



Legislative Assembly of Alberta

The 29th Legislature  
Second Session

Standing Committee  
on  
Public Accounts

Environment and Parks

Tuesday, January 24, 2017  
9 a.m.

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**Legislative Assembly of Alberta  
The 29th Legislature  
Second Session**

**Standing Committee on Public Accounts**

Cyr, Scott J., Bonnyville-Cold Lake (W), Chair  
Anderson, Shaye, Leduc-Beaumont (ND), Deputy Chair  
Shepherd, David, Edmonton-Centre (ND),\* Acting Deputy Chair

Babcock, Erin D., Stony Plain (ND)\*\*  
Barnes, Drew, Cypress-Medicine Hat (W)  
Dach, Lorne, Edmonton-McClung (ND)  
Drever, Deborah, Calgary-Bow (ND)\*\*\*  
Fildebrandt, Derek Gerhard, Strathmore-Brooks (W)  
Fraser, Rick, Calgary-South East (PC)  
Goehring, Nicole, Edmonton-Castle Downs (ND)  
Gottfried, Richard, Calgary-Fish Creek (PC)  
Luff, Robyn, Calgary-East (ND)  
Malkinson, Brian, Calgary-Currie (ND)  
Miller, Barb, Red Deer-South (ND)  
Nixon, Jason, Rimbey-Rocky Mountain House-Sundre (W)\*\*\*\*  
Panda, Prasad, Calgary-Foothills (W)  
Renaud, Marie F., St. Albert (ND)  
Turner, Dr. A. Robert, Edmonton-Whitemud (ND)  
Westhead, Cameron, Banff-Cochrane (ND)

\* substitution for Shaye Anderson

\*\* substitution for Nicole Goehring

\*\*\* substitution for Brian Malkinson

\*\*\*\* substitution for Prasad Panda

**Also in Attendance**

Loewen, Todd, Grande Prairie-Smoky (W)

**Office of the Auditor General Participants**

Merwan Saher	Auditor General
Robert Driesen	Assistant Auditor General
Brad Ireland	Assistant Auditor General
Eric Leonty	Assistant Auditor General
Doug Wylie	Assistant Auditor General
Maureen Debaji	Principal
Maureen Manning	Principal
Mary Gibson	Business Leader, Performance Audit Practice

### Support Staff

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
Trafton Koenig	Parliamentary Counsel
Stephanie LeBlanc	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Public Accounts**

### **Participants**

Ministry of Environment and Parks

Andre Corbould, Deputy Minister

Tom Davis, Assistant Deputy Minister, Corporate Services

Eric Denhoff, Deputy Minister, Alberta Climate Change Office

Graham Statt, Assistant Deputy Minister, Operations

9 a.m.

Tuesday, January 24, 2017

[Mr. Cyr in the chair]

**The Chair:** Good morning, everyone. I'd like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance. My name is Scott Cyr, the MLA for Bonnyville-Cold Lake.

I'd like to ask that members, staff, and guests joining the committee at the table introduce themselves for the record, and then we would go to the members on the phone lines, starting off to my right.

**Mr. Shepherd:** Good morning. David Shepherd, MLA for Edmonton-Centre, acting deputy chair for the committee today.

**Mr. Barnes:** Good morning. Drew Barnes, MLA, Cypress-Medicine Hat.

**Mr. Fildebrandt:** Derek Fildebrandt, Strathmore-Brooks.

**Mr. Nixon:** Good morning. Jason Nixon, Rimbey-Rocky Mountain House-Sundre.

**Mr. Gotfried:** Richard Gotfried, Calgary-Fish Creek.

**Mr. Ireland:** Brad Ireland, office of the Auditor General.

**Mr. Leonty:** Eric Leonty, Assistant Auditor General.

**Mr. Saher:** Merwan Saher, Auditor General.

**Mr. Wylie:** Doug Wylie, Assistant Auditor General.

**Mr. Driesen:** Rob Driesen, Assistant Auditor General.

**Ms Gibson:** Mary Gibson, office of the Auditor General.

**Ms Renaud:** Marie Renaud, MLA for St. Albert.

**Mr. Dach:** Lorne Dach, MLA, Edmonton-McClung.

**Dr. Turner:** Bob Turner, Edmonton-Whitemud.

**Ms Babcock:** Erin Babcock, Stony Plain.

**Drever:** Good morning. Deborah Drever, MLA for Calgary-Bow.

**Ms Miller:** Good morning. Barb Miller, MLA, Red Deer-South.

**Mr. Westhead:** Good morning. Cameron Westhead, MLA for Banff-Cochrane.

**Dr. Massolin:** Good morning. Philip Massolin, manager of research and committee services.

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** Thank you.

I'd like the members that are on teleconference.

**Ms Luff:** Hi. Good morning. Robyn Luff, Calgary-East.

**The Chair:** Thank you.

I'd like to note for the record the following substitutions. Mr. Shepherd is substituting for Mr. S. Anderson, the deputy chair, Member Drever for Mr. Malkinson, Ms Babcock for Ms Goehring, Mr. Nixon for Mr. Panda.

A few housekeeping items to address before we turn to the business at hand. The microphone consoles are operated by *Hansard* staff, so there's no need to touch them. Audio of the committee proceedings is streamed live on the Internet and recorded by *Hansard*. Audio access and meeting transcripts are obtained via the Legislative Assembly website. Please turn your phones to silent for the duration of this meeting. Thank you.

Now I'd like to move on to approval of the agenda. Are there any changes or additions to the agenda? Seeing none, would a member like to move that the agenda for the January 24, 2017, meeting of the Standing Committee on Public Accounts be approved as distributed? Thank you, Mr. Nixon.

All right. Just a note I'd like to move forward here, that when we are sitting in the PAC committee, there is no ability to abstain from voting. Please keep that in mind, that if we move forward for a vote, you are required to vote yea or nay if you are sitting at the table or on the phone.

Is there any discussion on the motion? All in favour? Members on the phone? Thank you. Any opposed? The motion is carried. There we go.

All right. Approval of the minutes. Do members have any amendments to the December 6 minutes? If not, would a member move that the minutes of the December 6, 2016, meeting of the Standing Committee on Public Accounts be approved as distributed? Thank you, Mr. Dach. Any discussion on the motion? All in favour? Any opposed? Thank you. The motion is carried.

This morning the committee is receiving briefings from the Auditor General. Members should have the briefing documents from the office of the Auditor General. The first item of business is changes to performance audit practice. That's (a).

Mr. Saher, you have the floor.

**Mr. Saher:** Thank you very much, Mr. Chairman. It's a pleasure to be here today and to have an opportunity to brief you on three reports, two in July 2016 and our October 2016 report. I'd like to acknowledge that behind me and to the right are the men and women who actually do the audit work in the field. I view us sitting at the table as overseers of the audit work. But today we will be supported, and we won't hesitate to ask our colleagues to step up to the microphone if they are able to assist in answering your questions.

All of the material that we'll be discussing today is what we call performance audits. We are going through a redevelopment of our approach to performance auditing, and I'm going to ask Mary Gibson, who is our business leader of performance audits, to brief the committee on what in your agenda is termed developing the performance audit practice. I'll hand that straight over to Mary.

**Ms Gibson:** Thanks, Merwan. Good morning. The vision and mission of the office of the Auditor General is: "Making a difference in the lives of Albertans [by] identifying opportunities to improve the performance of and confidence in [Alberta's] public service." The office of the Auditor General has two distinct lines of business, designed to provide expert auditing of the government's financial statements and management control systems and processes.

Since the inception of the office, we have referred to the latter as systems audits. In Canada and around the world legislative audit offices use varying terminology to describe their nonfinancial audit work such as value for money, performance auditing, and management auditing. However, performance auditing is the most common terminology. Accordingly, the office recently decided to change the name of our second line of business to performance audit, effective immediately.

The public-sector auditing environment continues to grow in complexity, and Albertans' expectations regarding transparency and accountability continue to rise. At all times it is incumbent upon us to ensure the highest and best use of the resources entrusted to our office through the strategic selection of performance audits. Historically, we have identified potential performance audits through our understanding of the government of Alberta's goals, objectives, and risks, our knowledge of the entities we audit, input from Members of the Legislative Assembly, and suggestions from Albertans who contact us.

In addition to these ongoing processes, in 2016 we began design and implementation of a new performance audit selection process that we will refine and continue to use going forward. This process includes consultation with representatives of the Deputy Ministers' Council and with a panel of external advisors to develop a risk-based, multiyear performance audit program of work. These stakeholders provide sound counsel on the key risks and opportunities for improvement in the performance of the public service looking across the government of Alberta as a whole. The resulting program of work is organized around areas of focus, and we will publish our preliminary list of audit topics by March 31, 2017. So far we've completed the first iteration of our three-year program of work, and planning for the second round is under way.

Through its reviews of the reports of the Auditor General of Alberta and the public accounts of the province, the Public Accounts Committee is a significant part of the financial accountability cycle of government. As such, we would like the committee to consider whether it wishes to participate in the development of our performance audit program of work by providing input on government of Alberta level risks. This could be accomplished by meeting with the committee as a whole, discussion with a designated subgroup of members, through individual member interviews, or by survey. Based on the schedule for refreshing the program of work, it would be ideal if we could obtain the committee's input by mid-May.

With that, Mr. Chairman, I turn the discussion back to you, and I'd be happy to take any questions from the committee.

**The Chair:** Okay. Thank you for that.

Now, the question was whether or not we'd like to go through this as a committee of the whole or use the working group. Is there anybody that has a concern about moving the discussion to the working group? Then through the working group we could work with the Auditor General's office. Is there a motion?

Mr. Fildebrandt.

9:10

**Mr. Fildebrandt:** Thank you, Mr. Chair. Just discussion on this. It's a discussion where, I think, not expertise is necessarily required, but with due respect for the deputy chair, you know, it's a discussion of public accounts, and some familiarity with public accounts is probably good for members to have although the deputy chairs of this committee do seem to have a good record of going on to cabinet. I'm just wondering: do we want it to be the working group or just a separate group with members of each party? I'm just acknowledging that the deputy chair is a rather fluid position at this time until the House resumes in March.

**The Chair:** Thank you, Mr. Fildebrandt.

**Dr. Massolin:** May I make a suggestion?

**The Chair:** Yes, please do.

**Dr. Massolin:** Mr. Chair, I think you've got one suggestion here to strike a different working group for this purpose, to discuss this particular issue, with a composition of the parties represented on this committee. So you can go forward with that or see if the committee wishes to pursue another option. I mean, there are other options there as well.

Thank you.

**The Chair:** There has also been a suggestion that maybe we hold an in camera session later. Would everybody be comfortable with that? In that way, we can discuss it more in full. We can book a later meeting and deal with this so that everybody is able to go back to their members and make sure that they get what they're looking for. Do I see support for that?

**Dr. Massolin:** If you have consensus, you don't need a motion.

**The Chair:** Thank you.

It looks like we've got consensus, so let's move on.

**Mr. Saher:** Okay. Thank you very much, Mr. Chairman. The next item in your prebriefing package is referenced (b), OAG report, July 2016, Human Services – Systems to Deliver Child and Family Services to Indigenous Children in Alberta. I'm going to ask my colleague to my right, Assistant Auditor General Doug Wylie, to present to you a summary of the findings of that audit.

**Mr. Wylie:** Good morning, everyone. I think that in your slide deck this is slide 12 that I'll be speaking to, just for your reference. Thank you, Merwan.

Child and family services exist to support families and communities when a child's security or development is at risk. The former department of human services was responsible for this support at the time of our audit. You may wonder why we chose an audit focusing on services to indigenous children. The answer: indigenous children are overrepresented in the system. Although only 1 in 10 children in Alberta is indigenous, 69 per cent of children in care are indigenous. Our audit focused on three broad areas: the department's early support services, its systems to deliver child-centred care, and intercultural understanding. Our focus was not on administrative processes. Rather, the audit concentrated on processes most likely to directly impact services to some of our most vulnerable, Alberta children.

Let me turn to the area of early support services. Prevention and early intervention are key to reducing the number of children needing long-term care. Programs exist and are designed to increase the health and well-being of children and families and reduce the impact of risk factors. They range from nontargeted programs that are accessible without screening requirements to more targeted interventions.

Effective early support services can safely reduce the need for child intervention services. It can help reduce the number of children in care, but delivering early support services to indigenous children requires recognizing the unique needs of the indigenous communities. These unique needs include cultural relevance, different approaches to knowledge sharing, and making the services a safe place for indigenous families. A blanket strategy for all children will fail to close the gap between indigenous and nonindigenous children's experiences of support.

We found that while the department gathered data from various sources about the needs of indigenous children and families, it did not systematically use this data to plan how it designs and delivers early support services. We recommended that the department provide early support services to meet the needs of indigenous

children and families and that it report publicly on the effectiveness of those services.

The next area I'll highlight is our work on systems to ensure child-centred care. Child intervention services exist to help ensure that a child is safe and healthy. Child intervention services may be delivered in the child's home, or the child may be removed from the home if necessary. The system is intended to be one that is child centred. Child-centred care means that each child receives care based on the child's unique needs. The department measures whether its care is child centred through six standards for care delivery and five plan results. We found that the department does not use the information it gathers on these standards and plan results sufficiently to assess its level of care specifically for indigenous children. It therefore does not know whether all Alberta children are receiving the same level of care.

We were able to use the department's own data and metrics to compare results for indigenous children to the results for nonindigenous children. The differences were profound. Indigenous children in Alberta receive care that is consistently less likely to meet the provincial standards than nonindigenous children. For example, indigenous children were on average more than twice as likely not to have had their permanency plan followed up on every three months, nearly one and a half times as likely not to have had face-to-face contact with their caseworker every three months, and more than one and a half times as likely to have gaps of seven months or more between face-to-face contacts with their caseworker. We recommended that the department provide each indigenous child with care appropriate to his or her needs by ensuring that all care plans meet the standards of care the department sets for all Alberta children. The department should report publicly on its progress in achieving this result.

We also looked at intercultural understanding in the department. Currently only new social workers are required to take training in intercultural understanding, and they are not required to renew or update their training periodically. Every person working in child and family services will at some point either work directly with indigenous families or make decisions that affect indigenous families. Therefore, all child and family services staff should receive training in intercultural understanding so that it can act in the best interests of the indigenous communities. Without such training, department staff will find it difficult to develop the good relationships necessary to make progress in indigenous child and family services. In this area we've recommended that the department provide all its staff with training on the history and culture of indigenous peoples.

Why does this matter to Albertans? We believe that few would argue that the continuum of care provided to the most vulnerable Albertan children and their families is vital work. Consequences are tragic when the system fails. Long-term social costs are also great. Indigenous children receiving services experience greater risk. As Alberta plans for a future of reconciliation and improved quality of life for indigenous children, we must learn from past failures to ensure that the well-being of every Albertan child is safeguarded and enhanced.

I'll leave it there, Mr. Chair.

**The Chair:** Thank you very much.

Before I open the floor to questions from committee members, I would suggest that we depart from our time allotment format for questions during the Auditor General's items of business this morning and follow a general rotation of opposition member, government member. I would also ask that members limit themselves to one question and one supplemental.

Are there any questions from committee members for this item of business?

I would like to call Mr. Nixon.

9:20

**Mr. Nixon:** Well, thank you very much, Mr. Chair, and thank you to the Auditor General and all of his team for being here. My first question is in regard to your report, particularly the area where it describes the care that indigenous children receive in our system compared to nonindigenous children within the system. Quite frankly, at first glance in reading it, it's pretty alarming and a little bit shocking. What I'm missing from the report is a possible explanation for this. Do you have any idea why indigenous children receive less frequent contact with their caseworkers and have had their care plans reviewed less often?

**Mr. Wylie:** Well, in the latter part of the report we do indicate that this is a complex system. There are different players, if you will, different jurisdictions involved in the care of indigenous children. We have the federal government, which provides funding to the delegated First Nations agencies. We have the Alberta government, which is responsible for all standards and the quality of standards of care for all children in Alberta. Then we have the delegated First Nations themselves, who actually provide services to those who are living on-reserve.

It is a complex system, but, you know, we didn't really want to focus on that. What we wanted to focus on was the sense that through this complexity what's really important is the child and removing these barriers to really focus on this concept of child-centred care: a continuum of care right through from early intervention. The more work that can be done in early intervention helps the process so that you don't have to remove children from home and take them into care. Really, it was focused on that.

The answer to "Why?": I guess there are many, many viewpoints on this. The objective of the audit was not to get into the aspects of jurisdictional responsibility and the level of jurisdictional oversight. It was really trying to focus on what the department itself can do within its own mandate, within its own jurisdiction to focus on this group.

I would point out that a number of the services that we'll refer to here are in fact provided by the regional offices, which are under the full authority, if you will, of the Alberta government. There's a table in our report that actually cites the flow of clients through the system, and you'll see that the majority of indigenous children are actually served through regional offices, which are directly under the control of the department.

Merwan, did you want to supplement that?

**Mr. Saher:** Mr. Chairman, if I could supplement. The question is: "Why is there this profound difference in the quality of delivery?" if I can re-express your question in those words. Certainly, we have no evidence that it's deliberate or wilful. In my opinion – and I think our report makes this clear – the system, the department, is not using the information that it has available to it to do the analysis, which would make it patently clear that there is a difference in the amount of service that is being provided to aboriginal children as compared to nonaboriginal.

From the news conference when this report was made public, I'd just like to read the paragraph I finished my comments with.

I'll close by anticipating a question you may have for me. Is the department able to implement the Auditor General's three recommendations? The answer is yes. We intentionally focused our recommendations on areas we felt the department could impact within its mandate and sphere of influence. Our recommendations reflect important process improvements the

department can implement that will increase the likelihood of better service to and results for indigenous children.

In the audit office we're satisfied that the recommendations we've made are capable of being implemented. Yes, they would need to be implemented in a complex environment. You know, when we talk to each other, we often say that the alleged complexity often becomes a convenient way of not rolling up one's sleeves and dealing with the simple proposition that there is a child who has been identified as needing service.

Doug stressed "child centred." That means an individual plan for each child. Each child is unique. The circumstances that put them into the situation that the family needs help invariably are different from the child next door. The system has the capacity to understand those differences and tailor a care plan. Our findings are that when care plans are put in place, the extent of follow-up is differentiated between aboriginal and nonaboriginal, but we are convinced that this problem, if I can put it that way, can be solved.

I'll end with, if you don't mind, one last thought. The department of human services is essentially staffed with – as one would expect, the skill in the department is those who are trained in social work. After all, if you're going to interact with children and families and help them be more successful, that's the skill set that's required. However, the skill set that I believe is necessary to make the difference here is what I might call project management skill, execution skill.

This morning's newspaper has an article in which someone is making a plea for a plan. I might have gone on to say: a plan with all of the action steps that are needed to deliver on the metrics that the plan sets out. I think what I'd like to leave you with this morning – I mean, the purpose of us presenting to you this morning is to help the committee to make decisions as to which departments you may care to call before you in the months ahead. If you should decide to call this department forward, I would encourage you in your lines of inquiry to investigate and ask: are the right skills in the department? I don't mean social welfare skills. Those aren't the skills that we're questioning. Does the department or will the new department have the skills necessary to execute on the plans that are put in place to make a difference?

Thank you.

**The Chair:** Thank you, Mr. Saher.

Mr. Nixon, a follow-up?

**Mr. Nixon:** Just a quick follow-up on the same topic. Specifically, on page 18 you note that in some cases where no contact was recorded, it was possible that the caseworker just simply forgot to document their visit or their contact. I guess the question, then, would be: how often do you suspect that that was the case? Secondly, what do think that says about documentation procedures?

**Mr. Wylie:** Well, we didn't set out to speculate what the numbers were. Our focus when we actually wrote that was that if it isn't documented, it wasn't done even from the way they view their own process. We were looking at the process they have, and our conclusion here is based on the process design and the interpretation of the process, and the results reflect that.

**Mr. Saher:** Excuse me. Just to supplement Doug's answer, I mean, we record the possibility that the contact happened but wasn't recorded. Frankly, I think the best rule to follow in matters of this nature is: if not recorded, it didn't happen.

**Mr. Nixon:** So what I'm hearing is that you didn't find or think that this was widespread, where it was not being documented. In general if there was no contact documented, there was probably no contact.

I know that it's an assumption, but in your report you do note enough that it's possible, so I'm assuming that there was something that indicated to you during the process that there may have been caseworkers not documenting the contacts.

9:30

**Mr. Saher:** Well, I think, as Doug said, the system requires contact to be documented. As auditors looking in, dealing with objective evidence, no documentation, really, I think, has to be viewed as no contact. That, I think, is what departmental leadership should view it as and take the steps necessary to eliminate that.

**Mr. Nixon:** Thank you.

**The Chair:** Thank you, Mr. Saher.

Ms Miller.

**Ms Miller:** Thank you, Chair, and thank you to the guests that have come today. In your report you mention the Canadian Human Rights Tribunal and their decision regarding the on-reserve supports. Are you able to share more about the differential in supports between on-reserve and off-reserve?

**Mr. Saher:** I'll not tackle that, if you don't mind, and, if necessary, Doug...

**Mr. Wylie:** Yeah. I'll ask Maureen Debaji, who was the engagement leader on this, to supplement. At a high level, again, the scope of our audit was looking at early intervention and then the child intervention system and then, of course, the reporting. We did observe and we note in our report that there were differences between the child intervention services available to children on-reserve as compared to those who were receiving services from the regional offices within the province. Also, when you look at the evidence that we bring forward here in the way of the findings and the monitoring systems with respect to the provincial standards and the planned results, there were, again, stark differences in the results between services provided on-reserve and off.

We didn't do an overall comprehensive evaluation of that, but I think that our report speaks to some of the key observations that we had in those three areas, which are the scope of the audit.

Maureen, did you want to supplement?

**Ms Debaji:** Good morning. I think Doug described it accurately. Basically, in the report the approach that we took is that the Canadian Human Rights Tribunal...

**The Chair:** Excuse me. Sorry. Will you introduce yourself?

**Ms Debaji:** Oh, I'm sorry. Maureen Debaji. I was the engagement leader on this audit.

**The Chair:** Thank you very much.

**Ms Debaji:** You're welcome. In reference to the Canadian Human Rights Tribunal decision, it was quite new during the time that we were executing the audit, and we took it as evidence from an external party that, in fact, that discrepancy that had been noted for many years was provided with some validity. So we didn't look at the details in terms of a percentage of what the differential is between provincial funding and what the delegated First Nations deal with in terms of their budgets. We looked instead at sort of the programming that was available and focused on that.

**Ms Miller:** Thank you. As a follow-up, what are your recommendations to government regarding this disparity of funding and services?



