to issue an enforcement order, then we're paying even closer attention to that particular bad performer if that is the case.

9:30

The reality of it is that history is a wonderful teacher for us in terms of when we are witnessing behaviour or a violation of some of our regulations, we're not afraid. In fact, we like the idea of demonstrating the fact of our enforcement orders that we're issuing. Lynnview Ridge is just one example in the past years, which would have been in '03-04, in terms of some of the due diligence we've been doing in protecting the area.

Peter, do you want to add in terms of how many enforcement orders we have? We also issue media releases to the public, providing that assurance that we're not as much on a diet when it comes to, you know, prosecuting to the full extent of the law in terms of the enforcement orders. I think it's an important signal to let everyone know, the good performers and those who are even contemplating perhaps taking a short cut, that we're ever so mindful and vigilant in watching and enforcing the rules that we have in the province of Alberta.

Mr. Watson: Thank you, Minister. I don't have the numbers at hand regarding the number of environmental protection orders that have been issued, but I did want to flag for the member that annually we publish a report summarizing all of our enforcement activity for the preceding fiscal year: the number of orders that have been issued, the number of prosecutions that have been commenced, any administrative penalties that have been issued. Those reports are available on our website.

Dr. Swann: Okay. Thank you. In the same context, then, it seems as if there's a reluctance to doing environmental impact assessments, and I assume that part of that reluctance is related to a very constrained budget. For example, in the Castle Mountain resorts issue the provincial judge had to come back on Alberta Environment and suggest that it was appropriate that they follow their own guidelines and do an impact assessment. There is a perception, then, that budget has something to do with your ability to carry out your full mandate. How is it that impact assessments are so rare in the province?

Mr. Boutilier: Perhaps, Peter, you can just talk about the funding for impact assessments. I do know that a large portion of that will actually be paid for by those who are potentially coming forward in a new application, and maybe you can just elaborate a bit further on that.

I do not want that perception, clearly, but I understand the point you're making. We will do the due diligence if the conditions warrant. In this particular example, I might add, the suggestions by the judicial review, I actually thought, were very good recommendations relative to what the outcome was that we were trying to achieve.

Mr. Watson: I wanted to indicate that we spend roughly in the order of about \$15 million to \$20 million on assessment of environmental effects annually.

The other thing I wanted to raise is that we take a risk-based approach to how we do that so that there are a number of major facilities or activities that affect the environment in a major way where the assessment of environmental impacts is done through a formal environmental impact assessment report. Other activities that have demonstrated, you know, lower risk and very well understood types of impacts on the environment aren't mandatorily required to

conduct an EIA report, but we assess the environmental effects through an approvals process and through that type of process that those activities are required to go through.

So I wanted to reassure the member that for all projects environmental effects are assessed and considered and appropriate decisions made or mitigation strategies put in place. In the very high-risk projects our decisions are aided by a formal environmental impact assessment report. On lower risk activities the proponent is still required to provide that assessment to us, and we identify that information through what we call an approval process.

Collectively, we invest in the order of \$15 million to \$20 million annually in that type of effort.

Dr. Swann: Thank you.

The Chair: Thank you very much. If you have the number of orders, you could pass that information on to the committee through the clerk.

Mr. Boutilier: Enforcement orders?

The Chair: Yes.

Mr. Boutilier: Yes.

The Chair: Thank you.

Mr. Webber, please, followed by Mr. Bonko.

Mr. Webber: Thank you, Mr. Chair. Hon. minister, can I get you to refer to page 58, the notes to the financial statements? Note 8, contingencies. It says here:

At March 31, 2004, the Ministry is a defendant in forty-one legal claims,

And further down:

The resulting loss, if any, from these claims cannot be determined.

I can understand why it would be difficult to get a figure there. The final paragraph:

Certain contingent liabilities may exist for site remediation and reclamation which may be the responsibility of the Ministry . . . The preliminary estimate of the amount of such potential contingent liabilities is \$7.494 [million].

I just want to know how you came up with that figure.

Mr. Boutilier: I'll ask the deputy minister to respond to that specific question.

Mr. Watson: Thank you, Minister. The \$7.5 million accounts for sites that we've assessed we may become liable for under the Environmental Protection and Enhancement Act as a result of our assuming obligation for reclamation and remediation. We've got a listing of known sites across the province that we're monitoring, and where we have estimates of the amount to reclaim, those estimates are included in that figure. I wanted to emphasize that we follow the government of Alberta policies on recording contingent liabilities, and we'll continue to do so.