**Mr. Wylie:** Well, we didn't focus, as Maureen was saying, on the issue so much as funding between the federal government and what the provincial government funds. Our focus was on having a child-centred system. Actually, the Jordan's principle, which the province adopted, embraces the notion of what we're talking about, and that is that the funding comes separately. First you deal with the care and the need of the child and then sort out the funding. Although it's important, the focus of this audit really was, again, on the front-line delivery of the program and getting the services to the child and then sorting out the funding later. As Merwan said earlier, I think that because of the complexity of the system and the multiple players in this, it seems to be overwhelming. Often the basics and the rudimentary principles of the program are left, and a lot of the discussion goes to these peripheral issues.

I just want to bring something relevant to this point, when we're looking at funding. If you refer to page 11 of our report, what we do break out – and that's the separate July report on this particular audit. We actually show the total children receiving services. Just to bring this to life, if you will, you'll notice on this page that we're referring to almost 10,000 children in 2015-16 that were receiving services. But out of that the services were provided to 8,000 by regional offices. Those offices are funded by the province, and services are available by the province. Then there are the delegated First Nation offices, and those are funded by the federal government.

What you'll see down below, the composition of the 8,000, is that indigenous make up the majority of services provided by the services in the province's own regional offices. So with respect to funding being a disparity, you know, the majority of indigenous children are receiving services through regional offices that are funded by the government of Alberta. Now, there is a mechanism to obtain back from the federal government monies for the services provided. The point I'm trying to make here is that funding is an issue, but the majority of indigenous children are receiving services through regional offices, which are funded by the province.

**Ms Miller:** Thank you very much.

**Mr. Saher:** Mr. Chairman, I'd just like to supplement. When we planned this audit, there was much discussion of how much time we should spend on funding. We made a decision which was sort of binary. We're not going to concern ourselves with funding. We're going to concern ourselves with Alberta children who are under the jurisdiction of the province. As Doug put it, funding is – he used the word "important." Of course it's important, but it's secondary, so we felt that if we were to get ourselves embroiled in funding as being the potential cause, we would never be able to produce good, solid audit evidence. If you will, we started bottom up – each child requiring services: are they getting services? – and left funding as a separate matter.

**Ms Miller:** Thank you.

**The Chair:** Thank you, Ms Miller.

Mr. Gottfried.

**Mr. Gottfried:** Thank you, Mr. Chair, and thank you to the Auditor General's department for their great work on this file. In reviewing the report, it seems that there are a number of key issues. There could be some funding and financial issues, resources in terms of staffing and the allocation of that. Obviously, there are probably some geographical challenges with respect to delivery of services. But it all seems to come back in many cases to this cultural training and sensitivity and the lack of diligence in ensuring that that's in

place both in the DFNAs and in the regional offices in many cases although better in the DFNAs in terms of delivery.

Now that we've, you know, moved to separation of the Children's Services and the Community and Social Services looking forward and we do have some scheduling of meetings with them, would your suggestion be that we focus on some of the challenges around that front-line delivery of services in terms of the resources getting out to the DFNAs and/or the regional offices? I see that there's a tripling in size of the staffing at DFNAs, so we've got some resources put there. Is the cultural sensitivity training from the audit you've done the area we should be focusing on to at least try and balance the delivery of services amongst the First Nations groups and the non First Nations and indigenous population? Is that the crux of this, cultural sensitivity and understanding of context?

**Mr. Wylie:** The first part of your question, dealing with focus on front-line delivery: I believe that this report supports that concept. That was really our focus. You know, we do have a new ministry that will be looking at that. I think that ministry will be successful if it focuses on these very issues that we're talking about, having a child-centred approach. Again, focus has to be on the program.

The cultural sensitivity training is an issue when you look at the proportion of indigenous children in care. You have a program that is providing services to multiple recipients, but a significant population group of those recipients are indigenous, so it just makes sense that you would understand the client base that you're serving and how you can serve those individuals best. Again, they're children. How can you serve them best to ensure that they're safe? At the end of the day, that's really what this is about. It's serving the child. So, yes, it is important. Did that answer your second part of your question?

9:40

**Mr. Gottfried:** Yeah. Maybe just a very quick supplemental, Mr. Chair, if I may. There were specific notes in your report about the fact that there was I'll call it obligatory training and really no follow-up and support of that sensitivity training, so it seems to me that that's a real shortcoming in the overall system, and again to your comment about the high proportion of indigenous, First Nations children in the system, it seems like a huge gap. It seems like an obligatory training, sort of a rote training, and not one that is followed up or supported, more specifically, with those individuals that are working more specifically in those population groups. Again, maybe it's a resource and funding issue, but it seems to be that there's a real lack of focus on the training required.

**Mr. Wylie:** Yeah. That's what we identify in our report, that there is initial training, but beyond that the follow-up and the recurrence of the engagement with respect to training needs improvement as well as that they did rule out a training program, but what we found was that there was limited follow-up with, you know, the effectiveness of the participation in that training and the results of that new training program. So we do think it is an area of important focus given the population group.

**Mr. Gottfried:** Great. I think that answers my question. Again, I would hope that in future – not only the indigenous; we have an increasingly diverse population in Alberta – that extend to other groups as well.

**Mr. Wylie:** Exactly.

**Mr. Gottfried:** Thank you, Mr. Chair.

**The Chair:** Thank you.

Member Drever.

**Drever:** Thank you, Chair. Thank you, everyone, for being here today. You indicate that early supports and early intervention programming are key. Are you able to share more about the types of early services, supports, and programming that are needed to support the health and well-being of children and families?

**Mr. Wylie:** I will have an initial go at this, and I'm going to ask Maureen Debaji to supplement where she thinks it's necessary. First of all, there are early support services available, so I want to state that at the outset. What our report identifies was that there wasn't a systematic evaluation of the level of support services that are available to the indigenous children and families and then an evaluation of how well those services would serve that population group.

Now, with respect to the specific type of services there are those that are essentially available within the community, parent link programs and others, and a lot of these are joint initiatives with the municipalities and other support mechanisms in the community. Then you move up this continuum, where there really is, in a sense, an initial evaluation of a child and what early supports would be appropriate. Some of the specific programs we do cite, I believe on page 12 – thank you, Merwan. We cite on page 12, you know, parent link centres, and we cite the funding that they receive. There are home visitation programs, triple-P parenting programs, and then there's the family and community support services, which, again, is a larger program shared with the municipalities. So those are some of the examples of the types available.

**Drever:** Thank you. As a follow-up: do you agree with the department's categorization of supports into primary prevention, secondary prevention, and tertiary prevention? Are there any supports missing from these categories that you feel are key?

**Mr. Wylie:** Well, we did not do an evaluation per se of the services provided through these supports. What we were looking for was the nature of the supports and how they serve the specific community of indigenous children, and again what we found was that there wasn't a focus on the largest population of children being served by the community. So the early intervention services really were not focused on this particular population group.

**Drever:** Okay. Thank you.

**Mr. Saher:** I think, just to supplement, as auditors we have to be very careful in terms of moving beyond our mandate. I mean, none of us are trained social workers, so in the absence of something looking absurd, the notion of early intervention being categorized as primary, secondary, tertiary – I mean, that sort of labelling, to an outsider looking in, is sort of attractive. We can subdivide, and then we can follow the dollars into each of those areas. But, really, the question you've asked would have to be asked directly to the department as to: why does it categorize that way? Does it find it useful to categorize that way?

To the point that we made, which is, really, having categorized that way and having allocated dollars that way, do you in fact have the data that tells you whether your early intervention is delivering the desired results? That's really the issue, I would argue.

**Drever:** Thank you.

**The Chair:** Thank you, Member Drever.  
Mr. Nixon.

**Mr. Nixon:** Thanks, Mr. Chair. I'd like to go to page 18 of your report, where it states that "the compliance rate for the caseworker

contact standard was 16 per cent." So that would also mean that the noncompliance rate would be 84 per cent, which means that 8,000 children out of approximately 10,000 children receiving services did not receive enough contact to meet the minimum standard. My question is: how many caseworkers are there to serve these children? I will have a follow-up as well.

**Mr. Wylie:** Maureen, could you please answer that question?

**The Chair:** Just a second. Can you identify yourself?

**Ms Debaji:** It's Maureen Debaji, the engagement leader on the project. We don't have that number with us. I can certainly get back to you.

**Mr. Nixon:** I would appreciate that.

A follow-up if I could, then, Mr. Chair. Outside of any potential staffing issues, putting those aside for the purpose of this question, what other issues did you discover are contributing to this 16 per cent compliance rate?

**Mr. Wylie:** Maureen, again, do you have . . .

**Ms Debaji:** Thank you. Again, the purpose of our audit was to sort of look. We weren't auditing the compliance monitoring system itself, so we didn't get into, necessarily, the reasons why the noncompliance was happening. Our interest was in taking the data that the department did collect, looking at it from a splitting out of indigenous versus nonindigenous, and then asking the department: have you figured out, have you looked into why these differences would be? At the time that we provided that information to them, they hadn't done that analysis in that way before, so they weren't able to provide that rationale. But, you know, going forward, that would be a question to them in terms of identifying what some of those reasons were.

**Mr. Nixon:** Just a quick follow-up, Mr. Chair. So the department was not aware that they had a 16 per cent compliance rate?

**Ms Debaji:** They were aware of the compliance rate. I'm sorry; I'm speaking about the indigenous versus nonindigenous differences, because that was really the focus of what we were looking at.

**Mr. Nixon:** Okay. Thank you.

**The Chair:** Ms Miller.

**Ms Miller:** Thank you, Chair. In your second recommendation you recommended a child-centred approach. What does a child-centred approach mean to you?

**Mr. Wylie:** Well, simply, a process that focuses on the needs of the child first and that that system provides the care needed through a continuum of levels of care. You know, I guess I'd draw the analogy – and I think there is a direct analogy – through to the health care system. We talk about a continuum of care, from primary care, when you see your physician, to acute care, when you might have to have testing, to diagnostic imaging, et cetera. It's this sense of navigating the child through the system and ensuring that the child is receiving the care at the appropriate time by the appropriate people. I think that, simply, that's it. It really is this focus on the child and the services through the continuum of care.

9:50

**Mr. Saher:** I'll supplement with the simplest answer I can give to you on: what does child centred mean? It's on page 17 of our report,

and it's the criterion that we were auditing against. We expressed the criterion this way:

- ensure care plans for children receiving child intervention services exist for each child and are followed by regional offices and DFNAs.

That's not enough for it to be child centred, which is what the second bullet is about:

- report on and evaluate the results of child intervention services [provided].

Really, child centred, I think, is just language. Maybe it's inadequate, but from our point of view as an auditor looking in, it means: every child with the unique plan that that child needs to make the difference in that child's life.

**Ms Miller:** Thank you.  
A follow-up?

**The Chair:** Yeah. Absolutely.

**Ms Miller:** Thank you, Chair. You also state that the department has substantially reduced the number of children in care over the past several years. Are you able to give us any specific numbers regarding these reductions, and how was this accomplished? Are there successful strategies that have been used that can be built on other than what you've just stated?

**Mr. Wylie:** I'll ask Maureen again to supplement. Go ahead, Maureen, if you could.

**Ms Debaji:** There are a number of strategies that the department has introduced over the last several years. One of them is the signs of safety program, and really what they focused on is identifying what the risk is to the child. You know, in years past what often happened was that as soon as there was a report of an incident regarding a child, the first inclination was to pull the child out of the home and then to do the work to figure out what the situation was. What they've focused on in more recent years is doing a better assessment up front, so trying to make an early indication of whether it's safe for the child to remain in the home and then to receive the services while they're at home rather than automatically pulling them out. This is where the department feels that they have had some success in terms of making those early assessments. That's where that comes from.

In terms of the specific numbers, again, I can get those for you, but I don't have them with me.

**Ms Miller:** Thank you.

**The Chair:** Thank you, Ms Miller.  
Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair. On page 22 of your report there's a specific reference to the fact that results analysis and reporting specific to indigenous children receiving services is limited, and you've identified that that's a shortcoming with respect to actually taking that data and coming up with some reasonable approaches to rectifying some of the problems that we're facing here. Have you been able to identify any rationale behind the poor utilization of that data and recommendations for improvement of the use of that to relate outcomes to resources and training?

**Mr. Wylie:** We discussed the use of data with departmental staff when we were doing the audit, as I said earlier. We actually did our own analysis of the data, and we reported the findings, and some of them were quite revealing. The response at the time was that the department's focus was on all children, and that was the way their

performance management system was designed, to focus on all Alberta children.

Maureen, again, did you want to supplement?

**Ms Debaji:** No. I think that's fine.

**Mr. Wylie:** Okay.

**Mr. Saher:** I'd like to supplement if you don't mind. It comes back to, I think, what I'm trying to put into your minds as potential lines of inquiry. Does the system have all of the skill sets necessary? I don't believe that for social workers part of their training includes results analysis. I'm being bold, and I'm probably going to regret that statement, but I doubt that it's an integral part of the training of a social worker, the notion of action plans. I mean, do you start your work personally, and can you relate that to a corporate endeavour? The difference that you seek your daily work to achieve: how is that expressed? Are you measuring that? Are you learning from data? Our desire to subset the data into its two clear paths was simply because it was obvious that there was a difference, so to us looking in, it seemed extraordinary that the data had not already been subset that way.

I believe it's because certain skill sets are missing in program delivery that look at the notion of the power of data. I suppose what I'm really trying to say is that I think these are the additional skill sets that need to be brought to bear to make that difference, and often it is a different training. I don't have to be a social worker, I believe, to know how to interact with social workers and understand what you are trying to achieve, to assist in formulating the metrics that will tell you whether or not you're achieving that, to force you to measure regularly. It's hard work. Some would argue it's tedious, but it is the only work that will inform a system on whether or not it has been successful.

**Mr. Gotfried:** A supplemental, Mr. Chairman, please. Thank you, Merwan. I think your direction to us is very clear, but, you know, again, we want the social workers on the front line to be outcomes focused. It seems to me that in your report there are various references to either lack of connectivity, lack of use of systems, and thereby the lack of tracking of outcomes. Your point is well taken with respect to the fact that you need data analysts to take that robust data that comes from the front lines to deliver trends.

Doug, you'd referenced that they looked at the data and analysis across all groups, but in the appropriate analysis of data the outcomes tell you where there are shortcomings. That's the whole reason for it. Thank you for the focus for us to go forward with Children's Services because I think there's a huge question there for us, which is: are you getting the data you need from the front line? Do you have the adequate resources of data analysts, with a social services background, hopefully, to actually bring meaningful change and resources to the table where required? Thank you for the work that your department has done to spotlight that for us so that we can dig deeper in terms of the department itself.

**Mr. Saher:** If I could, the only purpose of measuring performance is to learn. Let's measure our performance: it's not the Holy Grail. The only purpose is to learn. The moment you measure something and you learn, then you have a choice to do something different. If you're achieving what you want to achieve, you can do more of it. The very difficult decision, which is often not taken, is: "Let's just stop doing that completely. The evidence shows us it doesn't work. We need to find something else." I'm simply making a plea for people to understand that measuring performance is to learn how you can improve performance.

**Mr. Gottfried:** And find shortcomings as well.

**Mr. Saher:** Yes.

**Mr. Gottfried:** Thank you, Merwan.  
Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Gottfried.

We have three speakers on the list. We have Member Drever, Mr. Nixon, and Ms Miller. I'd like to close the list so that we can move on to the next topic after that.

Member Drever.

**Drever:** Thank you, Chair. I just wanted to clarify: what was the timeline of this report, and how far did you look back? I notice on page 7 of the report you considered this time period as well as "relevant new developments in policy and practice." I'm wondering if you could identify for us what these new developments were and how they impacted your recommendations.

**Mr. Wylie:** The time period of the audit, really, looked at the records and activities from April 1, 2012, through to March 31, 2015.

Maureen, could you speak to the new developments, please?

**Ms Debaji:** Thank you. What we're referring to there is that as the audit was ongoing, there were numerous changes happening within the department. There was a restructuring that happened during the audit in terms of aligning departments on some of the responsibilities within them. There were developments on their child intervention practice framework. While we weren't specifically auditing those in their current state, we did consider, you know, the changes that were happening while the audit was ongoing.

**Drever:** Okay. Just a follow-up. Thank you, Chair. You state that you focus on the time period of April 1, 2012, to March 31, 2015, and your fieldwork began in August 2015 and was completed in June 2016. Can you tell us what this fieldwork was?

10:00

**Mr. Wylie:** I think it's best, actually, if you heard directly from the person who did it, Maureen.

**Ms Debaji:** Thank you. Our fieldwork consisted of a number of things. I mean, we did a number of interviews and reviewed documentation at the department. We also met with staff from several of the regional offices. We met with DFNA directors and the liaison staff that work between the department and the DFNAs in terms of providing support to them. Then in terms of the actual detailed testing we did, we focused heavily on some of the results analysis. With the early intervention and prevention programming, we did specific testing on some of those programs, looking at what types of results reporting the department does receive from them. That was one aspect that we looked at. Then in terms of the compliance monitoring, where we're looking at the data, we looked at three years of the data and did quite extensive detailed testing in terms of data analytics around that.

**Drever:** Thank you.

**Ms Debaji:** You're welcome.

**The Chair:** Thank you, Member Drever.  
Mr. Nixon.

**Mr. Nixon:** Thanks, Mr. Chair. Could we actually go to page 23 of your report and just talk briefly about DFNAs, which, for my

friends at *Hansard*, I believe are delegated First Nation agencies. On page 23 of the report it says that DFNAs are experiencing "structural barriers that affect the service they provide to 1,500 children, including... dated and rigid funding structures that implicitly encourage DFNAs to place children in care." I guess my first question is: can you explain how the structures in place are encouraging DFNAs to put children in care?

**Mr. Wylie:** There we're referring to the funding. The federal government funding is designed around intervention services predominantly.

**Mr. Nixon:** A follow-up to that, then, Mr. Chair. Another structural barrier that you point out in regard to DFNAs is "problems with high staff turnover." I do have two questions there. One is: are DFNA staff registered social workers? And did you get any indication as to why we're seeing high staff turnover in that area, and are there any suggestions on how we can address that?

**Mr. Wylie:** Maureen, could you help with that?

**Ms Debaji:** Sure. Sorry; can you repeat the first part of the question, please?

**Mr. Nixon:** The first was: at DFNAs are the staff registered social workers? The second is in regard to you noting that high staff turnover is part of the issue there and if you're able to determine why there's such a high turnover and if there are any recommendations on how we could address that going forward.

**Ms Debaji:** Okay. In terms of the first part, certainly, the directors would typically be registered social workers, and then they would have support staff as well that I would presume would be potentially yes or no. Then in terms of the high turnover, you know, there were a number of issues. In some cases they're operating in more remote areas, so staffing in general is more difficult. They operate through a rather complicated structure, reporting up to a board that's made up of band members, so there tends to be a fair bit of change with that. So just a variety of issues. Again, I'm speaking anecdotally. I mean, we didn't do specific testing on this, but in our conversations with DFNA directors those are some of the issues that they did highlight.

**Mr. Nixon:** Okay. Thank you.

**Ms Debaji:** You're welcome.

**The Chair:** Thank you.

**Ms Miller:** On page 14 you examined a number of programs, many of which are funded by the department. The report states that "there are five Indigenous Parent Link Centres [designated and] designed to meet the needs of First Nations, Métis and Inuit families." Are you able to tell us where these are located?

**Ms Debaji:** Sorry; I can follow up with the specific locations. I don't have them with me at this time.

**Ms Miller:** Okay. Thank you.  
A follow-up, Chair.

**The Chair:** Absolutely.

**Ms Miller:** On the same page you also noted that "there are no [family and community support services] programs operating on First Nation reserves" but are offered in Métis settlements. Further you note that "the Family Support for Children with Disabilities

program is available both on First Nations reserves and off,” but “use of the program by Indigenous families has been limited.” Have there been any particular barriers in accessing this program? And just tell us why use is so limited.

**Ms Debaji:** Some of the barriers that the department had shared with us – that program in particular is a cost-recovery program, so recipients, users of the program are required to pay for the expenditures and then seek reimbursement. For families that are struggling with issues of poverty, that can be a problem and a barrier in and of itself. Recognition of the program has been identified as a problem. They do a lot of the promotion of the program via the Internet and online services. Those tend to be limited in some of the more remote areas of the province.

One of the other barriers. Traditionally the offices that FSCD were provided out of were also the child intervention offices. They would share space, so it was identified that that was potentially a problem because people would be hesitant to come to the child intervention office to seek services for disability services.

Those were some of the ones that the department had identified to us.

**Ms Miller:** Thank you.

**Ms Debaji:** You're welcome.

**Mr. Saher:** Mr. Chairman, if I could just supplement. That's really why we've made the recommendation in this area. We recommend that the department report to the public regularly on the effectiveness of early support services. You see, the best that we could do, the best that my colleague Maureen Debaji could do was to give you anecdotally what we heard. Really we're saying that if you have put programs in place or chosen not to put a particular program in place in a particular area, you should report on why you made those decisions and what results you are achieving.

Ideally, as a member you should never have to ask an audit office that question. The question should be answered in the department's reporting to the public. I'm not saying that you shouldn't ask, but I'm trying to make the point that you're asking these questions of an audit office. My point is that the answers to a lot of the questions that are being asked today should be in the public arena as part of the public performance reporting by the department.

**Ms Miller:** Thank you.

**The Chair:** Okay. We'll move on to the next part of the agenda, which is (c), the report.

**Mr. Saher:** Thank you, Mr. Chairman. We'll move to part (c) of the agenda, which takes us to the other report that we issued in July 2016. There are three items that we would like to talk to you about today on that report.

I'm going to start with contracting processes and the Kananaskis Country Golf Course. That's on page 14, slide 14 of the deck that you had from us in advance of the meeting. I'm going to ask Brad Ireland to brief you on that audit and our conclusions.

**Mr. Ireland:** Good morning. In 2015 we were requested by an MLA to look at the government's decision in 2014 to rebuild the Kananaskis Country Golf Course and to amend the existing operating agreement with the operator. The golf course was severely damaged in the 2013 southern Alberta flooding, and it still has not reopened for business. The operating company, Kan-Alta Golf Management Ltd., has operated the golf course since it opened in 1983.

We examined the Department of Environment and Parks' processes to decide to rebuild the golf course and extend the operating agreement with the operator out to 2025. Overall we found that the department followed a good, rational decision-making process. The department performed significant due diligence prior to making its decision. It obtained legal advice, financial advice, as well as advice from companies in the golf course design business. The agreements made financial sense from our perspective given the existing contractual commitments the department had with the operator at the time of the flood. As a result we've not made any recommendations arising from this audit. So this audit is essentially a good-news story, that proper processes were used and detailed analysis was performed to support the department's decision.

10:10

**The Chair:** Thank you.

Were there any questions on this?

Seeing none, can we move to the next item?

**Mr. Saher:** Okay. Thank you. The next item is referenced as (c)(ii). The subject is the Department of Labour, evaluating occupational health and safety systems. I'll ask Rob Driesen to brief you on that. That's on page 15 of the prematerial.

**Mr. Driesen:** Thank you, Mr. Chair and committee members. We report our follow-up audit on occupational health and safety systems in the Department of Labour starting on page 39 of our July 2016 public report. This was our second follow-up of three recommendations issued in our April 2010 report and repeated in our July 2012 report. In the six years since we issued recommendations on processes related to enforcing compliance with all OHS orders within mandated timelines and evaluating and reporting on OHS program results analysis, the department has made some incremental improvements but has still not fully implemented all recommended process improvements during this time.

As a result we conclude that the department is unable to demonstrate with evidence that it has a complete set of processes to apply department policies in order to keep Alberta workers safe. The department has identified programs which it feels will demonstrate overall OHS goals and objectives; however, we repeat our recommendation that the department evaluate and report if these programs are achieving their desired results.

The department implemented a number of process changes to improve the department's enforcement of compliance with OHS standards on employers who violate those standards, including identifying high-risk employers; however, we repeat our recommendation that the department implement effective processes to approve time extensions on compliance orders for standard violations issued to employers as well as the proper recording of stop-work and stop-use orders in the department's monitoring systems.

The department has fully implemented our recommendation to ensure that quality reviews of auditors who issue certificates of recognition to employers are properly completed and consistently follow up with their certifying partners on recommendations for audit process improvements. The department has recently indicated to us that they hope to assert that they have fully implemented both outstanding recommendations sometime this spring.

**The Chair:** Are there any questions on this topic?

**Mr. Nixon:** On page 39, to take you where I'm looking, your report states that on average it takes 203 days from receipt of the initial

application form to the commencement of the program. On average how long does it take to process abbreviated palliative or terminal applications? Does the 203-day average include those abbreviated forms, like for palliative and terminal cases, or are those separate from that number?

**Mr. Wylie:** If I could, Mr. Chair. I think the question is relating to the AISH audit, which is upcoming.

**Mr. Nixon:** Oh, sorry; I thought we were on the AISH audit. I apologize, Mr. Chair. You got lots of warning for my first question, then.

**Mr. Wylie:** Thank you very much.

**The Chair:** Okay. All right. Were there any questions? Dr. Turner.

**Dr. Turner:** Thanks very much, Chair, and thank you very much to the Auditor General and his staff. I've actually been very impressed this morning with both the previous discussion and now this one. I think that there's some commonality, actually, in terms of your report and in terms of making sure we have the processes in place that will ensure that vulnerable Albertans are protected. That could be children or it could be an injured worker. I'm really pleased that we're spending some time on this.

We've got a series of questions, but I will start with: given that this is a follow-up audit, can you detail the progress that's been made in programming in OHS between the original audit in 2010 and the follow-up audit last year?

**Mr. Saher:** Okay. You've asked for detailed progress. I think the only way I can tackle that is to tell you that our observations, when we looked at this program six years after the initial audit, which would have been July 2016 – as Rob has indicated, essentially our finding was that the process to enforce compliance with all orders issued was just not working. To be positive, now, the department has indicated to us that they believe that they will have fixed the problems that we identified on this follow-up audit. They will have fixed them and be confident in inviting us back to perform, if you will, a second follow-up this spring.

That's the only way that I can sort of describe progress: original audit, problems, follow-up audit, still problems, message from the department to come back this spring.

**Dr. Turner:** Can I ask a supplemental?

**The Chair:** Absolutely, Dr. Turner.

**Dr. Turner:** Just asking about a specific part of this, the report says that you found that OHS has started issuing fines and using other enforcement tools. Is it the case that this was not happening or not documented prior to 2010?

**Mr. Saher:** I think the process of the departmental officers having the ability to issue fines was a new process that was introduced into the system as a result of the original audit. I'm not sure that I'm knowledgeable enough to talk to you about whether or not we have any observations on whether that is working as intended, but I'm confident, generally, that that was an improvement to the system.

We were troubled when we went back in July 2016 with respect to the orders that field officers were issuing. There are only three types of orders: compliance orders, stop-work orders, and stop-use orders. With respect to compliance orders we found extensions without manager approval, which the system required, and invalid extensions. Stop-work orders and invalid extensions: I mean, if you think about it just simply, "stop work" means stop work, so what's

an extension? It really doesn't intuitively make sense. And stop-use orders: again, invalid extensions.

Again, coming back to an answer to a previous question, if things are recorded that way, we take that as that's what the system is saying. We take it at face value. Invariably, when one inquires, "well, why is it like this?" you know, explanations are produced. Maybe it was not correctly entered into the system or the system is out of date or a series of what might be termed "rationalizations" after the event. But I think that the positive news here is that the department is saying – and I come to this – come back this spring, and we believe that you will not find the deficiencies that you found originally or in the second audit.

**Dr. Turner:** Thank you.

**The Chair:** Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair. With the duration that has taken place since your original recommendations in 2010 and 2012 and leading up to this, it seems that there has been some reluctance in the department to meet some of these fairly glaring shortcomings.

Having been in the construction industry myself, I see a huge focus within a lot of sectors on safety and huge leaps, I think, in improvements in terms of not only compliance but just a focus on the need for safety. I wonder if there was anything in your review and maybe going forward that's going to identify which industries or sectors are identified as having some of the largest compliance issues.

**10:20**

I was in the residential construction industry, and I can tell you that there was a huge focus. All of a sudden over the last decade you've seen safety officers being not only an integral part of the operations but highly respected as, really, an integral part of the operations and the safety of workers in terms of getting home safely to their families at the end of the day, which is really the key here. I wonder if you've seen any data that highlights some sectors where there have been some issues, particularly around some of your recommendations, or whether it's just a general noncompliance issue that they're facing and where there are maybe some areas that can be specifically improved and, as importantly, why there's a reluctance to move forward and address these shortcomings.

Let's be honest. It's a slippery slope between noncompliance and injury and death, and that really concerns me. So if there's a focus here that we can move towards and encourage them, what would be your key recommendations to hold the Department of Labour accountable to the OH and S regulations and improvements in performance?

**Mr. Saher:** Rob, do you want to go first?

**Mr. Driesen:** Sure. With respect to their willingness or wanting to follow the policies and procedures that they have, I think there is a willingness to want to do that. As you point out, when you're talking about the health and safety of individuals, it really is a zero-tolerance expectation in terms of following those policies and procedures, so finding even one instance where those policies and procedures with respect to following up on orders and making sure that those are all done properly before releasing that order is very important. So we'll continue to follow up to see that those policies and procedures are being properly adhered to.

As we point out in our report, the department is very much focusing on training their staff to understand the importance of that to make sure that there are no misunderstandings about how much latitude they might have with providing extensions and so forth. I

would hope that that improved training will reap some good results going forward.

With your question on any specific industries, I would hope that the department now has really good data with respect to any industries that they specifically identify as having more instances of incidents happening or higher risk employers. At the bottom on page 45 of our report we refer to this OSH index that they've now developed. I think that that will go a large way in identifying those specific sectors, and I would hope that the department at some point would be able to provide some information to Albertans around what those sectors are.

**Mr. Gotfried:** Great. Thank you.

**The Chair:** Thank you, Mr. Gotfried.  
Dr. Turner.

**Dr. Turner:** Thanks again, Chair. Your report lists performance measures of reducing the lost-time claim rate, reducing the disabling-injury rate, and the percentage of employed Albertans who perceive Alberta's workplaces as safe. I think these are all really key measurements, but are there other performance measures that you might recommend that OH and S put in place?

**Mr. Saher:** I'm not sure that we would do that at this time. I think we're saying: put in place a robust performance measurement system, and that will give you information that will help you learn whether or not what you're trying to do is in fact working or whether or not you need to change it. So I prefer to say: go with something you've decided to measure, measure it regularly, and try to learn from it because often you learn that you're actually measuring the wrong thing. I think that performance measurement has the capacity to lead you to where you should be measuring. I hesitate to suggest as auditors that we have the missing measure, but I'll ask my colleague Rob if he has ...

**Mr. Driesen:** The one thing I might supplement with is that as part of the department's follow-up now on these repeated recommendations and looking at the programs that they've specifically identified that should demonstrate the overall goals and objectives, they're going through a process of reassessing these performance measures themselves. I would hope that they come to some sort of conclusion around whether these are still the three best performance measures or if there should be some that should be added.

**Dr. Turner:** Can I ask a supplemental?

**The Chair:** Absolutely, Doctor.

**Dr. Turner:** In your report you mention that the government is no longer pursuing a program called Work Safe Alberta. I was wondering if that's a concern to the auditors. Or is the department suggesting other approaches that might replace Work Safe Alberta?

**Mr. Driesen:** In terms of the Work Safe Alberta plan that was in place, I think it was just to articulate what the goals and the overall objectives are. It's more the form than the substance. I think that what they're looking at in terms of their follow-up and looking at the programs specifically that they have that deal with the objectives and the goals that they have, how they're going to monitor and measure and report that – I think that's more important than the substance of it. How they communicate that going forward: I'm not sure in what form they'll do that, but I believe that the substance of what they're trying to accomplish by looking at these programs would be similar to what they tried to do with the Work Safe Alberta plan.

**Dr. Turner:** Thank you.

**The Chair:** Thank you.  
Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair. What happens in OH and S is probably inextricably linked to what's happening at Workers' Compensation as well. Is there communication between OH and S and WCB to find out where – I mean, it would seem to me that where there are shortcomings, there's probably going to be an increase or a spike in claims. Did you find that there was communication between those two departments and organizations to identify where shortcomings were actually leading to injuries and claims?

**Mr. Driesen:** I think what we found is that the communication between WCB and the department is good with respect to information that they receive. As we highlight in our report, some of the information with respect to the certificates of recognition, which have a direct impact on the premiums that are charged to certain employers by the WCB, is really important. Getting that good information on where those high-risk employers are, where they should be focusing, who are those employers that are putting good programs and processes in place related to occupational health and safety so that they can get the benefit of those reduced premiums: I think that that communication and the data that's being shared has improved from our original audit back in 2010, and I think they'll continue to work on those processes to make sure that there is that good information to really promote those programs.

**Mr. Gotfried:** Okay. Just a quick supplemental, Mr. Chair. There's, obviously, the COR, the certificate of recognition, but there's also the SECOR program, which has been, I think, more, I guess, detailed than implemented in many sectors. Is that also recorded? That's for the small employers, a certificate of recognition. Many organizations that I've dealt with will not employ and as a matter of policy will not use subtrades or other employers that don't have their SECOR as well. Is that also reflected in the data in terms of what you're seeing from the certificate of recognition data and analysis?

**Mr. Driesen:** I certainly don't know off the top of my head if there was any distinction that we had between looking at the two of those. Looking at the program as a whole in terms of the certificate of recognition, I think we're satisfied, but how that is split between smaller businesses and larger: I'm not sure that we have that information.

**Mr. Gotfried:** Okay. That might be worth us taking a look at in the future as well. Thank you.

**The Chair:** Thank you, Mr. Gotfried.  
Dr. Turner.

**Dr. Turner:** Thanks, Chair. Just a quick follow-up. There was one thing in the report that was particularly concerning to me. You say that there are certain employers and workers who chronically violate the health and safety act. Can you give us some sort of context and how prevalent an issue that is and what OH and S should be doing about it?

**10:30**

**Mr. Driesen:** As we highlight within our report, specifically page 45, we talk about systems to identify high-risk employers and workers. They are very much focused on trying to identify those specific employers that tend to have more incidents. As I mentioned

before, there's the development of this, this OH and S index, using the data within the systems now and the incidents reports. This index should be able to really focus on where those incidents have been over the past four years and provide good communication around who those high-risk employers are – I think that that's important information for workers – but also, you know, what specific sectors those incidents tend to be in. That might allow the department to focus some of their programs on those specific high-risk employers and sectors and improve the performance with respect to reducing the number of incidents in those areas.

**Dr. Turner:** Thank you.

**The Chair:** Were there any other questions? Mr. Fraser.

**Mr. Fraser:** Thank you, Mr. Chair. Thanks, folks, for coming again, and thanks for all your hard work. I know that, specifically, the regulations of any industry that has more than 250 employees at any given time require an occupational health and safety paramedic or nurse to be there. My experience is that typically on those sites there seems to be a better compliance with occupational health and safety rules. There's due diligence in terms of trying to reduce lost time and, you know, managing worker injuries. Is there any data that supports that? I mean, again, I'm just going based on personal experience. Secondly, if the data shows that there are positive outcomes, is there a willingness to maybe take a look at reducing that number below the 250 to maybe 200, again, to help improve occupational health and safety or worker injuries or worker claims?

**Mr. Saher:** I'm going to guess that this is what Rob would also say. I think you're asking a question that really should be directed to the department, but I think the general thesis is well understood, that those businesses that place a premium on the notion – not the notion; the business reality: the dollars invested in safety have a huge payback. Again, I come back to performance measurement. I mean, if data shows: look, in those instances that the system requires certain things to happen on a work site and our cut-off is 250, what are we achieving? If you're achieving good results, then I think that logically you say: "Could we get an even better result by changing that regulation? What would the costs be?" I think you ask a very good question that only departmental management could give you a satisfactory answer to.

**Mr. Fraser:** Thank you.

**The Chair:** Thank you, Mr. Fraser.

I will close this section off with Mr. Dach.

**Mr. Dach:** Thank you, Mr. Chair. I'm going to switch gears here a little bit and speak about something that everybody's interested in. Everybody loves talking about bridges. I love bridges. I have a couple questions about them, if I may.

**The Chair:** Just a second, Mr. Dach. Bear with me here.

**Mr. Dach:** Yes.

**The Chair:** We have to get him to present first on the bridges.

**Mr. Dach:** Okay.

**The Chair:** I thought you were talking about OH and S, but it's great that you're all excited, which is good. I love bridges, too.

If we could move on to the next item of business.

**Mr. Saher:** Okay. It's item (c)(iii), transportation, managing the structural safety of bridges, and it's Rob Driesen again. It's page 16 in the material handed to you before the meeting.

**Mr. Driesen:** Thank you again. We report our follow-up audit on systems to manage bridge safety in the Department of Transportation starting on page 49 of our July 2016 public report. The audit was our second follow-up of two recommendations issued in our October 2012 report and repeated in our July 2015 report. The recommendations relate to the process of contracting out bridge inspections to third-party contractors.

We conclude that the department has implemented the recommendations on the contracting processes for assessing bridge inspector applications and performing a cost-effectiveness assessment of contracting out bridge inspections. The department implemented design improvements to its process to assess the contractor proposals they received to inspect bridges. The department improvements include establishing what and how to award points for specific criteria in the proposals and guidance in considering past experience of new contractors in the assessment process.

We were unable to assess how well the department will apply these processes as they will not be used until the next inspection contracting cycle, in 2018. We will examine the operating effectiveness of the processes as part of our fiscal 2018 financial statement audit.

The department also completed an analysis of whether contracting inspections is cost-effective, an analysis which has not been completed in almost 20 years. The department is now assessing if the \$1 million of additional cost to contract out inspections identified in their analysis is reasonable considering other qualitative factors. We would anticipate that the department will conclude on bridge inspection delivery sometime in 2017, allowing enough time for the department to bring the inspection delivery in-house, if that's what they choose, prior to the current inspection contracts expiring.

I'm happy to answer any questions you have.

**The Chair:** Thank you, Mr. Driesen.

Normally we start with the opposition, but we'd be willing to start with Mr. Dach. I think we'll make the exception this time.

**Mr. Dach:** Well, thank you, Mr. Chair. It's a pleasure to go first and accept your congratulations. With respect to bridges, what is the overall assessment of the systems employed by Alberta Transportation to manage the safety of bridges?

**Mr. Saher:** If I could tackle that. When we did the first audit, in 2012, the way that I summarized it for Albertans was that at that time our view was that the Minister of Transportation could not stand up in the Assembly and tell members and Albertans: "We have well-designed systems that are operating effectively to ensure the structural safety of bridges. In other words, I as a minister can't demonstrate to you and have it verified by an independent auditor that all of that is in place." Now, subject to some technical matters that Mr. Driesen has talked about in terms of internal decision-making, which we've yet to see actually carried through, I believe that this follow-up audit enables us, if the minister were to stand up in the House and say, "Alberta has well-designed and has operating effectively systems designed to ensure structural safety" – that statement could be made and supported by evidence.

**Mr. Dach:** Excellent. That's good to hear.

A follow-up, Mr. Chair.



**The Chair:** Absolutely.

**Mr. Dach:** Thank you, sir. Is there any further work proposed by the office of the Auditor General related to the bridge safety audit?

**Mr. Saher:** Yeah. Rob, maybe you could just, you know, as simply as you can: that thing that remains with respect to the contracting-out issue.

**Mr. Driesen:** Right. Because of the timeline that the department applies when it contracts out these inspections – it's done on a three-year basis. As we pointed out in our report, the changes that they've made to their process: the design of it, you know, we've looked at, and on paper it looks like those process improvements would result in a good process until we actually see those applied. That won't happen until next year, when they go through a process. If they continue to externally contract out inspections, we would not see that process until next year. At that time we will go back and take a look and make sure that what they indicated they will do, they're actually applying and doing effectively. If not, we will report on that.

**Mr. Dach:** Thank you.  
Thank you, Mr. Chair.

**The Chair:** Were there any other questions in this area?  
Okay. If we could move on to the next item of the agenda.

**Mr. Saher:** Thank you, Mr. Chairman. We now move to item (d), which is to brief you on the OAG report of October 2016.

10:40

**The Chair:** Sorry. Are we moving on to agriculture?

**Mr. Saher:** Yes.

**The Chair:** Okay. Thank you.

**Mr. Saher:** I just wanted to orient that. The next three items that we'll brief you on come from the OAG report of October 2016. The first will be item (d)(i) in your briefing package, on page 17, agriculture: Agriculture Financial Services Corporation, systems to manage the lending program. Eric Leonty will brief you on that.

**Mr. Leonty:** Thank you very much. Good morning. Our audit report on the Agriculture Financial Services Corporation's lending program begins on page 21 of our October 2016 report. In this audit we sought to answer a couple of key questions. Firstly, does the AFSC have clearly defined objectives for its lending program, and does the AFSC have the necessary processes in place to manage, monitor, and measure the performance of the lending program?

We found that AFSC's lending program lacked strategic direction. A clear example of this is the growth target that management had set, seeking to expand market share to 10 per cent of agricultural lending in Alberta within three years. It's difficult to reconcile this loan portfolio growth focus with AFSC's mandate for agricultural development, economic growth, and diversification, that's outlined in the Agriculture Financial Services Act. Further, AFSC had not sufficiently analyzed and studied the credit needs of the agriculture sector. For example, the current state analysis of agricultural lending products offered by other commercial lenders and the role played by other provincial Crown corporations were not sufficiently understood or considered in formulating a strategy.

Our examination of AFSC's processes found that oversight was lacking. Firstly, communications we reviewed by the department and minister with AFSC did not include any specific dialogue,

consultation, or reference to the strategic objectives or performance expectations for the lending program. We further found that the former board of AFSC did not exercise proper oversight of the lending program, including not receiving important information about the loan portfolio, performance monitoring as well as basic risk management.

I should note that AFSC – and this is confirmed through our annual financial statement audits – does have adequate controls for its day-to-day credit administration activities, things like loan processing, interest calculations, and collateral documentation. What was lacking at the time of our audit was direction and good oversight.

We made two recommendations related to the aforementioned issues. As well, we made additional recommendations to AFSC to develop a product-specific funding model as well as to set up an internal but independent function to monitor the loan portfolio.

AFSC has \$2.2 billion in farm and commercial loans on its books. Thousands of Albertans rely on AFSC for capital to grow their operations and businesses. Thus, AFSC plays an important role, especially in rural Alberta, in a well-functioning finance and credit environment. It needs to have clear strategic direction and sound oversight processes to ensure that all Albertans are well served.

Thank you. I'd be happy to take any questions you have.

**The Chair:** Thank you.

I'll open the floor to any questions that there are. Mr. Barnes.

**Mr. Barnes:** Thank you, Mr. Chair. Thank you for your presentation and your work on this one. I guess one of the first questions right now: the AFSC board is in a state of flux, and I'm wondering if that is going to be in the way of putting in this oversight and putting in the recommendations from the Auditor General

**Mr. Leonty:** Just as far as the timing of this work, I mean, we'd been closing off the audit with the former board, but we did have a chance with the interim board and some of the new senior management to discuss the results and finalize the management letter for this. The present group is aware of everything that's in this report. We've discussed it with them, and our understanding is that they're taking action to deal with the items that are in here. We haven't, you know, proceeded with a follow-up audit at this time, but we understand that there is action being taken on the matters raised here.

**Mr. Barnes:** Okay. Thank you.

Just kind of a follow-up to that. You mentioned \$2.2 billion in loans in farm and commercial, but you also mentioned a lack of clear strategic oversight as to where that money should be and what the market needs were. Do you have any idea of what percentage of that \$2.2 billion is geared at agriculture? What part of it is geared at commercial? Have they done an analysis on the commercial part of it?

**Mr. Leonty:** On page 23 of the report we break out the numbers. The farm loans right now are \$1.77 billion, and the commercial loans are \$390 million. I mean, I think part of the purpose of our recommendation and what our findings are highlighting is that there hasn't been that degree of analysis on what is the focus and what would be the appropriate direction to take as far as emphasizing a particular area or not.

Within the act itself there are particular areas that are even highlighted, and we would have expected to see some measurement of those sectors, the extent of loans that are being made and whether it's actually making a difference in outcomes. Presumably, there are

particular areas of focus that you'd like to see, economic growth in particular areas, and we didn't see measures to that effect.

**Mr. Barnes:** So nothing like enabling youth to get involved in the agriculture business?

Are the commercial loans performing worse than the agriculture loans? Did you come across anything like that?

**Mr. Leonty:** I don't have the exact numbers as far as performance, but I know that through our annual financial statement audit, I mean just as far as the risk, the number of writeoffs, it is higher on the commercial side than it is on the farm lending side. Part of it is just the nature of the asset and the business that they're in. I think it's fair to say that there's potentially greater risk there, but this is something that a robust risk management system would help identify and then put towards the board as part of their oversight responsibilities.

There is a beginning farmer program, that relates to your question on, you know, encouraging youth to get involved in the agriculture sector. I think it presents a good example of ongoing review of the lending programs. Is it working? Are they being measured? I think that would fit in one of the areas that they should be looking at.