With respect to the recording of our liability in our financial statements, the amounts concerned are estimates, and liability is not always certain. Once the work begins, then we're recording those expenses on our financial statements and moving forward at that time.

Maybe I can also get Monica to supplement that.

Ms Norminton: The only thing I'd add is that the estimates are done, generally, independently. We get Stantec or some other type

of industry expert to come in and do the estimates for us. So they're third party, and they're independent of Alberta Environment generally.

Mr. Webber: Great. Okay. Well, you just answered my second question also, so we'll move on from there.

The Chair: Thank you.

Mr. Bonko, followed by Reverend Abbott, please.

Mr. Bonko: Thank you, Mr. Chairman. In the annual report, page 19, can the minister inform us as to what specific requirements for assessment and remediation of contaminated sites have been implemented?

Mr. Boutilier: Okay. I know that we talked about that, in terms of the numbers of the remediated sites, Peter or Monica, the numbers that we have. I do know that we are very pleased with the work we're doing, and we're obviously going to continue. Ultimately, it's an important initiative that the hon. member mentions.

Mr. Watson: With respect to page 19 in the annual report it refers to our upstream oil and gas reclamation program. It's important to note that the program was changed in fiscal '03-04. We specifically require as part of an application now that industry conduct an assessment of any potential contamination associated with the abandonment of these well sites, and that forms part of their application to us when they apply for a reclamation certificate. That was a new requirement.

Part of that program, commencing in '03-04, is to require specific assessment. There are, I guess, a variety of guidelines that we've provided for industry, depending on the nature of the well, the depth of the well, the fluids that were used in the drilling of the well. Again, some sites exhibit more risk than other sites, so there's a risk-based approach to this as well. We're ensuring, again, that with the high-risk sites there is appropriate assessment of contamination and remediation before we consider a reclamation certificate.

Mr. Bonko: Okay. You've pretty much answered my second one, but I'll go with something a little different then. It's on the same page as the upstream oil and gas reclamation. When you did consultations with landowners, industry, and other affected stakeholders, what were some of these concerns that these affected groups stated to the government?

9:40

Mr. Watson: Well, I think it's fair to say that landowner groups across the province were concerned that any potential contamination and remediation issues were being dealt with appropriately. As a result of the changes made to this program, we'll be able to demonstrate that performance to landowners as we go forward. So I think the landowners were comfortable with some of the work that has been done historically, but again with respect to certain wells that are deeper or that are using constituents in the drilling that can be hazardous, they wanted to be assured that those sites are cleaned up appropriately.

Mr. Boutilier: To the hon. member, Alberta Environment has been criticized for its reluctance in issuing the remediation certificate, and I take that somewhat as a compliment in terms of the due diligence that we're exercising relative to the particular area that you're talking about.

Mr. Bonko: Okay. The deputy partially answered it. I said, “with landowners, industry, and other affected stakeholders.” What would industry have raised?

Mr. Watson: I think the minister’s comments indicate that industry . . .

Mr. Boutilier: The criticism part.

Mr. Watson: They understand that we’re undertaking a very due diligence approach.

Mr. Boutilier: But if everyone’s unhappy, then I’m certainly doing my job.

The Chair: Reverend Abbott, followed by Mr. Chase.

Rev. Abbott: Thank you, Mr. Chairman, and thank you, Minister. On page 39 of your ministry’s annual report it states that the target reduction for Alberta is “to reduce municipal solid waste disposal to landfills to 0.5 tonnes per capita by 2010.” Now, since 2000 the tonnes per capita have actually increased from .74 to .79, so how is the ministry intending to reduce this to .50 when the trend seems to be going the other way?

Mr. Boutilier: That is another important point in terms of solid waste and in terms of reduction. I mean, we have more people moving to this province, and the ultimate test for us will be from an education perspective: how do we continue to prevent Albertans, I’ll say, not just North Americans, from being so wasteful? We are a wasteful people. We’re not doing as well as we should, yet by comparison to other provinces we’re doing very well. But, having said that, Albertans have an attitude that we can do better, and we have to do better.

I want to also say that I’m embarking on – it’s not ’03-04 – a higher level of conservation policy when it comes to so many issues. Last year 1.6 billion beverages, from a recycling perspective, were purchased. We were able to recycle 1.3 billion, but I’m still looking for the other 300 million beverages that were not. In fact, to get right down to just a common approach, when you fill up with your new hybrid car that you just bought to preserve and reduce CO₂ emissions – most people go ahead and determine that when they empty their garbage and waste from their vehicle it’s at a gas station. So the question would be: how do we make it even more convenient and easier?