**Mr. Barnes:** Okay. My last question . . .

**The Chair:** How about we give you another rotation?

**Mr. Barnes:** That's great. Thank you.

**The Chair:** Okay. Dr. Turner, please.

**Dr. Turner:** Thanks, Chair. This is a bit of a follow-up to Mr. Barnes' question. It's my understanding that the Minister of Agriculture and Forestry dismissed the board and installed an interim board, as noted on page 22 of your report. To what extent are your findings on the AFSC systems based on policies that were in place under that previous board?

[Mr. Shepherd in the chair]

**Mr. Leonty:** As I said, I mean, the timing of our audit work was when the former board was in place. Our focus was strictly looking at: from the board's perspective, were they receiving the appropriate information to provide sound oversight? Was a good risk management system in place supplying them with the appropriate information? We found that it wasn't. I think that irrespective of what board is in place, those systems need to be there to ensure success. As I said, we get a sense that there are efforts being made to look at those areas as we speak, and our follow-up audit will be able to conclude whether those systems are in place.

**Dr. Turner:** As a supplemental: have you had conversations with the new board about your recommendations or on matters to ameliorate the concerns that have been expressed?

**Mr. Leonty:** Yes, we have. Actually, in fact, based on the timing, the management group in place now would have been the ones to actually accept the recommendations that we made, and I had the opportunity to have conversations with the interim chair of the board and actually spent considerable time going through the findings and the recommendations in here. We see that they accepted the recommendations and will be working towards implementing them.

**Dr. Turner:** Thank you.

**The Acting Deputy Chair:** Thank you, Dr. Turner.  
We have Mr. Barnes.

**Mr. Barnes:** Thank you, Deputy Chair. Just my last question, please. I'm quite concerned. You know, \$2.2 billion: 1 per cent of that is a lot of money. What is the timing that you expect for the AFSC to put your recommendations in place, and what's fair to do that?

10:50

**Mr. Leonty:** They're providing us with an implementation plan that outlines the timing. I can get back to you as far as the specific commitments that have been made as far as the timing of that, but I can say – and this was stressed in those conversations, and I think I can share it with you – that there was a willingness to act promptly on all the items here. I mean, that will sort of fall out as far as the follow-up audit as to whether that is in fact the case, but I think we would be inclined to keep regular contact and see how that progress is taking place.

[Mr. Cyr in the chair]

**Mr. Saher:** Mr. Chair, could I just supplement? Again, just a reminder that a purpose for our briefing you today is to help the committee in its decision-making as to whom to call before it. I mean, I think Eric is signalling that we don't have a concern at the moment. The indications are that timely actions will be taken, but the proof really will be in talking directly to management and the chair of the board sitting here at this table and, you know, that questioning: do you accept these recommendations, and do you have an action plan? When does the action plan say that you will be ready? Are you on course? You know, that line of inquiry is really the only way, I think, for the committee and Albertans to get real evidence that the recommendations we've made are, first, accepted in substance, not just in form, and that action is taking place.

**Mr. Barnes:** Okay. Thank you.

**The Chair:** Thank you, Mr. Barnes.

I'd like to go to the phones. Ms Luff, are you ready?

**Ms Luff:** Yeah, I'm here. I think I want to sort of follow up on Mr. Barnes' previous line of questioning about the strategic objectives for this program. Given that you've mentioned the lack of strategic objectives and you mentioned previously that there are actually some objectives sort of written within the act for how this lending strategy should go: firstly, could you outline, perhaps, some of the objectives that you feel there should be, based on what's contained in the act? Secondly, in the process of this audit have you looked at any other provinces with similar programs to see what kind of strategic planning or purposes or objectives they might have?

**Mr. Leonty:** Yes. As far as specific objectives within the act itself, you know, the act indicates particular sectors that AFSC might want to focus on. Whether that contributes or helps them formulate more specific strategic objectives: I would expect that it would. I think that ultimately it's up to the management group and the board to work towards actually developing what is the strategic direction. Actually, one of the references we make within our report on page 25 is that, you know, "the minister is expected to participate in setting the public agency's long-term objectives and its short-term targets." That's one of the things that we hadn't seen as part of the audit work that we had done.

As far as any other similar type agencies that we looked at, we did look at Farm Credit Canada – they have extensive public reporting as far as their plans and annual reports – to see if there are

similarities in some of the focus areas that they're looking at. I mean, indeed, there are some differences as far as, you know, a federal focus as opposed to a provincial focus, but I think there was some useful context and information there to consider as far as a similar type agency.

**Ms Luff:** Awesome. Thank you.

**The Chair:** Were there any other questions on this topic? Okay. I'll close the questions on that.

We'll move on to the AISH program.

**Mr. Saher:** Yes. We'll move on to subsection (d). We're still on the October 2016 report, systems to manage the assured income for the severely handicapped program. Doug Wylie will brief the committee on that.

**Mr. Wylie:** Thank you. The assured income for the severely handicapped program exists to help Albertans with disabilities support themselves and their families. This program provides eligible applicants with financial and health benefits to assist with their living needs and with living as independently as possible. Our report focuses on three specific areas of the program: accessibility, initial eligibility, and performance reporting.

First, I'll discuss accessibility. Albertans applying for AISH benefits have difficulty obtaining information and completing forms that the application process requires. Because of the particular needs of AISH applicants it is especially important that the program have a simple and easy-to-access intake process. Instead, we found access to the program to be complex and not supported by user-friendly guidance or resources. We found accessibility barriers in the intake process. For example, online resources for the application process were difficult to locate. The AISH website contains general information about the program, but locating key information for the application process was difficult to find. The application forms were found to be onerous, with limited guidance provided. As well, there was significant redundancy in questions on the form and a lack of clearly described eligibility criteria.

In addition, a prescreening process that checked for completeness of the application forms was not effective. The vast majority of application forms submitted were not checked for completeness upon receipt. In a sample we found that 28 per cent of applications were returned to the applicants at a later date because they were either incomplete or had missing information. As well, we would have expected the department to have a more effective process for reviewing the applications and expediting palliative and terminal applicants. We recommended that the department improve program accessibility to ensure that its application processes are user friendly.

Let me now turn to what we found in the area of eligibility. Consistent, efficient, and accurate eligibility decisions are critical when they affect Albertans with disabilities. The eligibility criteria are set out in legislation, and the department has policy statements that interpret the legislation. One of the goals of the policy is to provide enough guidance on the legislation for staff to apply it consistently throughout the province. One of our findings was that the department does not have standards to regularly monitor its application processing times. Our report highlights that there are ways the department can shorten service timelines. It takes on average 203 days from the receipt of the initial application form to commencement on the program. The department only actively monitors timelines for one stage of the application process, and that's the medical review stage.

We also found that the AISH workers have to use considerable judgment in their assessment of applications and receive inadequate training and guidance. From our analysis of the appeals data we concluded that there is a risk that the program denies eligible applicants given that 42 per cent of applicants who appeal management's denial of benefits end up being approved through the appeals process. We recommended that the department set service standards for application processing times and regularly monitor against these standards as well as improve procedures and guidelines to ensure staff apply policy in a consistent manner.

Turning to efficiency, our report indicates that the department has inadequate performance measures and processes to monitor and report on the operating efficiency of the AISH program. It is important for any organization to measure, monitor, and report on its activities so that it knows what can be improved. We found the department's performance measures are not adequate for monitoring and reporting on the AISH program. For example, we would have expected specific performance measures such as processing times, rates of compliance with policy, or the number of denied applications that are overturned at appeal. We also observed several ways the monitoring processes are limited because of a lack of the use of numerical and statistical information to analyze the efficiency of the program to establish program service levels, efficiency targets, and performance comparisons to similar organizations and a lack of data management practices to ensure that information is valid and reliable. We recommended the department improve its processes to measure, monitor, and report on the efficiency of the AISH program.

So why does this matter to Albertans? When someone has a disability that limits their ability to work, they need income to meet their basic needs. If the department does not have systems to ensure that AISH workers consider applications in a consistent and timely manner, there is a risk that the people who need the support do not receive it or receive it too late. In addition to the direct impact on vulnerable Albertans, there is an increased cost to the administration of the program.

**11:00**

In conclusion, our audit found that the department is unable to demonstrate that the AISH program is efficient. As I pointed out previously, the program's application process is complex and favours those who are good at completing forms and being persistent. The eligibility process takes too long, and the department is not able to ensure that staff's decisions are consistent.

Lastly, with the existing reporting process the department does not know what it needs to change to improve the program.

Thank you, Mr. Chairman. We'll take questions if there are any.

**The Chair:** Thank you.

Mr. Nixon.

**Mr. Nixon:** Thanks, Mr. Chair. You probably think that I'm going to page 39, but instead I'm going to ask you to go to page 41 because I just feel like being spontaneous. On page 41 it indicates that of all the AISH applications, about 11 per cent of applicants get denied but then ultimately go on to end up in the program, meaning that they were eligible all along. My question is this: how many AISH applications were submitted between January 2014 and June 2016?

**Mr. Wylie:** I don't have that information, but I do have the great opportunity to work with another Maureen in our office, Maureen Manning, and I'm going to see if she happens to have that data today.

Maureen, do you?

**Ms Manning:** No, I don't have it.

**Mr. Wylie:** No. We don't have that specific number, Mr. Chair.

**Mr. Saher:** I have a number that might help: 8,500 applicants each year. I'm not sure that that correlates with your time period, but I was interested and discovered that statistic, which I found to be important.

**Mr. Nixon:** I think that that certainly does help.

If I could do a follow-up, Mr. Chair. The report also states that 50 per cent of all applicants are initially denied. Now, speaking as somebody who's worked with several people through the AISH system – to be honest, many people in the industry and some of my colleagues on the other side of the table might even agree with this – it's often joked, when we're helping fill out the applications, that everybody will be denied the first time, so it's interesting that I'll be able to pass it on to several of my colleagues that it's only 1 in 2.

Is it people that are not eligible that are mainly being denied in that 50 per cent, or is it issues with paperwork, or is there something else going on in the system?

**Mr. Wylie:** Well, ultimately, the decision to deny is: is the applicant eligible or not? There are several criteria that have to be met. The first is the financial criteria that have to be met, and then it's predominantly the medical. My understanding is that the largest number of reasons relates to the medical conditions. We also highlight in our report the significant judgments that have to be made by those reviewing the applicants. In large part, that relates to the medical component of the application.

To directly answer your question, it's our understanding that it's the medical element that causes the majority of denials.

**Mr. Nixon:** Do you know if the statistics that you're working with account for the possible reapplication by the same individual, people that may have applied once but then reapplied, whether to adjust paperwork or whatever? Is that within these statistics, or would that be separate? You may not know.

**Mr. Wylie:** I don't know.

**Mr. Nixon:** Okay.

**The Chair:** Thank you, Mr. Nixon.  
Ms Renaud.

**Ms Renaud:** Yeah. Thank you. I just wanted to say that I appreciate the comment you made earlier today about focusing your audit or what you're looking at on the services that are most likely to impact people. I think, you know, that you were very accurate with this audit. It was about intake and timelines and then oversight or monitoring and then the lack of metrics that are in place. I think that if they're simply using quality-of-life indicators, they're sort of missing the data.

I wanted to go back to, specifically, the intake process. Some of the comments were that there were several scenarios that people, I guess, screening or reviewing the package deemed as straightforward in terms of processing, and they looked at, I think, medical documentation. Most of the examples listed made a lot of sense in terms of palliative care and things like that, but one of the labels that was listed was Down syndrome. I was a little bit confused as to if having Down syndrome automatically entitled you to move forward quickly through this application process, with little to no evaluation on your ability to earn an income or to support yourself. I guess that maybe goes back to the oversight on decision-

making or applying policy. I'm just wondering if you could comment on that. Was that just an example, or is that something that is fast-tracked?

**Mr. Wylie:** All of the items on the list that you're referring to on page 37 of our report would be considered for the straightforward medical assessment. Now, what happens with a straightforward medical assessment is that essentially you would still have to go through the application process. You'd have to meet the financial eligibility and all of the other required criteria. It's just that it fast-tracks that medical review stage. On page 39 you'll see that we highlight about eight weeks of time that's dedicated to the medical review. When an applicant is fast-tracked, essentially all it's asking for is for the physician to confirm the condition on the application.

**Ms Renaud:** Okay. Maybe just a follow-up to that, I guess: within their department's policy is there an expanded list or some sort of continuum of disability or a definition of what would be eligible for that kind of fast-tracking?

The other question I have is: is there an ability to track applications that are supported by the office of the public guardian versus a private guardian or independent adult?

**Mr. Wylie:** On the first point I'm not too sure of the granular level of definition of meeting each one of these medical conditions. That is one of the points that we make here, that there is a significant amount of judgment that's applied by those individuals reviewing the applications. I can't specifically answer that question, but I do believe it is a concern.

With respect to the nature of the applications and who they're coming from, again, my understanding is that there wouldn't be a separate reporting or tracking of that within the process or the application. I think they're all coming through as individuals, and they're all going through the process the same. Each one of the applications is administered in the same manner.

**Ms Renaud:** Okay. Thank you.  
Thank you, Mr. Chair.

**The Chair:** Thank you, Ms Renaud.  
Mr. Nixon.

**Mr. Nixon:** We'll go to page 39 now.

**Mr. Wylie:** I wish I would have listened to your question earlier.

**Mr. Nixon:** Absolutely.

The report states on page 39 that the average is 203 days from initial application until commencement of the program. My question is: were you able to determine, on average, how long it takes to process abbreviated palliative or terminal applications? Does the 203-day average include those, or is there a different average for those?

**Mr. Wylie:** I'm not sure of that answer.  
Maureen, did we do that evaluation?

**Ms Manning:** I was the engagement lead on this audit. We didn't actually look at the application process just for palliative or terminal. The 203 days does include all applications.

**Mr. Nixon:** So of the palliative and terminal applications, only 12 per cent were given the abbreviated form? Did you look into that at all? Was there any rationale given on why that form was not made available more often to people inside terminal and palliative situations?

**Ms Manning:** They didn't give us a reason. They don't have it on their website, so it's only if they happen to see it through the process and determine that they qualify for that form. Then they would pass it out to them. Other than that, we didn't touch on it.

**Mr. Nixon:** Just as a quick follow-up, Mr. Chair, did they determine that and then pass it out to them? I mean, with the report saying that only 12 per cent of people in that situation, applicants in that situation, received the form, that would show that there's some sort of breakdown, that people in, you know, pretty tough situations are not being given access to those forms. They're determining that and then doing it? If they are, then I guess only 12 per cent of people are getting it.

**Mr. Wylie:** Well, the point that we're making here is that it's really up to the applicant, so to the extent that the applicant knows that there is an abbreviated form and that there is a fast-track process, they can request that. If they don't, they're going to go through the normal process. Our point is that there is limited proactivity in the way of the process to assist those types of applicants.

**Mr. Nixon:** So to make those applicants and their families aware of the availability of it?

**Mr. Wylie:** Exactly.

**Mr. Nixon:** Okay. Thank you very much.

**The Chair:** Thank you, Mr. Nixon.

**11:10**

**Ms Renaud:** Before my next question, I would just encourage anyone who's interested to go to the site and try to navigate the forms themselves. They're quite challenging.

I had a question. One of the points that you raised was really quite interesting. If you could expand a little bit. There was a discrepancy between, I guess, the evaluation of an applicant's ability to earn a livelihood in terms of what hours they were working – I think the amount that was listed was 30 hours a week at at least minimum wage – and the ability of a recipient already on the AISH benefit, that they were allowed to work up to 30 hours a week at minimum wage. I believe the cut-off before deductions is about \$800 a month. I'm just wondering if you could comment on that. I mean, does that impact the decision-making, or does that stall things, slow things down at the front end for people that are reporting an ability to earn a livelihood?

**Mr. Wylie:** It certainly could impact the decision-making. There is a financial threshold that must be met for an applicant to be eligible, but then there is this concept of earning a livelihood. Really, the two are somewhat separate in the sense that an individual, an applicant, could meet the financial eligibility criteria, but then the concept of earning a livelihood comes into play on the medical component of the applicant. In other words, in order to meet the medical eligibility criteria, the individual should not be able to earn a livelihood given the medical condition. What we determined was that there's a possibility where an individual who's new and applying to the process may be denied on the earning a livelihood component, which is on the medical side, although they could meet the financial eligibility side. We contrast that to an individual who is already on the program and who works more than 30 hours a week. What would happen there is that their income threshold would just be clawed back to the financial minimum level.

So it's really a disconnect between two elements of the process, if you will. One is the financial eligibility criteria, and the other is

the medical eligibility criteria. We're just highlighting that and saying that we found that to be a bit unusual.

**Ms Renaud:** Yeah.

Is there a follow-up, Mr. Chair?

**The Chair:** Absolutely, Ms Renaud.

**Ms Renaud:** Okay. Thank you. I guess one of the criticisms or things that the disability community has long sort of pointed to is that certainly this financial support is essential for their well-being and their ability to live in the community, but their concern was that it also needed to encourage folks that were able to earn a living or supplement their income, to encourage that activity. Was there any evidence of any sort of oversight or evaluation tool to monitor that or look at that in any of, I guess, the audit or the fieldwork that you did?

**Mr. Wylie:** I'm sorry. I'm trying to get the context of the evaluation that you're interested in.

**Ms Renaud:** Well, I mean, if someone is applying and says, "I am working this much per month; I am earning this amount; I do have a medical condition that, you know, is problematic," are there any sort of, I guess, metrics in place to look at that and to score it or to take it into account in the decision-making?

**Mr. Wylie:** Yeah. Well, the specifics on the unique case I can't answer, but what I will say is that I think our observations and findings relate specifically to that case as well, that there was a lack of guidance and metrics that helped when it came to making those judgment calls on interpretation of: what is the impact of the particular condition on the ability of the applicant to earn a livelihood or to be able to meet the basics of life, if you will?

**Ms Renaud:** Can I ask one quick little one? I don't have the medical form in front of me. Do you recall if there was anything on that form that sort of approached that area of questioning?

**Mr. Wylie:** I can't recall specifically. I know that there are three components to the medical form. There's the overall medical form, and then there are two forms of an assessment of . . .

**Ms Renaud:** Functional.

**Mr. Wylie:** Functional. Exactly.

**Ms Renaud:** Yeah. Okay. Thank you.

**The Chair:** Thank you, Ms Renaud.  
Mr. Nixon.

**Mr. Nixon:** Thanks, Mr. Chair. Staying on page 39 of the report, you declare that staff are not receiving sufficient guidance on how to judge eligibility. I'm just wondering if you could explain to us what aspects of the application process allow for significant discretion.

**Mr. Wylie:** The areas that we've just been referring to – and that is on the medical side. I think that's where there is the most variation, if you will, in interpretation of the particular medical condition, that impact that that would have on the applicants meeting the eligibility criteria.

**Mr. Nixon:** You also talk about a training program that the department rolled out in 2015, I believe, that provided, according

to the report, adequate basic training if the staff actually did the training.

**Mr. Wylie:** Right.

**Mr. Nixon:** But you also point out that training manuals still don't provide enough guidance on minimizing subjectivity in the application process. Can you tell us what this basic training does involve?

**Mr. Wylie:** I'm going to ask Maureen to – do you have that with you today, Maureen?

**Ms Manning:** Maureen Manning, OAG. We looked at the training modules. They're online modules, but to get into the specifics of everything that was included in them, I'd have to get back to you on that.

**The Chair:** Sorry. Excuse me. Can you get a lot closer to the mike?

**Ms Manning:** Oh, sorry.

**The Chair:** I missed your name, did I?

**Ms Manning:** Maureen Manning.

**The Chair:** Thank you.

**Mr. Nixon:** One more follow-up then, or do you want her to redo her answer?

**The Chair:** Could you please repeat your answer.

**Ms Manning:** Yes. We did look at the training modules. They're online modules. To give you details on what was included in the modules, I'd have to follow up later and give you that information.

**Mr. Nixon:** With identifying that, I mean, the wording certainly in the report makes it sound like not all the staff involved in the subjectivity process of applicants are receiving this training or the training is inadequate in some way or, well, actually, the training is adequate but not all the staff have received it. So are we saying that with a lot of these coming in, you've identified that the main area of discretion is the medical side of it, that we have a lot of staff looking at those issues that have not been trained adequately to determine? That, to me, seems like the most key issue, when an applicant is coming through. If we have a situation where staff are not trained to do that subjectivity portion of it well, that would indicate a pretty serious problem with the system.

**Mr. Wylie:** Well, what we were looking for, just to be clear – the first thing we do in an audit is ask management: how do you know, so how can you demonstrate to us through your processes and the documentation? That's really what we're referring to. Our observations here really come from the processes that the department has. The observations we're having, quite frankly, relate to a review of files and the documentation and the notes and the questions asked of supervisors and those reviewing the files. I don't think we actually went into the detailed files looking specifically for, you know: what are the metrics that are missing here and the valuation? We were relying on the department's own processes to demonstrate that where there is judgment to be applied, here are some of the metrics or here's some assistance that will help in gathering the interpretation.

There is a supervisory review process – that's where a lot of these issues are caught, if you will – where the supervisor might come and say: "You know what? The reviewer's interpretation of the

situation, I'd like to have more information on this, so let's go back and have another look at it." We didn't actually get into making that direct assessment ourselves. We were looking at the processes that the department had to provide management with the assertion that it is being applied appropriately.

**The Chair:** Okay. I'd like to go to the phone. Ms Luff, are you ready with your question?

**Ms Luff:** Yeah. Absolutely. Thank you, Mr. Chair. I just want to thank all the auditors there for doing this. I think all of us deal with folks in our offices on a daily basis that are having difficulty navigating the system. Clearly, I think, you know, you've shown that there is need for making this process more user friendly because it definitely isn't as it currently stands. I'm just wondering if you can maybe share more about what actions could be taken to make the AISH application process easier such as: are there any best practices that you've looked at in other jurisdictions that are working, or are there other application processes even within the GOA for other programs that perhaps could be used as a best practice for working towards revising the application process?

**Mr. Wylie:** There are a couple of areas. Well, I guess, really, what this report is all about is trying to identify areas where the processes could be improved. We mentioned redundancy in some of the processes in my opening comments. I think it really starts right at the focus of: the program is designed to assist the applicant. Who does this program exist for? Again, we're talking about vulnerable Albertans. The extent of assistance that can be provided right up front in the application process would be one element that we identify.

**11:20**

We do talk about in the application process, you know, the ability to gain access to information. But it's not only that; it's how the process actually works and the mechanics of it. For example, the efficiency on the front end would be the application itself, looking at a prereview process, trying to identify early, right as the applicant is coming into the process, where the application might be incomplete or where data is missing. As we identify in the report, it is a long process from the application time to when you're going and looking at the medical information. Quite frankly, it just goes through a sequential system, something very similar to what you have when you go apply for a passport. I mean, immediately they're asking you for the information and doing a prereview of your application right at the time, and if there are any questions or data missing or forms missing, they let you know right away, before it goes back off into the backroom, if you will, for review and approval.

On the front end we think that things could be really streamlined from the way that the timeline of the process is working. That goes right through, I guess, the whole process of the review process, the eligibility process. We talk about identifying criteria that could help those who are reviewing, looking at the processes for triaging certain client groups, those with terminal illnesses and palliative care, to fast-track them.

In the area of best practices and looking at other jurisdictions, we did attempt to do that, but I will say that between jurisdictions across Canada the programs are designed quite uniquely in most of the jurisdictions. A pretty good comparison was British Columbia. We had a look there. The Auditor General of British Columbia actually did a review as well, and his findings were very similar to ours. I'm not too sure of learnings from that perspective. I think that the area of learnings would be in performance measures and the metrics that are being used. We identify here and Merwan has said

earlier that the way programs and processes improve is by measurement: setting your targets, determining how the processes work, measuring that, evaluating, and then determining where you can make improvements.

In the past there was more extensive reporting on the operational and significant operational elements of the program. Some of those metrics were reported and reported publicly. You know, in the appendix to our report on page 45 we actually highlight, for example, what the department used to report in 2006 and 2009 in its business plan. It related to such things as the “average number of days from the acceptance of an application to the date of the first hearing” and the percentage of applications that are “settled before reaching a formal hearing.” Some of these metrics were designed to actually improve the processes and the flow of applicants through the process with a view of improving.

Other areas, you know – the Department of Energy. We cite where there are some metrics there that the nature of the metrics would be useful in relation to this program as well.

Hopefully that helps give you a flavour of what we were trying to get at through our report and directly answered your question. Thank you, Mr. Chair.

**Ms Luff:** Yeah. I think you did a really great job there. Can I do a quick follow-up, Mr. Chair?

**The Chair:** There’s a follow-up that Mr. Saher wants to do. Bear with us.

**Ms Luff:** Okay. That’s fine.

**Mr. Saher:** For the member on the phone, I just draw your attention to page 34, where we give a reference to some specific research – I’ll just leave that with you – on how application processes can be made more efficient.

**Ms Luff:** That’s great. Thank you very much. I appreciate the very thorough answer that was given there. You actually answered a bunch more of my questions in the process, so thank you.

I guess I just wanted to briefly ask about the different sections of the application that we spent some time on about the medical portion. I’m just curious if you noted or can think of any ways that perhaps the government could work with medical professionals better because I know some of the challenges that my constituents encounter are often with their doctor and having to manoeuvre around different doctors. Is there any co-ordination that you feel could happen with medical professionals to make the medical part of the application go more smoothly?

**Mr. Wylie:** We didn’t specifically look at it in this audit, but I would say that I think that’s an excellent observation and something that should be pursued by management. Again, any process improvement that can help facilitate the program objectives would be useful. Again, to the previous point we were talking about with the indigenous children, you know, the interaction with primary care and primary care providers goes beyond the department of human services, so it does require an interaction with other stakeholders and other care providers, and I think that thought applies to what you just mentioned here. Obviously the physicians are a significant element of this; at least the information that’s coming from the physicians is significantly used in the way of this process, so to the extent that the processes could be improved with interaction with physicians, I think it should be looked at.

**Ms Luff:** Thank you.

**The Chair:** Thank you, Ms Luff.

If we could move on to the last point of the agenda. Unfortunately, we are running against the clock here.

**Mr. Saher:** Mr. Chairman, I think this one will be quite swift. Olds College. This was follow-up work on an information technology system implementation. Specifically, it was a finance module.

**Mr. Driesen:** A clear and complete plan is required when any organization implements a significant new information technology system. As reported starting on page 50 of our October report, Olds College made adjustments to their IT system implementation plan based on recommendations we made to them in our October 2015 report. The college went live with their new finance system on November 1, 2015. The college implemented their new IT system prior to our office doing any follow-up examination on the adjustments to their implementation plan. As a result, our follow-up report did not assess if the college fully implemented our recommendations. Rather, we report what changes college management made to their plan and lessons they can learn for future implementations based on the results of their IT implementation plan execution.

The college was successful in launching their new finance module. However, additional time and money was required to get the module fully functional after the go-live date. On page 52 of our report we identified areas where improvements to the implementation of future modules could be made based on the results of this IT system implementation. Those areas are improving when the college develops its detailed project plan, defining reporting requirements earlier in the implementation process, and fully documenting existing and future business processes impacted by the new system.

I’ll take any questions you have.

**The Chair:** Thank you.

I’ll open up the floor. Just keep in mind that we are running up against the clock. Are there any questions?

Can we close debate? Thank you.

All right. The first thing is that I would like to thank the Auditor General’s office and the staff for coming. They’ve done a fine job.

Oh, just a second, here. There has been a request by the Auditor General to extend the premeeting by 15 minutes. Is there any concern within the committee to start that premeeting at 12 o’clock sharp?

Lunch is ready. Okay. There we go. Please be back for noon. Members will be at the meeting at 12 o’clock in the Rocky Mountain Room for the briefing, and we’ll return to the record in this room at 12:45 to hear from the Ministry of Environment and Parks.

Thank you very much.

[The committee adjourned from 11:29 a.m. to 12:49 p.m.]

**The Chair:** I’d like to call this meeting to order, members.

I’d like to welcome our guests from the Ministry of Environment and Parks, including the climate change office, who are here to address the outstanding recommendations from the office of the Auditor General as well as the ministry’s 2015-2016 annual report. Members should have the committee research documents prepared by research services, the Auditor General’s briefing document as well as an updated status of Auditor General recommendations document completed and submitted by the Ministry of Environment and Parks.

I would now like to invite the officials from the – sorry. I jumped the gun. How about we do introductions, starting on my right.

**Mr. Shepherd:** I'm David Shepherd, MLA for Edmonton-Centre, acting deputy chair for the committee today.

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

**Mr. Fildebrandt:** Derek Fildebrandt, Strathmore-Brooks.

**Mr. Gotfried:** Richard Gotfried, Calgary-Fish Creek.

**Mr. Fraser:** Rick Fraser, Calgary-South East.

**Mr. Statt:** Graham Statt, assistant deputy minister of operations division, Environment and Parks.

**Mr. Davis:** Tom Davis, assistant deputy minister of corporate services division, Environment and Parks.

**Mr. Corbould:** Andre Corbould, Deputy Minister of Environment and Parks.

**Mr. Denhoff:** Eric Denhoff, deputy minister, Alberta climate change office.

**Mr. Leonty:** Eric Leonty, Assistant Auditor General.

**Mr. Saher:** Merwan Saher, Auditor General.

**Ms Renaud:** Marie Renaud, MLA for St. Albert.

**Mr. Dach:** Good afternoon. Lorne Dach, MLA, Edmonton-McClung.

**Dr. Turner:** Bob Turner, Edmonton-Whitemud.

**Ms Babcock:** Erin Babcock, Stony Plain.

**Drever:** Deborah Drever, Calgary-Bow.

**Ms Miller:** Good afternoon. Barb Miller, MLA, Red Deer-South.

**Mr. Westhead:** Cameron Westhead, Banff-Cochrane.

**Dr. Massolin:** Good afternoon. Philip Massolin, manager of research and committee services.

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** I'd like to invite the members that are on the phones to introduce themselves.

**Ms Luff:** Robyn Luff, MLA for Calgary-East.

**Mr. Loewen:** Todd Loewen, MLA, Grande Prairie-Smoky.

**The Chair:** Thank you.

Now I'd like to invite the officials from Environment and Parks to provide opening remarks not exceeding 10 minutes. Thank you.

**Mr. Corbould:** Thank you, Mr. Chairman. I'm pleased to be here today to provide an update on the implementation of outstanding recommendations by the Auditor General for Alberta Environment and Parks and, as well, to discuss the department's annual report.

We've already done introductions. I will just say that I'm going to take eight minutes, and then I'm going to hand it over to my colleague from climate change, Deputy Minister Denhoff, to take the last two minutes.

I'd like to start with the status of the outstanding recommendations from the Auditor General. First of all, we'll get right into sand and gravel dispositions. There are three outstanding

recommendations regarding sand and gravel. They include: improving inspections and enforcement of reclamation for aggregate holdings on public land, assessing the security deposits collected to ensure that reclamation requirements are met, and developing systems to better verify quantities of aggregate removed by industry from public lands. I'm pleased to report that we've developed implementation plans that target key risks, identify actions, and propose timelines for each recommendation, and all three are expected to be implemented this year.

With regard to wetland restoration, on this topic the Auditor General has recommended that we formalize wetland compensation relationships and control procedures. This includes ensuring partnerships to ensure that Alberta's wetlands are efficient and effective; making clear, enforceable agreements between parties; and monitoring our partners' progress. The department forwarded its plan to the office of the Auditor General on October 30, 2015, and continues to implement aspects of it during restoration season. We intend to have it fully in place this coming year.

There are four outstanding flood mitigation systems recommendations: updating the flood hazard maps and guidelines, assessing flood risk to support mitigation efforts, designing flood hazard areas and completing the floodway development regulation, and assessing the effects of flood mitigation action. Our plan for updating flood maps was submitted to the office of the Auditor General on May 5, 2015, and studies and engagement are under way. Similarly, a plan for assessing risks to support the same mitigation decisions was submitted on the same day. We're developing more community flood damage assessment models, and this is a significant undertaking with the communities. The floodway development regulation has been developed by Municipal Affairs and an implementation plan submitted to the Auditor General. Lastly on flood mitigation, a plan for assessing the effects of flood mitigation was submitted, also on May 5, 2015. The work is under way to have a tracking system in place this year.

With regard to dam safety, two recommendations regarding dam safety are outstanding: first, developing a plan to regulate dams, and improving dam regulatory activities. Implementation plans were submitted for both on May 4, 2015, and both are on track for completion in 2017.

On grazing leases the Auditor General recommended that we clarify objectives, benefits, and relevant performance measures around grazing leases. We submitted an implementation plan on October 5, 2015, but continue to engage the stakeholders to refine social and economic objectives of grazing leases. Significant engagement is planned for the first half of 2017 on this complex issue.

The Auditor General recommended that we improve the overall program design of the mine financial security program to ensure sufficient financial security for land disturbances from mining. A plan for this was submitted on October 5, 2015, and implementation is ongoing. The results of phase 1 implementation were shared with the Auditor General in December 2016 in a memo from myself, and work continues on reviewing and updating this program.

## 12:55

On financial reporting the Auditor General recommended a department process for preparing timely and reliable financial statements. A strong process is being implemented across the department and is expected to be complete by March 2017.

On capital asset monitoring we've also been asked to improve our processes for monitoring and reporting on dam and water management structures. We are doing this in conjunction with Treasury Board and Finance because right now we're currently following their existing policies, and we want to make sure we're



well aligned with them while at the same time implementing the Auditor General's recommendations. We're currently developing a plan to address this recommendation. We'll be sharing it with the Auditor General this coming year.

On the environmental monitoring and science division, the joint Canada-Alberta plans for oil sands monitoring, we were asked by the Auditor General to ensure timely, accurate, and transparent public reporting on oil sands monitoring. As of September 2015 this recommendation has been implemented and is awaiting follow-up audit. We also were asked to improve planning and monitoring of the joint Canada-Alberta oil sands monitoring program, and the environmental monitoring and science division, currently in Alberta Environment and Parks, is implementing this recommendation in the next couple of months.

In summary, we're making progress in addressing these recommendations, and a number are complete and awaiting audit or close to full implementation. I look forward to providing further updates. I'd like to thank our department staff for their work on these efforts. I did want to comment that in terms of the recommendations I've also instituted more accountability; namely, by ensuring that the Auditor's recommendations are part of the senior leadership's performance management plan for the year so that there's clear accountability in terms of what has to happen.

Just on the annual report, I'd to highlight some things in the 2015-16 annual report. Environment and Parks is charged with protecting and conserving Alberta's air, land, water, and biodiversity. It also manages Alberta's provincial park system, associated facilities and infrastructure, and access to public lands to provide places for people to experience the beauty of nature while protecting it for future generations. The department supports economic diversification through a green economy that will improve social well-being while significantly reducing environmental risks. We addressed the safety of the public environment and economy in environmental emergencies as well. Each action we take is designed to meet these objectives.

On environmental protection, conservation, and ecosystem integrity, the protecting and conserving of our environment are key components of our department's work. An estimated \$103.2 million was spent on this priority initiative in '15 and '16.

In land use we saw significant progress on regional planning, with work undertaken on two completed plans and development of two more. In the lower Athabasca, work concluded, delivering the regional landscape management plan as well as the completion of the biodiversity management framework. The latter includes regional objectives, indicators, triggers, monitoring, proactive management actions, and a management response process to be used as needed in the future.

On monitoring and reporting, you all know that the agency is now back in the department as the new environmental monitoring and science division. Returning the core business of monitoring, evaluating, and reporting on the province's environment back to government is already strengthening scientific capacity and our transparency in our reporting and providing critical knowledge to ensure the protection of the province's natural environment and Albertans' health and safety.

In terms of the Alberta parks plan, the plan is working with objectives set out by the land-use framework. It has two primary goals, to identify and develop opportunities for recreation and to modernize our existing parks. In 2015-16 approximately 50 upgrade projects were initiated.

We're also working on aquatic invasive species and have new programs to talk about – I can answer more questions about that – and, of course, the work we've been doing on the flood and drought mitigation, as outlined in the report.

What I'd like to do now is to use the remaining two minutes and allocate them to my colleague, Eric Denoff, in the climate change office.

**Mr. Denhoff:** Thanks very much, Andre. I'm happy to be here today and provide an update on the implementation of the outstanding Auditor General climate change related recommendations. I just want to introduce quickly the folks that are with me today: Sandra Locke, the assistant deputy minister for the implementation, engagement, and regulatory division; Lora Pillipow, the assistant deputy minister for policy, legislation, and evaluation; Robert Savage, executive director, regulatory compliance; Mike Fernandez, executive director of implementation and funding; and Angela Woo from my office.

The Auditor General's recommendations relating to climate change actions predominately relate to issues prior to the new climate change plan. In 2015 the Alberta government charted a new course on climate change and in November of that year unveiled a climate plan that had four essential pillars: an economy-wide price on carbon, ending pollution from coal-fired electricity generation, capping the oil sands emissions, and reducing methane emissions. During the last year a lot of the important work to implement that climate leadership plan has been taking place behind the scenes: the establishment of the office, development of legislation, policy architecture, the beginning of the launch of energy efficiency programs, and that sort of thing.

We have answered in writing the questions from the Auditor General's department, but I just want to give one example of our work to implement them. The Auditor General recommended that we develop controls to gain assurance that data hosted or processed by third parties is complete, accurate, and secure. We issued an RFP process this month to contract an auditor to complete an offset registry service provider audit. That audit process will provide additional assurances around the controls of the service provider to ensure the data process is accurate and secure, and we will have that audit completed this year. We hope that that sort of more detailed rigour in those kinds of programs will provide reassurance to the Auditor General and the committee and the Legislature that we're doing our job.

Happy to address any outstanding questions from the written material we've provided. Thank you, Mr. Chair.

**The Chair:** Thank you.

I would like to turn the floor over to the Auditor General, Mr. Saher.

**Mr. Saher:** Thank you, Mr. Chairman. My comments will be extremely brief. I'd simply like to summarize what the two deputy ministers have given to you in detail. Environment and Parks, including the Alberta climate change office, has 22 outstanding recommendations. Ten of these were made more than three years ago, and as of January of this year management has asserted that two are ready for follow-up.

Thank you.

**The Chair:** I'd like to thank the Auditor General for his comments.

We will return to our time allotment format for questions from the committee members. For our first rotation there will be two rounds of questions at 10 minutes each for the opposition and government members, followed by a seven-minute interval for the third-party opposition. Our second rotation will be 10 minutes for each party. For the balance of the remaining, members of the Alberta Party, the Liberal Party, if any, or any other members in attendance may ask questions, and we will follow the usual rotation of the opposition member followed by the government member. For

the balance of the time remaining, I would ask members to limit themselves to one question and one supplemental.

I will now open the floor to members for questions, starting with the Official Opposition. Mr. Loewen, are you ready for your questions?

**Mr. Loewen:** Yes, I am. Thank you very much, Mr. Chair. We just heard from the Auditor General regarding the 22 outstanding recommendations, so my question is this. Of course, there are 10 which are more than three years old. I just would like to get some insight from the department on why there are that many recommendations still left on the books after that much time.

**Mr. Corbould:** Right. Thank you very much. I would just say that many of these issues are very complex. There have been multiple reorganizations of government since that three years and a lot of things to do. Then you add things like floods and fires, and those impact on the progress of some of these recommendations.

I think, more importantly, I can talk about specifically what I've done in the last year to get on top of these and make further progress and quicker progress. One is that we have, I would say, better relations in terms of ongoing dialogue with the Auditor General in terms of meeting quarterly to discuss each of these recommendations and making sure we're getting the right updates and getting all the right information.

The second is that I would say that I've really engaged the senior leadership in the department in a formal way through attaching the requirement to address these recommendations to our performance contracts. That's different than getting it done, but now in your specific performance contract for my ADMs and direct reports in particular they have addressing the specific recommendations that they are assigned with preparing. I think that will enhance things and make sure we continue to move in the right direction but at a quicker rate.

1:05

**Mr. Loewen:** Okay. Thank you.

Now, you've mentioned that there have been several reorganizations that have, you know, happened during this time frame. Can you comment on how those reorganizations have affected the responsibility to have to deal with these recommendations from the Auditor General?

**Mr. Corbould:** Well, first, I would say that throughout the reorganizations there's been absolutely clear accountability for who's responsible for doing what. I would use as an example that when the monitoring and science agency was brought in to government as a division, part of the transition in that reorganization was absolute clarity on what remaining Auditor General recommendations needed to be actioned and that are now my accountability as a deputy minister having received a new group in government.

Another example would be that when the forestry division moved to Ag and Forestry, there was clear accountability and clarity in terms of handing over any actions that were required from an Auditor General perspective. We have maintained throughout the reorganizations absolute clarity on the accountability for implementing the recommendations, and I would say that, well, the reorganizations themselves do cause some delay.

Other things I would add to that: what we're finding, in particular with some of our flood mitigation recommendations, is that we're taking more time than we expected to deal with municipalities, especially in places like High River and Calgary, where there are a lot of very complex issues in reviewing the hazard studies and maps and making sure that our numbers are very similar or match the

numbers that the municipalities have and that we can reconcile those. Places like Calgary and High River have thanked us for taking the time to do those engagements as we work to implement the recommendations.

**Mr. Loewen:** Okay. Thank you.

Now, of the 22 recommendations, are there any that are more pressing or urgent than others? Do you have kind of a priority list of what you're working on?

**Mr. Corbould:** I would say that I've got implementation and action plans for every one of the recommendations. All the ones that are done have been submitted to the Auditor General. I would always say that we will put health and safety issues as number one. They're sort of laced throughout the recommendations. When I think of monitoring recommendations, they speak directly to the health and safety of Albertans, so they're a high priority. When I think of drinking water quality and some of those recommendations, again, they're related to health and safety. While I don't have a 1 to 22 list of priorities, I would say that within each one of the 22 recommendations we've prioritized our actions for each one of those detailed recommendations, making sure that we're tackling the tough ones that affect Albertans' health and safety first and then moving on to others, you know, protection and those kinds of things or what their needs are.

**Mr. Loewen:** Okay. Thank you.

Now, one of the recommendations deals with the inspection of aggregate holdings on public land enforcement. Your department mentions that inspections not completed in 2015-2016 have been included in the schedule for 2016-2017. Do you expect to complete all the scheduled inspections in 2016-2017, or do you expect to have some inspections carry over to 2017-2018?

**Mr. Corbould:** Well, I would say that we're working hard to get all the inspections done. We will use every one of our resources to get as many of those done. I'm going to strive to get them done within this fiscal year and reduce our backlog, but that may take more than one year to get done based on our resources.

**Mr. Loewen:** Okay. Is there anything that you would suggest that you would need to make sure you get this backlog caught up?

**Mr. Corbould:** Well, there are lots of things we're doing to get the backlog caught up. We are definitely working to enhance how we do inspections, where we do them, the appropriate assignment of staff to get them done. I don't feel that I need any more additional resources in terms of people or manpower. We're doing quite a bit of work in terms of getting the actual inspections done and caught up.

**Mr. Loewen:** Okay. Thank you.

Now, the verification of aggregate removed. It sounds like your department has an audit plan prepared. Why is the implementation not expected to be complete until, you know, Q2 of fiscal year 2017-2018? Why is there a delay there?

**Mr. Corbould:** In the implementation?

**Mr. Loewen:** Yes.

**Mr. Corbould:** Well, I guess I would say that it's just the time it's taking to do all this work. It's the time it's taking to develop and improve the model for reclamation security on public lands. It's working with the operators so they understand what we need. I've had several discussions myself with the Alberta Sand and Gravel

Association and other associations so that we can work together on these activities and ensure we do the required work to do the inspection. That's just my estimate of how long it's going to take to do that.

I don't know, Graham, if you want to add anything to that.

**Mr. Statt:** Sure. I could add a few things. Another aspect has been the need to incorporate some digital technology with some new IT infrastructure improvements. That allows our staff to be able to do these inspections through electronic forms that will bring consistency, direction, records management and also the searching and reports necessary to bring functional accuracy to the inspection program across all our regions. So that's been one of the main holdbacks that's now in place, and we are achieving our targets. In fact, 848 sand and gravel inspections were done on the public land base this year, with 38 of those inspections resulting in abatement measures for the operator.

**Mr. Loewen:** Okay. Thank you very much.

Now, when it comes to climate change and the outsourced service providers, I would think that having reliable data is pretty important in determining whether a program is succeeding or not, especially a program the government is relying on to determine offset and emissions performance. Your status report mentions that the current operator of the registry is the Canadian Standards Association, or CSA, an organization that has a pretty good reputation for accuracy in their reporting. Does the CSA not currently undergo independent auditing?

**Mr. Denhoff:** I'll have to double-check, hon. member. I'm sure they do an annual financial audit. Whether they have process and control audits of the kind that we're discussing, I'll have to check and get back to you. We have initiated our own audit process to satisfy the Auditor General as to the offset registry's protection of data, that it's processed and accurate. I mean, we don't have any reason to believe it's not. We don't have any indications of a problem, but it will provide an extra level of comfort to people.

**Mr. Loewen:** Okay. Now, did the original contract with the CSA not include provisions ensuring the data collected is being held securely and is complete and is accurate?