You know, we have one particular coffee shop that is not only not having recycling products, but they’re offering that when you roll the rim, you can win an SUV. You know, is that the right message to be sending?

Rev. Abbott: Which company would that be?

Mr. Boutilier: I didn’t mention any company name here.

I think the approach would be that maybe some day all fast-food restaurants in this province, from a disposable perspective – if I were to ask you, as you travel this beautiful landscape we have: what do you see in terms of some of the debris and the waste that is out there? Just take a look at a fast-food place in terms of the Styrofoam products that they use. Like, think about it. Maybe as we work with stakeholders, we need to get even tougher.

I think that the vice-chairman’s honourable homeland, the Netherlands, is an excellent example that we can learn from here in Alberta. You know what? We want to be the first state or province

in North America to be demonstrating that leadership, and I think Albertans mirror that in terms of what they’ve been telling us.

So who knows what will be for the future? Maybe your hamburger will be going up in price. I’m not so sure, but the reality of it is that we’ve got to do a better job. Take a look at our fast-food places, what that means.

Rev. Abbott: As a supplemental, I guess that is the heart of the question. If we set these targets, if we set these goals, certainly we must have some objectives in order to achieve these targets. What are the objectives? Are we increasing fines for littering? Are we charging municipalities more for going over that tonnage? What exactly are we doing to say, “Here’s how we will reduce waste?”

Mr. Boutilier: Encouraging composting through education in our schools, as we mentioned earlier, is one important initiative. Spending money on the education and awareness – that is so important, and I think it’s going to hold well for us in the future because we have our young minds. I mean, no offence, but all of us in this room, we’re beyond . . .

Mr. Griffiths: Hey, hey, hey.

Mr. Boutilier: Okay. Well, there may be one in the room that’s not beyond. But the reality of it is, you know, at the younger age we want to continue to shape the mind to create that.

My point of the gas station is that maybe we need to have it so convenient so that when you are emptying your waste, there are recycling bins at every gas station in Alberta. When it comes to, be it, aluminum, maybe I need to be examining a regulation in the future where when you build or construct a gas station, there’s a recycling bin by law that has to be there and the convenience of that. So those are some of the initiatives that I haven’t quite got off the ground yet but I can say that I’m seriously thinking about.

The Chair: Thank you.

Mr. Chase, followed by Mr. Rogers, please. I would remind members that in the time left we still have four hon. members who have indicated that they would like to ask a question, so if we could be brief.

Mr. Chase: I will be very specific with this question as I previously noted a glaze come over our hon. chair which paralleled that of the doughnuts he provided the Liberal caucus yesterday. This recommendation comes from the Auditor General’s highlights on page 138, which says, “clarifying its contributions to achieving the government business plan goals.” To the minister: given that the Auditor General cites on page 138 that the ministry needs to be more specific and detailed in its business goals, what steps have been taken to establish this detailed process?

Mr. Boutilier: They’re very good points and something that the ministry takes very seriously. Of course, we are presently working on a work plan to achieve those objectives that have been raised by the Auditor General. I’ll ask our deputy to also add in terms of some of the specific steps that we are moving forward with. A very good question.

Mr. Watson: One of the things I wanted to highlight was our business plan for 2005 in going forward, and you’ll see in that business plan that we actually devoted a page to specifically show the linkages between the government of Alberta’s goals and the department’s goals and to our strategies. So we’ve taken that

recommendation very seriously and have worked to engage our staff so that they understand the connection right from the government's business plan goals through our business plan to our operating plans that they're working on in the specific branches. So they understand the contribution that they're making not only to our plan but to the broader government of Alberta plan.

Mr. Chase: Thank you.

My supplemental has to do with the rapidity of succession of ministries, how quickly we replace ministers. Does your ministry have a plan for managing succession? When you leave, will the plans be clearly defined for your successor? Not that I want you to leave.

Mr. Boutilier: I can assure you that I don't want to leave, but I'll take that noble advice to the Premier.

The Chair: Thank you.

Mr. Rogers, followed by Dr. Swann.

Mr. Rogers: Thank you, Mr. Chairman. To the minister: with regard to greenhouse gas emissions, and not to something that's specifically in the report, there is a program that's near and dear to my heart, and it's called Municipal Energy First. Now, I apologize if this isn't under your ministry – I believe it is – but I'm wondering if you might tell us about the success of that program over the past year and maybe any plans you have for increasing the usage by municipalities.