**Mr. Denhoff:** Oh, yeah. All our contracts have provisions that the contractor is required to protect the data and maintain privacy and all that sort of thing. I'll have to get the exact contractual language for you, but as a matter of rote government contracts to service providers do have clauses around privacy and security of data and that sort of thing.

**The Chair:** Thank you very much.

Thank you, Mr. Loewen.

Mr. Westhead.

**Mr. Westhead:** Thank you very much, Mr. Chair. I've got some questions for Mr. Corbould. On page 106 of the Auditor General's report there are listed three outstanding recommendations dating from October 2008 relating to climate change. I'm just wondering if you can walk the committee through how the government's climate leadership plan addresses the issues outlined in those recommendations.

**Mr. Corbould:** Because those are climate change related, I would like to ask the climate change DM to answer those if that's okay.

**Mr. Denhoff:** Sorry; because you just asked him, I was reading other stuff. I also want the committee to note that because my back

was killing me, I took a Tylenol, so it's possible that for the first time the speaker falls asleep before the audience at Public Accounts. If you could just remind me again.

1:15

**Mr. Westhead:** Sure. Yeah. It's on page 106 of the Auditor General's report.

**Mr. Denhoff:** Right.

**Mr. Westhead:** There are three outstanding recommendations from October 2008 relating to climate change. I'm just wondering if you can help the committee understand how the government's new climate leadership plan addresses those issues and recommendations.

**Mr. Denhoff:** The different recommendations from the Auditor General: a number of them focus on the targets. Are those the ones? So there's a bit of a dilemma. Previous governments originally had a set of targets from 2002 or '03 that revolved around reducing emissions relative to GDP. If we looked at those targets, actually government is probably on track to meet them. But those targets were superseded by a later government's decision in 2008 to have targets that were established based on different metrics. Subsequently, the new climate leadership plan came in, and we're in the throes of developing new broad-based targets.

But the individual targets within the climate leadership plan are being done sectorally. Methane reduction is 45 per cent. That's clear. There's a timeline associated with it. The 100-megatonne climate emission target for the oil sands is clear – it's legislated; it's in place – and on and on.

For some of the broader elements of an overarching climate leadership plan target we need to know some significant decisions first. What will the number of coal generating plants that convert to gas be versus those shut down entirely? Therefore, what are their emissions going to be like on a reduced basis or limited entirely? Then, what will the impact of the programs being launched on energy efficiency be? That sort of thing. That, to a certain extent, depends on initial uptake.

As we progress over the course of this year to get a better sense of some of the missing pieces, we'll be able to put in place: what's a legitimate question, and what are the overarching targets for climate change reduction? The debate has been between some of the academics arguing that having the overarching target isn't as important as having the processes and individual targets in place, things like the 100-megatonne and the methane reduction targets. During the course of the year we'll struggle with that and be reporting back, I'm sure, next year on how we did.

**Mr. Westhead:** Thank you.

I'm just going to jump around a little bit now.

**Mr. Denhoff:** Yeah, please.

**Mr. Westhead:** On page 107 of the Auditor General's report, relating to asset calculation for mine assets, it states that changes to the asset calculation for the mine assets might be necessary because of the overestimation of asset values that the methodology relied on. To the Auditor General: what led you to make this recommendation? Then to the department: what's been done to address this issue?

**Mr. Leonty:** When we originally carried out this audit, it was based on a long-outstanding recommendation. There have been a number of changes that the department had made to the mine financial security program, so we took a fresh look at it. One of the things we

noted: there were a couple of variables that were used in the determination of what the security to be posted should be. Within that audit report there were specific elements that indicated there was an overestimation of things like the asset base that were used to calculate the amount of security. So our recommendation was directed at the department to take a look at those elements as part of their internal departmental analysis and determine if there were any changes that were required because of that.

**Mr. Corbould:** To answer the second question, first of all, we certainly accepted the recommendations, and we are working with a crossministry team to undertake a review of the asset calculation methodology as well as the impacts of extended mine life on the mine financial security program to determine if the current process meets risk tolerance or changes are warranted. The crossministry team has met several times. I've provided an update to the OAG in December of 2016, just a couple of months back, in a memorandum.

The review has indicated that implementation of the recommendations would significantly lower the value of all oil sands mining assets and result in industry having to post between \$2 billion and \$5 billion in security by 2018. So we are working through this with industry, making sure we understand all the impacts. While we certainly support the recommendations and are working to this end, we also want to make sure that there are no unintended consequences, which is why we're spending so much time making sure we evaluate and assess the specifics in terms of economic impacts to these companies so that we can work with them to make sure that we, again, address the Auditor General's concerns but, at the same time, don't have any unintended consequences on the businesses of these folks.

**Mr. Westhead:** Well, thank you very much for your careful work on that.

I'd like to discuss the topic a bit of the specified gas emitters regulation. The Auditor General has been recommending clarifications to the SGER guidance documents for many years. Could the department please provide us with some updates regarding that recommendation?

**Mr. Denhoff:** Sure. I'd be happy to. The offset protocols meet new standards – we ensure that they meet new standards – and improve transparency. The Auditor General recommended that and that we implement processes to ensure that all the approved protocols adhere to a protocol development standard. So we continue to improve the offset system and processes over time, but, in contrast, the audit is sort of a snapshot at one point in time and doesn't really capture the dynamic nature of the changing system. The department over time has implemented processes to ensure that new and revised protocols adhere to protocol development standards, our protocol guidance framework.

Protocols developed prior to that protocol guidance document are reviewed using a risk-based approach, and as part of continual improvement of the system, the offset system, the department is planning to revise its protocol guidance again in 2017. When it's revised, it'll be applied on a go-forward basis and protocols developed according to the new guidance.

Since the original, 2011 audit we've improved the transparency by updating the website with content information for technical and process details regarding the carbon offset protocol development. We've updated a number of existing offset protocols to conform with the 2011 guidance. We've implemented a risk-based process to systematically review and update existing protocols, which identifies and updates those protocols in need of review.

We've done additional work since the 2015 audit completion, including advanced internal work on procedures or processes to review and update the protocols, providing the office of the Auditor General with evidence of the low adoption levels of the three protocols reviewed: documentation for biofuel production and usage protocol activity adoption, which was shown to be well below the 40 per cent threshold. We also provided documentation on the solution gas conservation protocol activity, again showing it to be below the 40 per cent threshold based on documentation included in the regulator's report. A number of these, including others like landfill gas capture, were below the 40 per cent threshold. Work continues on those areas.

Thanks.

**Mr. Westhead:** Okay. Thank you very much.

I'd like to move on to the topic of water and wetland restoration, specifically. What is the state of Environment and Parks' wetland restoration relationships and control procedures? We know that the Auditor General has recommended that they be formalized, so I'm just wondering if the department can update us on those.

**Mr. Corbould:** Certainly. Reporting requirements on wetland restoration activities have been clearly defined in agreements between the government of Alberta and the designated wetland replacement agents. Alberta Environment and Parks has released and implemented protocols, called the Alberta wetland restoration directive, for wetland restoration in the province. Wetland replacement agents are expected to adhere to those protocols in fulfilling their obligations under the Alberta wetland policy. During the coming wetland restoration season, typically summer and fall, Environment and Parks will be implementing an audit process for those projects by those agents, and this process will seek third-party confirmation that the wetland restoration project has taken place.

**The Chair:** Thank you for that, Mr. Westhead.

Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chairman, and thank you for being here today to address some of our concerns. Again, it's already been raised that there are obviously some concerns with the 22 outstanding recommendations. Most specifically, I wanted to talk about and maybe seek some prioritization and maybe what actions are to be expected with respect to recommendations 9, 10, and 11, which extend from October 2008 and then were repeated at various times in 2012 and 2014, with respect to measurement and reporting and analysis of data relating to climate change, recognizing that this goes back a period of time but also recognizing that these are very key issues for us going forward.

1:25

I guess I've got some concerns with respect to some of the recommendations here about "establishing overall criteria for selecting climate change actions" – we, of course, are moving towards some very significant actions going forward – "creating and maintaining a master implementation plan for the actions necessary to meet emissions" targets, again part of the focus of the climate leadership plan, and then some of the other recommendations relating specifically to each major action on the climate change strategy. This is actually dating back to 2008 but, of course, has been enhanced since that period. Of course, in terms of measuring "results and costs incurred in meeting climate change targets": again, very much enhanced since the original authoring of these recommendations in 2008 and restatement of several of these in 2012 and 2014.

I'd like to seek, you know, some assurances that these are going to be moving. I think there are more decisions that are being predicated on these recommendations, which are now long since outstanding. Many decisions have been made in spite of the fact that these specific recommendations have not been met, and I'm concerned that our failure to meet these recommendations going forward is going to mean that we're moving blindly into territory that we, even to date, have not measured adequately, nor do we have in place facilities to measure them going forward.

I'd like to be informed and assured that we are rapidly putting these at the top of the list in that Albertans are going to be investing not only millions but billions of dollars in such initiatives.

**Mr. Denhoff:** Thanks, hon. member. As you noted, these recommendations go back a long way. You know, I've been here a few months, so I don't know why between 2002 and 2008 the government of the day didn't assess and evaluate the progress on the targets that were established under the sort of 2002-03 framework. I honestly don't know why targets weren't measured and evaluated between 2008 and 2015 on the revised climate strategy that took place there.

There are metrics out there. I mean, we publish every year through our colleagues in the environment department the annual emissions that are taking place in the province. Air quality standards are published. There are some proxies for targets.

But the climate change strategy under the leadership plan announced by the current government is relatively new. As I say, there are pretty direct targets in some of the biggest and key areas. We know that the oil sands is a large emitter, and we've established a firm target in legislation of 100 megatonnes. So that'll be pretty easy to measure that one. The methane reductions: we've established timelines and targets. That'll be pretty easy to measure, and the department should be able to show the Legislature on an annual basis what progress has been made there. It's very complex, of course, and is something that's being negotiated with industry and with the federal government as we speak in terms of the implementation and the approach to those things.

Then in some of the other areas, as I say, we're absolutely committed. I mean, I don't think anybody thinks that there shouldn't be rigour applied to it. If we're spending a lot of taxpayers' money, we should be able to show at the end of the day that we made progress or we didn't. That's a fair measurement both for the Legislature and the public. I think that when you get past the methane and the 100 megatonnes, we can measure pretty easily some of the effects of energy efficiency measures. If we put so many LED light bulbs in the health system or whatever, we can show GHG reductions pretty quickly.

Where we're held up a little bit is that we don't know exactly, as I said, with some of the really big emitters what the changes will be in relation to the coal transition and one or two of the other issues. Over the course of this year, I think, more of that will become clear.

I'm sure it's frustrating for the Auditor General, and it's kind of a conundrum for the staff. You know, we're asked, "Why haven't you measured the targets from 2003?" "Well, we don't use them anymore." "Why haven't you measured the results from 2008?" "Well, we don't use them anymore." When you have changes of administrations which focus on different metrics for success, it becomes difficult for both the bureaucracy and the Auditor General on a moving target. But, at the end of the day, there has to be a rational document that the Legislature can look at and say: we invested X billions of dollars on this exercise, and what did we get for it? So over the course of the year that's our job, to come up with that rational metric to assure you that you can take a look at the expenditures. If we put, for the sake of argument, tens of millions

of dollars into making government buildings more efficient, what were the GHG reductions we projected? Did we get them? We didn't get them? What was the cost per tonne? That sort of thing. I think that's what you'll see, hopefully, if we've done our job by the end of the year.

**Mr. Gotfried:** Okay. Thank you.

I guess, you know, some of my questions and concerns – again, this is not just now going forward and up to 2015 but 2008. I'm concerned. You mentioned that it's frustrating for the Auditor General. I would say that it's frustrating for us as legislators and frustrating for Albertans. You mentioned that some of these things should be easy to measure and that we should be doing them. I guess when it's easy to measure and we should, then my question is why we are not, particularly since we've moved rapidly in this direction.

Recommendation 10 from 2008 said that the Department of Environment and Parks should "evaluate the action's effect in achieving Alberta's climate change goals." You mentioned a lot of metrics on measurements of emissions but not on the actual goals with respect to the impact on Albertans. I'm very concerned that we have a lot of talk around – again, taking full evidence of the fact that this goes back to 2008, why cannot we move forward more quickly on this?

**Mr. Denhoff:** The current climate leadership plan, as I mentioned, has got the four key elements to it: the elements that relate to the levy, methane reduction, coal, and moving away from coal. In each of the elements of that plan we can identify the success or not. If what the Legislature is looking for is an overarching "we're going to reduce emissions by X tonnes by a certain year," that will be something that will have to be developed during the course of this year because that wasn't the premise. I wasn't here, but there was a debate at the time that the climate leadership plan was undertaken, and the architects of the plan felt strongly that setting up what in their view was a sort of artificial goal around getting to X tonnes by Y year wasn't as valuable as setting up firm policies and metrics that would get us there.

**The Chair:** Thank you, sir. Sorry.

**Mr. Denhoff:** Yeah. Sure.

**The Chair:** I don't mean to cut you off.

**Mr. Denhoff:** No, no. I'm happy . . .

**The Chair:** But we do have a rotation to follow here. I did want to give you time to answer as much as you could, though. All right.

Mr. Fildebrandt.

**Mr. Fildebrandt:** Thank you, Mr. Chair. Thank you all for coming before us today. The primary reason that the Public Accounts Committee called your department here today is the very large and almost extraordinary number of outstanding recommendations. The last time the department was called here, just discussing annual reports for kind of a broad overview, was March 2015. At that time I think, Mr. Davis, you were still assistant deputy minister. There was a different deputy minister at that time, a Mr. Werry. At that time the department had 22 outstanding recommendations if I'm not mistaken. We're back here today with 22 outstanding recommendations, making it by far the largest departmental count for outstanding recommendations. Of those 22 only two, I believe, are ready for review with the Auditor General.

Now, I take the Public Accounts Committee very seriously. I know that all members here do. But there's an accountability

process, and we expect that when departments come before us, they're going to be held accountable for those outstanding recommendations.

I know you've been badgered about it already and not all of you were here at that time, but you're here representing the department. I don't think that some of the answers given about why the department's number of outstanding recommendations is so high were adequate. I know that events happened. There are floods, there are fires, and there are big events. I understand that, but I don't think it accounts for why from your last appearance, approaching two years ago, you have not knocked that number down and why the number of outstanding recommendations for this department is so extraordinarily high when compared with other departments.

I wanted to give you another chance to explain why the number is so extraordinarily high and what assurance we could have that if we call you here again a year from now, we're not going to have 22.

1:35

**Mr. Corbould:** Yeah. Let me be absolutely clear. I mean, it's my accountability. I'm the deputy minister now, and I believe I've articulated what I think may have happened in the time before I was here. These are very complex issues, and in many cases they've taken longer because we've wanted to get the right input and make sure we don't have unintended consequences. That is very important when we speak to the flood mitigation recommendations with respect to how the cities of Calgary and others need to be aware of the numbers. I think it speaks to a lot of the stuff we're working on, whether it's the mine financial security program or others with industry to make sure we don't have that unintended consequence.

But speaking to the point about going forward, I would say that I'm very confident that we're going to take action on these this year. We've got several implementation plans that in the last year have been given to the Auditor General showing clear action, and while the recommendations may still be outstanding, we have a very clear implementation plan that has been submitted to the Auditor General. That wasn't the case, I think, the last time we came to Public Accounts. While it's going to take some work to close out those plans and make sure that the Auditor General is satisfied with the progress we're making, I do believe we've done a lot of work and given that work to the Auditor General for review.

**Mr. Fildebrandt:** Okay. Thank you.

**Mr. Corbould:** That is the difference, I would say, between what you saw last time and what you see now: 22 recommendations but a lot more work on them formally submitted to the OAG.

**Mr. Fildebrandt:** All right. I think there's a reasonable chance that this department will probably be back at Public Accounts within a year or a year and a half, and I hope that at that time we can see some measurable progress.

Recommendations 9, 10, and 11 from the Auditor General to your department were made in October of 2008. We have had many changes of government since then. A lot has changed. In 2008 they were made. Some of them were repeated in October of 2012, and some of them were again repeated in October of 2014. That's a lot of prodding from the Auditor General without measurable progress. Now, I know government policies around climate change have changed significantly and that there's been turnover there, but these have been reminders even before there was a change in the government itself, so it's a very serious cause for concern that these reminders are being made without significant progress.

A two-part question. One is on recommendations 9, 10, and 11 with the reminders that have been made. Why are these reminders being made without follow-through being made by the department? Secondly, on the substance of it – in particular recommendation 11, around reporting on Alberta's results and, importantly, costs incurred in meeting climate change targets and why the department has not been successful in reporting the costs of climate change targets, not just merely line item spending on a program but the costs that could be incurred to the public or to taxpayers, et cetera, by the government's climate change policies. That's a two-part question. If you can answer separately.

**Mr. Denhoff:** On the first one, recommendation 9, that the department improve the response to climate change by establishing criteria and all that, it's all based essentially on the 2008 climate change strategy. The strategy is not being used anymore, so the department's view was: why would we spend an inordinate amount of time going back to evaluate something that's . . .

**Mr. Fildebrandt:** Yeah, but there were reminders made in 2012 and 2014 when that plan was still the official government's policy, so even if there had been no election and no change in policy on that, the department was still not responding to significant pressure from the Auditor General to do something on this reporting front.

**Mr. Denhoff:** I honestly can't answer why the government of the day didn't do that. I wasn't here.

**Mr. Fildebrandt:** But it's a departmental issue. These are Auditor General recommendations . . .

**Mr. Denhoff:** Right.

**Mr. Fildebrandt:** . . . that were being repeated by the Auditor General, made in 2008, repeated in 2012 and some in 2014 before there was a change in government, before there was a major change of policy. Those are being repeated by the Auditor General's office. Forgetting the policies themselves, why was the department not acting on this?

**Mr. Denhoff:** No, I think we have been. We've got several internal planning processes and outputs that we've identified that might satisfy the criteria used then. The office of the Auditor General has begun the planning of the follow-up audit. They're scheduled to start their fieldwork early this year at some point, so we'll see where we go then. But I think essentially – I'm speculating, but I expect the reason a fair bit of it wasn't done was that the bureaucrats knew that the climate leadership plan in 2008 had been abandoned and wasn't being used anymore. They could have and in my view should have just simply reported that back, that in their view it was no longer a metric worth measuring against.

**Mr. Fildebrandt:** So you're saying – I don't want to misunderstand. After the 2008 policy on climate change the government effectively just dropped it, so it just sat on the books as a defunct . . .

**Mr. Denhoff:** At some point it was not a plan being implemented. I couldn't give you the exact year. I'd have to go get that. But once it was replaced with the climate leadership plan and arguably at some time significantly before that, it wasn't being actively pursued.

**Mr. Fildebrandt:** Okay. Now, on the substance of it, though, regardless of what the strategy was, the department was told by the Auditor General that it needed to improve its reporting: "reliability,

comparability, and relevance of its public reporting on Alberta's results and costs incurred in meeting climate change targets." Now, regardless of what the policy was or what the colour of the government was of the day, that is a rather generic, smart kind of recommendation from the Auditor General. This was made in 2008 and repeated in 2012. Change in policy would have nothing to do with this. This is just mere measuring. Why did this have to be repeated, and why is still not fulfilled?

**Mr. Denhoff:** I'm not sure. We report our public reporting products out through the ministry's business plan, and we've identified those that relate to Alberta's action plan on climate. We've got a web-based public report that we're in the midst of producing, and the Auditor General, again, is starting their follow-up report this spring, so we'll see, I guess, whether they're of the view that that's efficient. There is a process, in our view, that provides for public reporting on the results and the costs in our business plan through the budgeting process. So we'll find out what more . . .

**Mr. Fildebrandt:** Okay. But I still don't have an answer about why this was not done.

**Mr. Denhoff:** No. That's what I'm saying. It was done.

**Mr. Fildebrandt:** It was done?

**Mr. Denhoff:** In our view. It's in the business plans of the minister of environment.

**Mr. Fildebrandt:** Well, according to the Auditor General you have not satisfied – this was an outstanding recommendation repeated in 2012 and is still an outstanding recommendation right now. Now, maybe in a follow-up audit you're going to be found to have complied with this perhaps. We still don't know that yet.

**Mr. Denhoff:** We'll find out. Yeah.

**Mr. Fildebrandt:** But it had to be repeated in 2012.

**The Chair:** Thank you, Mr. Fildebrandt.  
Now we'll go on to Mr. Westhead.

**Mr. Westhead:** Great. Thank you very much, Mr. Chair. I just had one more question from when my time ran out there. On page 108 the Auditor General's report talks about the processes to monitor dam and water management structure assets, so my question is: do the assets tracked in the environment infrastructure management system and the asset management accounting system match, and if they don't, what is the department doing to address the discrepancy?

**Mr. Corbould:** They do not right now. They're two different systems, and that was pointed out to us by the Auditor General in October 2016, just about four, five months ago. What we're doing is that we are undertaking work to align the two systems because the two systems exist for different reasons, so we've accepted the recommendation, and we're doing some work to find a way to align those systems and make sure that at the same time we continue to comply with Treasury Board and Finance policies. That work is being undertaken now.

**Mr. Westhead:** Okay. Thank you very much.

I think I'll hand the rest of my time over to my colleague Mr. Dach to ask some questions about the ministry's annual report.

**Mr. Dach:** Thank you, MLA Westhead. Thank you, Chair. I have a series of questions, if I can, switching gears to section (b),

ministry annual report 2015-2016. Could the department please update us on the transferring of certain programs from the Ministry of Environment and Parks to the fairly new Ministry of Agriculture and Forestry? How's that process going, and what specific programs are being transferred?

**Mr. Corbould:** I would say that it's going well because we've been through a successful fire season, and that worked quite well. None of the transition of the forestry department to Ag and Forestry resulted in any net loss of capacity or engagement or, most importantly, dealing with the fire season. We have essentially transferred every program over to the department of Ag and Forestry, and Deputy Minister Bev Yee and I often meet to discuss to make sure it's going well.

1:45

The last remaining thing that we're doing is that we agreed when the transition happened that we did not need to duplicate and create a bunch more bureaucratic positions to support the administration of field personnel both for the forestry department and for Environment and Parks, so we agreed to a shared services model of administration. We've gone through our first year of that. It has worked successfully in terms of that no major problems were encountered, but we also think we can improve some of that. So we're working to improve that, specifically with respect to making sure that we have dedicated plans to support them during fire management seasons. While we acted well, I think, last year, based on our learnings in the Fort McMurray wildfire, we're going to develop a proactive plan to make sure we're providing the right administrative support. Primarily, it's administrative support we're doing, but neither DM Yee nor I felt we needed to re-create more bureaucracy just because of the split because they all, for the most part, still work in the same office, and we can provide both departments administrative support through a shared service model, which is going well.

**Mr. Dach:** Could you elaborate a little bit on that shared services model? It's quite interesting to me. Has it been something that's been implemented or will be implemented across government?

**Mr. Corbould:** I can say that I've encountered over my time several different shared services models. I think they work well in the right circumstances. In a case like Agriculture and Forestry and Alberta Environment and Parks it really is all about the fact that people work in the same environment, and regardless of the fact that forestry is now in the Ag and Forestry department, they still work in the field together. The way we manage public lands, the way we manage our parks requires quite a lot of integration with the forestry service. It includes things like using, say, the same administrative assistant to review financial records or do things like vacation leave, entitlements, personnel records, and all that. We don't need to re-create more administrative assistants to support that effort.

I would say that another thing that's quite vital and important to the health and safety of our staff is the fact that we have joint occupational health and safety committees – because we work in the same environment, often together on the ground in dangerous situations, it behooves us to have a joint occupational health and safety committee that's working together and understanding the needs of each department – and, I would say, professional development and updates on the public service. For example, when we did engagement sessions, we did them often in a joint way with those two divisions.

I would say that as part of the transition both the assistant deputy minister of forestry and the assistant deputy minister of operations,

who is at the table here today, worked over the transition period and went together to brief all their staffs around the province to make sure everybody understood how that shared service model was going to work.

**Mr. Dach:** Excellent. I'm really glad to hear that that transition has gone so well.

On page 18 of the annual report it details the department's desired outcome 1, environment and ecosystem health and integrity. It goes on to say:

The ministry works with strategic partners to conserve landscapes representative of Alberta's natural regions, ecosystems and ecosystem services that protect biodiversity and provide habitat for common, vulnerable and endangered species.

Could the department provide us with specifics on how they are achieving this particular desired outcome?

**Mr. Corbould:** Thank you for the question. I would speak first of all on the environment and ecosystem health integrity. The way we essentially achieve that outcome is through regional planning efforts, and as you know, those regional planning efforts are in a different state of development throughout the province. But that is the place, that is the table where everything comes together: the industry, the municipalities, the indigenous peoples, who have certain views on how we need to manage the landscape and the complete spectrum of biodiversity. That is primarily the method by which we achieve that outcome. We're making progress on many of those regional plans, and we have, you know, future plans to get those done. That's where the integration, I would say, of the ecosystems and biodiversity happens.

With respect to some of the specifics, you know, I can go into all sorts of things. An example would be that the tailings management framework for minable Athabasca oil sands was a priority under that regional planning system, which I think speaks to the outcome; an updated surface water quantity management framework for the lower Athabasca River; a water quality management framework for the lower Athabasca. I won't list the 18 that are in the report that you referred to yourself, but all those are that outcome in action.

With respect to species at risk, which I believe was the latter part of your question, I would say that work continues on species at risk. Just as maybe some specifics in terms of how that programming is done, we have funding and programs allocated across the department, and they include areas of fish and wildlife, policy planning, and resource management. So those are different areas of the department, and they need to be integrated. We spent \$3.5 million in '15-16 to do those initiatives. They include measuring the species themselves: are they enhancing or not? They included things like the grizzly bear strategy, some of the caribou plans that we put together, and complying, if necessary, with federal programs such as the federal program for sage grouse in southern Alberta. Those are all ways that we're effectively achieving that outcome.

**Mr. Dach:** Thank you for that detailed answer.

I'll move on to page 24. Under priority initiative 1(1), ensuring environmental protection, conservation, and ecosystem integrity, it states that "an estimated \$103.2 million was spent on this priority initiative in 2015-16." I'd like to ask: what exactly was this \$103.2 million spent on?

**Mr. Corbould:** I don't want to repeat myself because some of it is under the same category as you discussed, but I would say the North Saskatchewan and lower Peace regional plan work that was happening, including engagement with indigenous Albertans and every other Albertan; the lower Athabasca regional plan, the enhanced stakeholder involvement on LARP, particularly; things

like the Moose Lake management plan; the tailings management framework that I described earlier; ecological indicators in conjunction with environmental monitoring. I would say that a critical aspect of this as well has been the introduction of traditional ecological knowledge, or what we often refer to as indigenous wisdom, in us looking at these activities. We have things like an Indigenous Wisdom Advisory Panel, that advises the monitoring division and the chief scientist on some of that work.

We've done delivery of the surface water quantity management framework under the lower Athabasca River as guided by contributing stakeholders and stakeholder organizations, so it's a lot of that dialogue. In some cases we've met the needs of those people, and in some cases they've told us that we need to do better, so where we need to, we are going back to engage on bilaterals or tables to get them what they need in terms of their input.

**Mr. Dach:** Thanks very much.

**The Chair:** Thank you, Mr. Dach.  
Mr. Fraser.

**Mr. Fraser:** Thank you, Mr. Chair. Gentlemen, thanks for your time and all your hard work. More than ever, with the change of government we've heard that the climate change plan is linked to the economy. That being said, we've heard about recommendations that either haven't been followed through on or haven't been followed up with, and certainly with the former government, which we were a part of, absolutely no excuse if there are no directives into the department from the political end of things to try to get that done.

I guess the question that I have – and you touched a little bit on regional planning – and the point that I'm trying to make is that now that the climate change plan is linked to the economy and we're saying that in order for the economy to be diversified to benefit Albertans for the long term, to try to bring back the Alberta advantage, what policies are in place to ensure that if there is a change in government, with the policies out of the department and the recommendations given to the political figureheads, there is political sustainability in the policies that you're bringing forward?

Ultimately, what we're hearing is that investors are nervous, not knowing what a regional plan might look like or, you know, kind of what's been happening now. Understandably, it's a complex issue. The climate change plan has been somewhat piecemeal, and maybe that's just in trying to figure things out. Can you assure this committee and Albertans that there are going to be targets set and political and policy sustainability moving forward, that if there's a change in government and if the ADMs are replaced or the ministers are replaced – do you know what I mean? – or shuffled, you can come back to this committee and say: "With these recommendations here's where we're at. This is what we're doing"? I think that would go a long way to assure Albertans.

1:55

**Mr. Denhoff:** There are two parts to the question, I think, if I'm understanding it correctly. One is the land-use planning process and what impacts that might have on investor confidence and processes that a new, re-elected, or a different government might want to take into account. The other is the impacts of the climate leadership plan on investment certainty. I think there are several pieces in the climate leadership plan that so far seem to have reassured, in and of themselves, the investment community. One is knowing the 100-megatonne limit, that that's what it is. People can then get on and say, "Okay; in terms of the oil sands what's my investment going to look like, and am I going to fit within that?" and that sort of thing. We had a fair number of companies that seem to have indicated that.



The second part of it is that, as you know, there was a pre-existing system of a \$15 levy on large emitters. Those funds went into the Climate Change and Emissions Management Corporation, and they were spent on research and development and commercialization things to help those companies, in effect, and others to reduce their emissions intensity. That approach continues, which is to say that the lens that was looked at then – it's the same approach that is taken in Saskatchewan on large emitters under their legislation – is designed to ensure that competitiveness is retained.

Then we have all of the other companies that will fall under the carbon levy now as we move from SGER to an output-based performance measure. The main lens we look at in the discussions we're at – we're meeting with everybody: cement and fertilizer, oil and gas, electricity, all of those – is that we're saying, "Look, at the end of the day, if we apply this carbon levy in the following way and your exemptions, are you going to remain competitive both internationally and interjurisdictionally?" There's a lot of back and forth about that. For some folks it's fairly easy to figure out, and for others it's more complicated . . .

**Mr. Fraser:** Sorry. Just to interrupt you on that point, is there anywhere within the department or on the website about those consultations so that people or investors or companies can be reassured that the consultation did happen? What was, you know, the breadth of the conversation about how to retain them? That's another thing that would also provide some certainty.

**Mr. Denhoff:** Yeah. Very fair. I'll double-check whether it's on the website. It was certainly publicly announced that we were getting into the engagement. All of the industrial sectors were invited. There are sessions by sector with a convener, and they meet regularly. We go back and forth after we've gathered so much data from them. "Well, what if we did this?" They say, "Well, that will happen." It's a very transparent process within those sectors and led by a convener in each of them. It was publicly announced, you know, that we were engaging in it. I'll double-check whether it's actually physically up on the website, but we're happy to provide you the information, the detail on which of the companies and sectors have been involved, the times and dates of the meetings, and all that sort of thing.

**Mr. Fraser:** Do you feel that you guys are moving forward in a way that if you were not here – perhaps you win the lottery, let's put it that way, and you're not coming back – you would feel comfortable that with the policies and the plan that you're putting forward, the people that succeed you would be able to come back to this committee and again set out, you know, measurable targets: "Here's what we achieved. Here was the benefit?" Again, I think that's important.

**Mr. Denhoff:** I do. I think the pieces we're doing now you will be able to measure. I'm old, so I won't be here too long.

**Mr. Fraser:** Would you say, too, that it would be hard for any government to come back on that and change the policies?

**Mr. Denhoff:** No. It wouldn't be hard. I mean, it's the nature of government.

**Mr. Fraser:** It wouldn't be hard to make changes? So it's not politically sustainable, then? Is that what you're saying?

**Mr. Denhoff:** No. That's a different question and, as a public servant, beyond my pay grade, of course. The question is: are any of the constructs of the climate leadership plan inalterably, you

know, locked in cement and couldn't be changed by someone? Of course they could be changed. Somebody could come in one day and get rid of the carbon levy, or they could remove the methane targets. They could do things. Each of those would have a consequence, and it's up to the political realm to determine whether they want to do that or not. I don't think there's much in here that you couldn't change if you wanted to. There are lots of things you probably wouldn't want to.

**Mr. Fraser:** It's not about wanting to. You know, creating a policy that's really difficult – I mean, certainly anybody could go and blow it up, but there would be a larger consequence to come in and do that because you would ruin either success or a forward-moving thing that's beneficial to Albertans. That was my point. It wasn't necessarily around being political.

**Mr. Denhoff:** No, and you're right. I mean, one of the challenges is that the government has worked with a large number of business community members: 300 businesses internationally immediately after Paris endorsed it, 100 Canadian companies that endorsed a price on carbon. Is it the only carbon pricing model? There are probably others. If you have achieved some level of business confidence with a program, then, obviously, if you change the program, you risk that investor confidence unless you replace it with something that gives them equal or greater confidence. There's a risk and a consequence to just arbitrarily changing 180 degrees.

**The Chair:** Thank you, Mr. Fraser.

Now we're going to a 10-10-10. Mr. Loewen, are you ready for your questions?

**Mr. Loewen:** Yes, I am. Thank you very much, Mr. Chair. Now, Environment and Parks has proposed changes to the flood-mapping guidelines, and they were submitted to cabinet. Was that in February 2016? Is that correct?

**Mr. Corbould:** I could not hear that. Could you repeat the question, please?

**Mr. Loewen:** Yes. Environment and Parks proposed changes to the flood-mapping guidelines. Were those proposed changes submitted to cabinet in February 2016? Is that correct?

**Mr. Corbould:** No, it's not correct. We are still working through some of those. Let me just say that on flood mapping in particular there's been a huge amount of work done. In the 30 years before the 2013 flood there was about 1,100 kilometres of flood mapping done in the province. In the five years after the 2013 flood we expect to have the same length of mapping done. So we're doing the same work in five years that we did in 30 years before the 2013 flood, much to do with lessons learned and requirements to do that.

[Mr. Shepherd in the chair]

**Mr. Loewen:** Okay. Thanks.

Just to be clear, there are no proposed changes that have been submitted to cabinet, then?

**Mr. Corbould:** That's correct. We're doing lots of work with municipalities and other stakeholders on proposed changes.

**Mr. Loewen:** Great. Thank you.

Now, going on to air quality, does the government have a plan to extend air quality monitoring to all areas of Alberta?

**Mr. Corbould:** I would say that I don't have a clear implementation plan to do all of that through the entire province at

this point. However, as we enhance environmental monitoring with the division, the chief scientist is working on protocols to expand the specifics of air monitoring throughout the province. That's not to say that there is not a ton of air monitoring that's already done now in partnership with the Alberta monitoring institute. A lot of airsheds across the province, so there is a significant amount of air monitoring taking place at this point in time. The chief scientist: one of his roles in the next year will be to essentially look at where the gaps are and look at where the needs are and make sure that we're covering those adequately to protect Albertans.

**Mr. Loewen:** Okay. Thank you very much.

Now, it talks on page 49 that Canada is responsible for submitting an annual national greenhouse gas inventory covering emissions and removals by sinks. What is the department doing to ensure that Alberta's carbon sinks are adequately reported by the federal government to the United Nations?

**Mr. Corbould:** Sorry. What are we doing to report to the United Nations? Is that what the question was?

**Mr. Loewen:** Yes. What are we doing to ensure that Alberta's carbon sinks are adequately reported by the government to the United Nations?

**Mr. Corbould:** I'm not specifically sure, so I'll have to get back to you. [An electronic device sounded]

**The Acting Deputy Chair:** Dr. Turner, I believe your phone may not be muted.

**Mr. Corbould:** To answer that question, the United Nations framework convention on climate change has adopted updated global warming potentials to normalize the emissions of all greenhouse gases to reference gas carbon dioxide and implement several methodology changes. The results of this performance measure are reported on a two-year basis from Environment Canada, and the results are measured in million tonnes of CO<sub>2</sub> equivalent as provided by Environment and Climate Change Canada.

**Mr. Loewen:** Okay . . .

**Mr. Corbould:** We have an opportunity to make sure that that submission is accurate from our perspective.

Sorry, I didn't hear the second question because I was finishing.

**Mr. Loewen:** All I want to know is what Alberta is doing to make sure that it's properly reported.

2:05

**Mr. Corbould:** Before Environment Canada submits to the United Nations, we get an opportunity to review their submissions to make sure it's accurate. That's how we ensure that it's properly reported.

**Mr. Loewen:** Thank you.

Okay. Now, going to the carbon tax, we know the rebates are already starting to go out to Albertans. Where is the money for the rebates coming from at this point?

**Mr. Denhoff:** The carbon levy is applied on transportation fuels and natural gas and indirectly on electricity. So it flows from the carbon levy to the government, and the funds are rebated. If you want more detail on that, that's my colleagues at the Ministry of Finance. They collect the levy; they provide the technical mechanisms. We can certainly pass that on to them.

[Mr. Cyr in the chair]

**Mr. Loewen:** Thank you.

Now, on page 36 one of the desired outcomes is social well-being. How does the imposition of a carbon tax on Albertans resolve into their improved social well-being?

**Mr. Denhoff:** Sorry. I don't have – is there a recommendation on page 36?

**Mr. Loewen:** That's a desired outcome.

**Mr. Denhoff:** I don't think that relates to the carbon levy. That's the Ministry of Environment's overall business plan, I think.

**Mr. Corbould:** Yeah. We could certainly talk to the social well-being within the annual report. It is really related to access to parks, land facilities, good use of public lands, recreation, nature-based experiences, and . . .

**Mr. Loewen:** Okay.

**Mr. Corbould:** Okay.

**Mr. Loewen:** Excuse me. Thank you very much. I was referring to the tax itself, social well-being from the tax itself. If we're not going to cover that, then we'll just carry on here.

**Mr. Corbould:** Perhaps you could refer us to the specific page in our annual report that you are referring to.

**Mr. Loewen:** That was page 36. If we're not going to talk about the tax regarding social well-being, we'll just carry on to the next one.

**Mr. Corbould:** Okay.

**Mr. Loewen:** The next one I have is on one of the performance measures: the change in sales for fishing and hunting licences. How does the carbon tax reducing Albertans' disposable income result in Albertans having more money to purchase hunting and fishing licences?

**Mr. Denhoff:** Well, it's a big leap. You know, somewhere near two-thirds of the population receive a rebate equal or close to the impact of the direct and indirect costs of the levy. Small businesses, in addition, receive a reduction in the small-business tax. You know, it's very difficult to see that the levy itself for that large a segment of the population, which collectively makes a combined income of – I forgot the exact number – under \$97,000 where they're getting rebates, why they would be placed in an awkward position to buy the fishing licence or the hunting licence they might buy. For people with a combined family income of over \$97,000: it really depends on their circumstances, whether they're running a small business, whether they're individuals, that sort of thing. I'm not sure. You know, I'd need to see a lot more information to make the leap that a carbon levy, where a very significant portion of the population is rebated, makes them unable to afford a fishing and hunting licence.

We had an interesting analysis of fuel prices, natural gas prices, and propane prices. We looked at the last five-year average, say, on gas at the pump prices, and even after you add on any projected future carbon levies, the actual price, once you take into account the carbon levy, is still lower than the five-year average. If you look at 10-year natural gas prices, after you add the carbon levy, we're still well below the 10-year average for natural gas. So how did people afford their hunting and fishing licence when the price of gas at the pump was a buck 20, and how did they afford it when natural gas

prices were about \$12 and \$15? [interjection] It's very difficult to make those instant leaps.

Oh, sorry. I couldn't hear you.

**The Chair:** Thank you.

**Mr. Denhoff:** Thank you.

**Mr. Fildebrandt:** I want to follow up on something Mr. Loewen said about where the money for these rebates is coming from. You said that it's coming from, you know, the money flowing in, taxes on gasoline, diesel, et cetera. But these rebates were issued about 24, 48 hours after the tax came into effect on New Year's. Now, that kind of money doesn't come out of thin air. Did the government borrow for that money?

**Mr. Denhoff:** I'd refer you to my colleagues at the Ministry of Finance when they appear before Public Accounts. We don't manage the carbon levy for the climate change office.

**Mr. Fildebrandt:** You've stated that that's where the money came from, but we know that it's virtually impossible for that to have actually been the case. The money couldn't have come from those taxes because they'd only been collecting it for 24 hours.

**Mr. Denhoff:** Well, no. As I say, I think in terms of how the cash . . . [An electronic device sounded]

**Mr. Fildebrandt:** Sounds like someone is using gas right now.

**Mr. Denhoff:** I'm not sure whether they don't like my answers or your questions.

**The Chair:** Thank you. I think . . .

**Mr. Denhoff:** I can tell you – it's a matter of public record – that the levy is the source of funds for the rebate. How the cash flow is managed . . .

**The Chair:** You're actually overtalking the chair, sir.

**Mr. Denhoff:** I didn't hear you. I'm sorry.

**The Chair:** Okay. Thank you.  
Mr. Westhead.

**Mr. Westhead:** Thank you very much, Mr. Chair. You said something earlier about flood mitigation or flood mapping. That certainly piqued my interest. It's a genuine concern in my constituency. I know you talked about it a little bit, but I just wonder if you can expand a little bit more. You mentioned that you're working with stakeholders to align the flood-mapping data. Could you elaborate a bit on the status of the municipal stakeholder engagement process and how you're working to align your findings with those of the municipalities?

**Mr. Corbould:** Certainly. First of all, I just want to point out that we do have an implementation plan for this that was submitted to the Auditor General on May 5, 2015. The kind of work we're doing with municipalities – I can mention some of them: Calgary, High River. The Bow, Elbow, Sheep, Highwood, Athabasca, Clearwater, and Peace rivers: those are the watersheds we're talking about.

We do work very closely with the science behind the numbers, so while we may discuss and debate from time to time with municipalities what they want to do about the science, what's important is that we're spending enough time to make sure that we all agree on the science and that we have the same numbers so that

we're not working with different numbers. Before the flood of 2013 and during the recovery from the flood of 2013 we had different numbers, and that caused a lot of confusion in terms of flood maps. Primarily, I would say, the most important aspect of working with the municipalities is making sure that we're not fighting or debating about the science piece. We've spent quite a bit of time to make sure that is the case.

The next piece, I would say, is what we do about it. Of course, many of our flood-mitigation programs, flood-mapping programs are designed to empower and enable municipalities to make proper, good science-based decisions. We tend to talk about that. I would say that even more recently in Wood Buffalo in the aftermath of the fire they were talking to us about the best way to protect waterways, as an example. It was hit by the fire but is also in a flood-prone area. We're working in collaboration with them to make sure we find the most scientific and most reliable and efficient way to provide those protections.

On mapping, again, we're doing an unprecedented, I guess, level of mapping compared to what was done before 2013, and that will go on, I would say, forever. I think one thing to recognize with flood mapping and flood hazards is that because of things like climate change, because of things like development, we have to continually assess them all the time.

**Mr. Westhead:** Okay. Great. Thank you very much.

I'll just carry on with a couple of questions again about the ministry's annual report. On page 30, specifically, priority initiative 1.2 relates to establishing Alberta as an environmental leader. We know that, unfortunately, our reputation was tarnished by the previous government's inaction on the climate change file, so what examples in particular can the department provide that illustrate that Alberta's reputation as an environmental leader is improving?

**Mr. Corbould:** I would use a couple of specific examples. The first one would be our flood mitigation work post the 2013 flood and the kind of innovations we're using to do that. I would say the regional planning concept, the method of how we assess everything in biodiversity and come up with plans to deal with it and capture cumulative effects. I think those are all key pieces where Alberta is a leader. I would say the use of conservation and some of our targets towards conservation to, say, achieve the international targets of 17 per cent: again, we're a leader in that, with the minister just having been appointed as a co-chair of that nationally. Then I would say the other piece is clearly the climate change plan itself.

I don't know if you want say more about that.

2:15

**Mr. Denhoff:** Yeah. There are some key elements there: announcing that 30 per cent of our energy by 2030 will be renewable; the 100-megatonne limit; the energy efficiency agency and the programs rolling out of there; the green infrastructure programs that are beginning to roll out. I think all of those reassure our markets. That, after all, is the context for all this: both (a) it's the right thing to do but (b) in order to get pipelines built and in order to reassure our markets that we have a province that's taking seriously climate change and the need to address it. I think each of those elements of the climate change plan is a significant step towards that. We see that in the federal approvals, and of course we also saw an approval to move forward today, at least on Keystone, from President Trump. I don't want to go through them in endless detail, but all of those, methane reduction and that sort of thing, add up to markets understanding that we're taking it seriously.

**Mr. Westhead:** Thank you.

We know that establishing a meaningful and positive relationship with Alberta's indigenous peoples is a priority for our government. Priority initiative 1.4 in the document says:

Participate in the Government's Review of its Existing Programs and Policies in Consultation with Indigenous Peoples to Identify Ways to Implement the Objectives and Principles of the United Nations Declaration on the Rights of Indigenous Peoples.

With that in mind, are there some concrete examples that the department can provide to us to illustrate what they're doing to achieve that initiative?