9:50

Mr. Boutilier: Yeah. It's almost a joint program, where some of the dollars are clearly in Municipal Affairs. But, of course, that dollar amount, the Minister of Finance of the day, when we raise a point relative to the Alberta finance corporation – a new name today, but it was thought that much of that money was collected through interest that was paid back to debentures – that money, then, was put into this program.

It's highly successful, the only program of its kind. Ontario now is following Alberta's lead with this type of program, and it comes down to the grassroot of retrofitting. Municipal leaders are using it to retrofit from swimming pools to hockey arenas, where I say that, ultimately, it's about energy efficiency. As I've said before, we have many, many municipalities engaged in this. I'm really pleased because it's the long-term sustainability of our cities and both rural and urban areas.

Let me just conclude by saying that it just simply makes good sense, c-e-n-t-s and s-e-n-s-e, when it comes to the good work that our municipal partners are doing, when it comes to retrofitting and becoming more energy efficient. So the challenge to all members of this committee would be – you know, I look forward to your solar panels on your home. This summer I'm looking forward to, in actual fact, in the cottage that my wife and I have, putting solar panels on the roof, and I'm going to make sure that they don't point north. I haven't quite found the book yet at Home Depot, but I hope to have my little cottage, believe it or not, totally energy independent, solar for both water and electricity. So that's a challenge to each of us.

Mr. Rogers: Thank you.

The Chair: Mr. Rogers?

Mr. Rogers: No. I combined everything.

Dr. Swann: Over the past decade there's been a 500 per cent increase in well applications. There's not been a commensurate increase in your capacity as a staff, and my understanding is that only about 1 in 10 is actually investigated on-site, with an on-site audit, simply because you don't have the resources to do it. With this explosion in the oil industry and many people, especially in the rural areas but also on public lands, where no one goes and no one can act as intervenor, how can we be assured that you have had the staff over the past while and particularly now?

Mr. Boutilier: It's a very important point that you raise. Obviously, as you rightfully mentioned the number of wells today versus 10 years ago, we can only do as much as humanly possible with what we have. We're utilizing and trying to be strategic in terms of the performance that is being carried out relative to how we continue to enforce. As I mentioned, we do have 20 new officers coming on stream this year, which is an important step, and I might add that the additional funding that is coming forward for Environment is the first time in over four years, and I'm pleased by that because it has to mirror what Albertans are telling us.

So we're doing our very best, and I want to provide assurance that we want to continue to do that. We want to continue to be smarter about how we are ever so vigilant. Ultimately, it's almost like a police officer in terms of what we're doing in enforcement. We also, you know, rely on so many links with others. It doesn't mean you necessarily have to be working for the Ministry of Environment in order to be doing some of that work. I want to say that the Environmental Network, who I just met with the other day, are important partners with us in terms of being ever so vigilant relative to exactly the points that you're making.

Dr. Swann: One of the key concerns that I hear from rural people, farmers particularly, is the explosion that's going to happen in coal-bed methane. How can you help them and all of us to understand cumulative impact? The EUB approves one well at a time on the basis of its safety and its productivity. We need assurance that the Environment department is able to provide cumulative impact in relation to other activities in that area and the total impact on a township, for example, of all the industries that are going in there. Can you develop the expertise, and are you developing the expertise to do cumulative impact assessments?

Mr. Boutilier: A very good point, and I want to say that we continue to develop that expertise. I believe absolutely that environmental issues don't have any political borders. They don't have any municipal borders, or provincial borders, or international borders. We have to look at this on a global perspective of what it's doing to our watersheds and our ecosystems. Absolutely so. As we go down that road, I can say that from a cumulative perspective we need to continue to be ever so vigilant.

I believe that as we go into the future, in my own backyard, as we look at the issues of watershed and we look at other issues – the issue of wildlife, of course, falls under SRD – we need to be able to understand what it's going to mean a hundred years from now. So we need to connect the dots ultimately of what is being done individually. In fact, one suggestion may be that in the future the EUB, that often is made reference to, maybe at some days and years in the future may be referring to the environmental utilities board.

Dr. Swann: I hope so. I look forward to that.

Mr. Boutilier: I want to say that the IRM, integrated resource management, initiative that the three ministries are undertaking of

course will play a key role in that cumulative approach that you were making reference to.

The Chair: Dr. Morton, followed by George VanderBurg.

Dr. Morton: Thank you, Mr. Chair. Mr. Minister, in the annual report I couldn't find any reference to meetings or consultations with conservation and environmental groups, and I specifically wondered whether you met with or had consultations with groups like Ducks Unlimited, Pheasants Forever, Trout Unlimited, Rocky Mountain Elk Foundation. Each of those groups in their own way pursue and raise quite a bit of money for conservation, usually habitat and water quality issues. In '03-04 did Alberta Environment meet with those groups, and is there a record of it somewhere?

Mr. Boutilier: I don't have that answer. I can only say that yesterday we met with some conservation groups. Specifically, it was a land trust, but it was important to the issue, similar to that of Ducks Unlimited. So I don't have the answer for '03-04. At that time the then minister, Dr. Taylor, of course, would have been involved. I do know that he's been very involved in many of those groups that you make reference to. But I am making an assumption here that I would think that they are very important partners. I know that in my time, certainly, we have been meeting with groups, and I am assuming – and I'll yield to the deputy minister – that that network continues to be built on.

Mr. Watson: Yeah. I wanted to indicate that, in particular, our relationship with Ducks Unlimited and Trout Unlimited is very strong because of their linkage to some of the water issues that are directly within our mandate. I know that we have met with the Rocky Mountain Elk Foundation in the past, perhaps not as much as DU and Trout Unlimited because their mandate is more directly related to sustainable resource development. But in terms of wetland policies in the province, in terms of participation in watershed groups, Ducks Unlimited and Trout Unlimited are very involved and engaged with us.

Dr. Morton: I think it would be helpful to include that kind of information, if not in your annual report, then on your website. I think it would be good for the public and good for the ministry for that to be public.

Mr. Boutilier: Thank you, hon. member. It's a good suggestion. By all means.

The Chair: Thank you.

Dr. Morton: A second question.

The Chair: Mr. VanderBurg has a question as well, so please proceed, and we will get the answer to you in writing through the clerk. Is that fair enough?

Dr. Morton: I'd like to know what in your opinion was the least successful or least productive expenditure or program in '03-04 in your ministry.

Mr. Boutilier: It was probably the salary for the Minister of Environment.

Dr. Morton: That's funny, but I still would like an answer to my question. And I'll tell Lorne you said that.

Mr. Boutilier: Okay.

It's a good point. I'm sorry. I don't have that answer, but it's something I'll examine. Yeah. It's a good question. I want value for the dollars we spend.

Dr. Morton: Yeah. I think every ministry should be asked that question.

Mr. Boutilier: Yeah. Absolutely so.

Mr. VanderBurg: In '03-04, you know, we spent a lot of money and a lot of effort on the recycling program, and 95 per cent of the beverage containers were recycled within three months of being sold. But I think that we're lagging behind on the milk container program, and I didn't see anything in this report that says that we're going to advance that. Is there a reason that was left out?

10:00

Mr. Boutilier: I can't speak – well, I'm here to speak about '03-04, so here I am saying I can't speak of '03-04. But I can give the assurance to the hon. member and members of this committee that, yes, there is. I had a very positive meeting with Martha Kostuch, who has been considered a leading environmentalist when it comes to this type of initiative. I have a plastic container in my office, and as she indicated to me, when that container has left my office, then I will have been successful in one of the environmental initiatives that you speak of.

So I can assure you that plastics – as you know, there is a variety of seven different types of plastics. In fact, it was brought to my attention where certain areas do not accept certain types of plastics because of the fact that they counteract with the other type of plastic, which then can have a negative impact on the environment. We need to do a better job in terms of that collection and in terms of how we do a better job of recycling.

The point is well taken, and I can assure you that it is without question in the middle of my radar screen.

Mr. VanderBurg: Thank you.

The Chair: No other question, George?

Well, that concludes this portion of our meeting this morning. Again, on behalf of all members I would like to thank the hon. minister, staff, and Mr. Dunn and his staff for their time and patience and co-operation this morning.

Mr. Boutilier: Thank you.

The Chair: Is there any other business by any members? Item 5 on the agenda. No?

I would like to remind you that our next meeting is Wednesday, May 11, and we will be meeting with the Hon. David Coutts, Minister of Sustainable Resource Development.

May I please have a motion to adjourn? Moved by George Rogers that the meeting be adjourned. All in favour? Opposed? Seeing none, carried.

Thank you very much. We'll see you next week.

[The committee adjourned at 10:02 a.m.]