**Mr. Corbould:** Yes. Thanks very much. I have a long list of things. Firstly, I would say that we're having a different type of discussion based on the government's direction on nation-to-nation relationship. That, I think, enhances our application of the UNDRIP framework. This includes regional focused subtables and, where necessary, bilaterals. We often do specific bilaterals with indigenous peoples based on their specific concerns. I can use a very simple example. About two weeks ago I was up in Fort MacKay dealing with the Fort MacKay Métis nation. I'm going to go up in another week to deal with the Fort MacKay First Nation. We do a lot of bilaterals.

We're engaging the indigenous peoples on the biodiversity management framework, things like the Moose Lake access management plan, where we work on specific concerns and needs of indigenous peoples. Even on the fire recovery we had some specifics with traditional trapping cabins and traditional hunting-use trails, where we worked closely to ensure they were getting what their unique needs were. We're working to introduce traditional ecological knowledge and indigenous wisdom in all our science-based decisions as well as our policy-based decisions, and traditional land-use studies are part of our assessments in these areas. Finally, I would say that we're also working on everything to do with harvesting to help ensure that we're maintaining traditional ways for indigenous peoples based on their demands and needs of us.

**Mr. Westhead:** Thank you.

On page 35, under sustainable economic diversification, Desired Outcome Two Performance Measures states, "The ministry is developing performance measures for Outcome Two. Once developmental work is complete they will be introduced into future ministry business plans and annual reports." We know that creating new performance measures is a time-consuming task. However, I was wondering if the department can provide us with some more information regarding these two particular performance measures?

**Mr. Corbould:** We are going to do more work on performance measures, as is outlined in the report. I would say that the performance measures, I think, will reflect things like new technologies, renewables. We still have lots of work to figure out what those specific performance measures are, but I would say that we're also working concurrently to enhance things like guidelines for renewables and developing implementations of the climate change strategy within the department to do some of those specific activities.

I think one of the most important pieces we can do, that will be subject to review and approval, a future performance indicator on this, is the work we're doing on approvals for industry and different activities, whether they be oil and gas with the Alberta Energy Regulator or some of the things that we control. We are working on means, whether they be technology or relationships and just doing things like approvals, specific projects. In this past year we spent about six weeks doing a blitz, if you will, on approvals for Water Act boundaries. We did that in a way – we treated it, really, like an

operation, like we would do a flood recovery, and we turned it into a very specific and focused effort to reduce the rules.

That enhances regulatory certainty. It enhances the time industry knows it's going to take to do stuff. It doesn't in any way cause us – it reinforces our environmental integrity at the same time, but we can provide regulatory certainty. We're doing lots of work with that and doing that in collaboration with the industry associations.

**Mr. Westhead:** Thank you.

Also on page 35, Priority Initiative 2.1: Lead Development of a New Climate Change Policy Including Advancing Energy Efficiency and Renewable Energy; as well, Priority Initiative 2.2: In Partnership with other Ministries, Shift Alberta's Economic Diversification Towards a Green Economy to Create New Jobs through Programs that Assist Albertans in Reducing their Energy Use ... [A timer sounded]

**The Chair:** Were you almost finished your question, Mr. Westhead?

**Mr. Westhead:** I'll ask it next time round.

**The Chair:** Thank you.

Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair. Just a few questions with respect to some of the flood mitigation issues as they relate to assessing risk and some of the costs and impact going forward. I have a constituent who has brought forward an option, that they claim has not been given full consideration, which is called the tri-river joint reservoir project, which has been proposed by Dr. Emile Gabriel, with respect to a different approach to flood mitigation in the Elbow and Bow headwaters. Could you maybe comment with respect to that particular option and the consideration of it with respect to flood mitigation related to that watershed?

**Mr. Corbould:** I don't think I can comment specifically on that very specific recommendation. Certainly, if there's a constituent of yours that has a concern and would like to address it specifically, we can certainly do that as part of the normal course of business.

I would say, though, that in that entire watershed there are a ton of ideas that came from everybody that lives in the watershed. The way we went through all those ideas, the way we continue to go through all those ideas is to use the municipalities. Bow River Basin Council is an excellent resource who knows that watershed so well. We continue to have constant dialogue with all the municipalities in the watershed, the Bow River Basin Council, that does a lot of work in there, to review every one of those specific pieces.

I was just informed by ADM Rick Blackwood that, in fact, our staff have met with him on a number of bases on that particular project. It is one that has been considered, I would say.

We continue to review these things. We get new ideas every day, I would say, in that basin, and we evaluate them. Critical to the evaluation of the projects is a bit of a monetary assessment, where we're trying to achieve the highest savings in recovery work based on an event, and traditionally what we aspire to do is that for every dollar spent on flood mitigation, we hope to save \$4 in recovery because we've done that mitigation. If we do our evaluation as part of an ACRP grant or any other project and we find that the ratio is lower than 1 to 1, we immediately stop reviewing it. I don't know what the specific cases are on this, but there is that management because we are trying to save our future liabilities, invest in flood mitigation so that we don't spend, you know, four times that in recovering in the aftermath of a flood. So we do that evaluation.

**Mr. Gotfried:** Granted, there's always a lot of contention. Sadly, sometimes when you make the right decision, not everyone's going to be happy. Often floods are about who is going to be sacrificed, sadly, and who is not for the greater good and for the lower costs effected there.

**Mr. Corbould:** I would also say that there are some ideas that we've assessed, and if we were to implement them – I'm not judging this particular one that you mentioned, but I have personally seen ideas that I didn't believe were environmentally safe and that as a professional engineer I couldn't even sign off on. We do do that evaluation from a professional perspective.

2:25

**Mr. Gotfried:** Yeah. You know what? I'll follow up with you further on that.

**Mr. Corbould:** Sure. Please do.

**Mr. Gotfried:** Again, I'm happy to hear that there has been some engagement. What I'm hearing from one of my constituents, who's sort of a third-party, removed from the issue – and I have attended one session where Dr. Gabriel was there – was that, you know, the impression they're getting is that it hasn't been given due consideration with respect to the other options. I will follow up with you and your department to at least assuage their concerns that, in fact, it has been addressed.

Moving along, I have some questions with respect to some of the grazing lease issues that are from July 2015, recommendation 1. The recommendation states:

We recommend that the Department of Environment and Parks define and communicate the environmental, social and economic objectives it expects grazing leases should provide all Albertans, as well as relevant performance measures to monitor and ensure those objectives are met.

You know, I've been doing a bit of research on this. There's a report from the Alberta Land Institute, I believe, in 2015 and various other reports. What analysis is your department doing with respect to grazing leases and the impact and benefit, I guess, to Albertans in terms of that grazing benefit, obviously, to the agricultural sector, which I think is significant, but, as importantly, the balance of some of the issues around those benefits to Albertans, again, environmental, social, and economic, financial benefits, and what is your view on those relative to what we've seen in other jurisdictions?

**Mr. Corbould:** First, I would say that what the government has publicly declared is that they want to strengthen landowner rights for fair compensation and due process and these surface rights issues, including the grazing leases.

Where we are in terms of the current status is that we have developed draft objectives. We have drafted an implementation plan and submitted it to the Auditor General on October 24, 2016. Our next step with the draft objectives is to give them to the grazing lease committee, which knows all the people and how they will be impacted, and to have that dialogue over the coming months to make sure that those objectives are appropriate objectives that both achieve the government's stated aim, which is to strengthen their rights on these issues and make sure they're fair, as well as to make sure, you know, we're achieving those objectives.

We have not yet started to work on performance measures because we want to get the objectives clear. Once we've had stakeholder engagement on those objectives and then taken them to government for approval, we would then make sure we have a

performance metric that aligns with those, whatever the final objectives are.

**Mr. Gotfried:** Okay.

**Mr. Corbould:** Do you want to add something, Graham?

**Mr. Statt:** The only thing I'll add is that we take these issues very seriously, especially working with our partners on grazing leases. There are about 5,800 grazing leases in the province on public lands. What's really important is that the grazing on those leases helps to maintain grassland ecology, and 90 per cent of the species at risk in Alberta reside in the grassland area. This is certainly top of mind and top of agenda for us.

**Mr. Gotfried:** Thank you.

I think that there's no question that the agricultural community is a great steward of those lands for the most part. One of the questions I think we asked in a previous opportunity to speak with your department in some previous work done by this committee was with respect to reporting on not only the revenues received from the grazing leases but also the revenues received from those lands from surface rights. I think, if I'm not mistaken, that we were told that you were not able or allowed or that it was not within the legislation for you to actually access or to require that information to be reported to you. Now, I understand that that may have to be reported to other government bodies, but if it can be reported to other government bodies, I guess I question why it cannot be reported to you on Crown-owned land, again, so that we provide transparency to Albertans.

**Mr. Corbould:** I don't know. I'm just going to check back with anybody that – no. I'll have to research that.

**Mr. Statt:** I think what you're referring to is actually the payments that are sometimes made for compensation purposes under the Surface Rights Act to grazing lease holders as opposed to certain costs associated with being a grazing lease holder. Yeah, you're absolutely right. A lot of times those are subject to private agreements between an operator on a grazing lease and an industrial interest. Being private interests, oftentimes we're not party to those agreements. What the Surface Rights Act aims to do is to bring fairness to ensure that occupants of public land are fairly compensated when there are impacts to their interests.

**Mr. Gotfried:** All right. I think that's a fair assessment.

Just moving back to some of the information that we had talked about earlier with respect to some of the climate change issues, again, I'm still concerned with respect to the fact that, you know, what we're looking for here again are the actions of the climate change effect on achieving Alberta's climate change goals. I'm assuming those goals are multifold, that they involve a measurement of output but that they also involve benefit to economic activity, that we're also being promised, and, thirdly, benefits to the health of Albertans. I'd just like to clarify if those are measures that we can expect as you go through and actually meet the recommendations, whether we can expect those to be metrics as well.

**Mr. Denhoff:** Yes. I think that on the targets it's somewhat straightforward on some of them. You know, did we transition from coal or not? Is the methane 45 per cent or not? On methane reductions we can show the direct data: we achieved these reductions and what the impact of that was. On the business ones we can show the investments that were made, and then some of

them are relatively short term and some are longer term. I think that on energy efficiency you can show pretty directly a benefit to a company if they have reduced GHGs and it reduces their energy costs at the same time: Camrose rec centre put in their system, a \$60,000 operating cost reduction and X number of GHGs.

Some of them – we’ve just, you know, had the draft report submitted by the clean energy technology task force, I think it’s . . . [A timer sounded]

**The Chair:** Thank you, sir.

**Mr. Denhoff:** Sorry, Mr. Chair.

**The Chair:** I tried to give you a little bit of time there.

**Mr. Gotfried:** Maybe I could ask for some follow-up to that question at a later date. Thank you.

**The Chair:** Okay. I would like to do a four-minute rotation at the will of the committee for the last remaining bit of time. Are there any objections to that?

**Mr. Dach:** It keeps changing. We’re down to four.

**The Chair:** Unfortunately, there’s business after the rotation, that has been brought up – well, not unfortunately; fortunately.

On the phones, any objections? Okay.

Four minutes. We’ll start with Mr. Barnes.

**Mr. Barnes:** Okay. Thank you, Mr. Chair, and thank you, all, for being here. Mr. Denhoff, it was mentioned earlier in a question under your climate change plan about the 100-megatonne cap in Fort McMurray. I understand that with all the leases that we’ve sold, though, we may be far in excess of that cap. Does your department have a plan for that event?

**Mr. Denhoff:** I think the current realistic economic plans for development in that area don’t suggest that there’s any likelihood of meeting the target in the near future or even medium-term future. You know, I’d have to go and do a more detailed analysis of what might happen in 10 or 15 years, but the current scheduled plans for projects that I’m aware of, that are economic would fit well within the 100-megatonne limit.

**Mr. Barnes:** Do you have a contingency plan if it did go past and somebody that the people of Alberta have already sold a lease to couldn’t produce?

**Mr. Denhoff:** Well, I’d have to get an answer for you on that. That’s not an area of my expertise. A fair question, and I’m happy to get that.

**Mr. Barnes:** Thank you.

I want to switch back to species at risk. My constituency is entirely with the sage grouse protection order, and it has led to bankruptcies of oil companies. It has led to a great diminishment in oil and gas activity. I’m grateful to hear that your department is on it. I’m just wondering if you have any indication, Mr. Corbould, of what the results have been? What kinds of successes have you had so far?

**Mr. Corbould:** I would say specifically on sage grouse that it has increased, not a huge number, but I think, as you know, that we have increased the number of sage grouse that are currently living in that area. I think we’re making progress in terms of the recovery plan, noting that it’s a federally driven recovery plan that we work collaboratively with them on to enhance the species at risk. I think

progress has been made. You know, at one point the population was under 100, and now it’s over 100. We are making progress on that particular species at risk.

2:35

**Mr. Barnes:** Thank you.

I understand 21 of 25 states that have sage grouse have state-led protection orders where local people have a lot more input, and they’ve been quite successful. Has your department ever considered a provincially led protection order instead?

**Mr. Corbould:** Well, I would say that we can’t have both, so it’s either provincially led or federally led. The federal government stepped in and created an order because we didn’t have a provincial plan at the time or one that sufficed for their needs. This is why it’s so important for all the other species at risk that we are developing Alberta-made solutions, including the caribou recovery plan for all the ranges across Alberta. We do not want to be in the same circumstance. We do want Alberta-made solutions.

I also think, based on our collaboration with the federal government on sage grouse in particular, that if we continue to work in the right direction, they could lift their plan so that we could implement a provincial plan, and we’re doing everything we can to work on it. It’s not our call, but we are trying to demonstrate to the federal government that if we put our plan in place and these are all the things we’re doing, you can lift your federal order so that we can have that Alberta-made solution and then do some adaptation to that to meet the needs of your constituencies while still adhering to the requirement.

Graham, did you want to add anything on that?

**Mr. Statt:** I’d just like to say that working through these recovery plans does have success. In fact, as you may have caught in our annual report from the last cycle, the trumpeter swan was removed from the threatened species list in July of 2014 and now is identified as a species of special concern. We’re certainly making progress in that regard.

**Mr. Barnes:** Okay. Thank you.

**The Chair:** Thank you, Mr. Barnes.

Mr. Westhead.

**Mr. Westhead:** Thank you very much, Mr. Chair.

I’m going to actually skip over the question that I was trying to ask last time just to be brief. Under desired outcome 3, on page 36, it says, “To complement the overall mental and physical health benefits derived from a healthy environment and ecosystem, the ministry manages Alberta’s provincial park systems land base, facilities and infrastructure and access to public lands.” I’d like to know: what is the department doing to ensure that all Albertans have equitable access to a healthy environment and ecosystem?

**Mr. Corbould:** I would say that it’s really based on our parks plan, which is highlighted in the annual report. The specifics of some of these include: the work we’ve done on online camping reservations, which many campers would know about; the restoration, expansion, and improvement of park facilities supported by the announcement of \$239 million in capital funds in 2016; the development and implementation of the inclusion strategy for parks – a specific example of this is that we hosted several Syrian refugees last year, within months of their arrival, up at Long Lake provincial park, I believe, for a 48-hour period, so we’re really focused in line with the federal plan as well to make sure we’re looking at diversity and inclusion so that everybody gets a chance to visit our parks –

incorporating evidence-based decision-making through the development of parks strategies, including the new Castle park that was announced last week; permitting; the formal review of our volunteer host program; the support of the pathway to Canada target 1 for 17 per cent conservation and what we do in those areas; refining the parks classification system and facilitating contributions to parks, both to be included in any future legislation. We're starting to look at future legislation.

**Mr. Westhead:** Thank you.

We talked a little bit earlier, from Mr. Loewen, about hunting and fishing licence sales. On page 36 it describes that as a performance measure: change in licence sales for fishing and hunting. I'm just wondering if the department can tell us what kinds of changes they've observed so far on those metrics.

**Mr. Corbould:** The bottom line on hunting and fishing licences is that more Albertans are buying them. We would like them to buy even more. I can tell you some specific examples from an angler sales perspective. In the previous year, 2014, there were 7.1 per cent of Albertans with an angling licence. Now there are 7.4, so an increase of about 23,000 anglers in the province over one year. With hunting certificate numbers we went from 123,000 in the previous year to 128,000 this past year, so it's increasing. We have more and more hunters and fishermen based on, I think, some of the policies that we're implementing, and, you know, we will continue to encourage more of that in alignment with our conservation needs as well.

**Mr. Westhead:** Great. Thank you.

I'm going to turn the rest of my time, if there's much left over, to Mr. Dach.

**Mr. Dach:** Thank you, MLA Westhead. I'll continue the line of questioning that I've been pursuing. I think – I'll check – there's a chart on page 39 that shows the percentages of Albertans who are satisfied with the quality of services and facilities at provincial parks. I've noticed that that has increased by about 6 percentage points in the last three years. Why do you think that is?

**Mr. Corbould:** I think it's a result of the specific work we're doing to improve our provincial parks. We've analyzed the feedback from 20,000-plus campers and visitors, and we're listening to them.

**The Chair:** Thank you.

Thank you, Mr. Dach and Mr. Westhead.

Now, I'd like to mention really quickly here that we're going to be having written questions read for the ministry, so please get them ready in these next four minutes. We're going to have about a five-minute block to be able to do that.

Mr. Gotfried, if you wouldn't mind.

**Mr. Gotfried:** Thank you, Mr. Chair. I'm going to take the opportunity to follow up on my last question. Again, I'm going preface it by, you know, saying that we appreciate all the work that your department is doing, but there are, really, billions of dollars of expenditures being made to achieve some of the legislation that's in place, and I think that Albertans are very concerned about having the metrics in place.

I'll follow up on my last question, which was with respect to the health issues that we've heard lots of claims and data around, the health risks of some of the issues that you're addressing. I'd like to be assured again that we are going to, then, appropriately measure the health benefits that we will see from the climate leadership plan, and I'd like to understand better how that is going to be measured

by which third parties we may engage to do so and how those metrics will be reported to us on a regular basis to indicate the success of the measures being taken.

**Mr. Denhoff:** I think that because it's a shared sort of issue between us and Health and other departments, it would probably be best if we provided a written response to the member. It's a very legitimate question. I understand where you're headed and . . .

**Mr. Gotfried:** That would be fine. I think that might be more appropriate given the circumstances.

**Mr. Denhoff:** Yeah. Fair enough.

**Mr. Gotfried:** Mr. Chair, I'll cede the rest of my time for the written questions.

**The Chair:** Thank you, Mr. Gotfried.

Are there any written questions that members would like to enter into the record?

Are there any members on the phones that would like to submit any written questions to the ministry, oral questions for a written response?

Seeing none, we'll close that. Now I'd . . .

**Mr. Gotfried:** Mr. Chair, I'm sorry. I'd like to actually ask one question related to one of my earlier ones. My apologies.

**The Chair:** I will say: be cautious with your preamble.

**Mr. Gotfried:** No preamble. This is relating to the tri-river joint reservoir issue. I would request that a written response be made with respect to the engagement on that and the review and recommendations around that particular option.

**Mr. Corbould:** Certainly.

**Mr. Gotfried:** Thank you.

**The Chair:** Thank you, Mr. Gotfried. I really appreciate it.

Oh, okay. Lots of questions now. Mr. Fildebrandt.

**Mr. Fildebrandt:** Mr. Gotfried started it.

If you could provide a written response, a status update on the Rosebud raceway, what the status of that is within the department.

Thank you.

2:45

**The Chair:** Okay. Are there any further oral questions that are looking for written responses? Again, on the phones? I will close the portion for written responses.

I'd like to thank the officials of the Ministry of Environment and Parks for attending today and responding to the committee members' questions. We ask that any outstanding questions be responded to in writing within 30 days, forwarded to the committee clerk.

At this point we will give a five-minute break so that the staff can, I guess, move on to their next tasks.

Thank you very much.

[The committee adjourned from 2:46 p.m. to 2:53 p.m.]

**The Chair:** Okay. I'll call this meeting back to order. I'm not sure if it was five minutes to the second or not, but I think that we can move forward with the agenda.

All right. Let's move on to business items, research requirements. We are back on the record.

I would ask Dr. Massolin if he would speak to the issue of research requirements. Dr. Massolin, please go ahead.

**Dr. Massolin:** Yeah. Thank you very much, Mr. Chair. I won't take too much time for this, but I thought it was, you know, an opportune time to raise committee research as an issue for this committee. From time to time research services does this in terms of receiving direction from the committee for its research requirements. This is done for Public Accounts, of course, and other committees that the members, I'm sure, have sat on and are aware of. It's an opportune time because we've got a new committee membership in part and, of course, a new chair, yourself. We're also on the verge of a new session. As I say, it's my duty from time to time just to see where the committee is in terms of its research requirements.

As the committee knows, research services from the Legislative Assembly Office provides nonpartisan research service for this and other committees. What I really wanted to do was just to highlight, of course, that you're aware of our research briefings that we've provided to the committee for the duration of this Legislature up to this point. We, of course, look at what the committee is studying, the recommendations from the Auditor General's office, its recommendations. We work with that office to help sort of facilitate the process of adding background information from our point of view and presenting that research to the committee. We'll also look at the ministry's annual report, if that's what the committee is studying, and draft questions, I think, that we propose for the committee's consideration that they may ask during the committee meetings.

Mr. Chair, what I would like to do at this point is just get some brief feedback. I mean, we don't have to take a lot of time here if the committee is not wanting to, because the working group can also give us some feedback. We attend those meetings as well, and we can get some feedback from the working group as to our research reports.

First of all, I just want to get a sense of whether or not it's the will of the committee to continue on with these research briefings and any other specific feedback – you know, in terms of the generalities of the briefings themselves, the format, and that sort of thing – if it's appropriate right now, or perhaps that can be deferred to a future working group meeting. I just wanted to put that out there and put that on the table, and I await your feedback.

Thank you.

**The Chair:** Okay. Are there any questions from any of the members?

**Ms Renaud:** Not a question, really, just a thanks, actually. Your briefings are really great. They're wonderful, and they accompany the Auditor's information so well. I really do appreciate them, so thank you very much.

**Dr. Massolin:** Thank you very much. I'll pass that on to the people that do it, Nancy and Sarah. Thank you.

**The Chair:** Does anybody feel that this needs to be forwarded on to the working group? Mr. Fildebrandt and then Mr. Gotfried.

**Mr. Fildebrandt:** Thank you, Mr. Chair. Again, I want to thank you – and I repeat what was said by Ms Renaud – for the work that you and your team do. It's fantastic stuff. In the position I was in, I didn't get to experience it as much, so I'm coming at this from a bit of a different position.

I'm just wondering: is there an ability for members to tap into research services on areas of interest that will be coming before the committee but without them going through any kind of motions or

whatnot to ask research to look into specific areas, kind of tailoring things a bit to individual members rather than having to go through the entire committee altogether?

**Dr. Massolin:** Thank you, Mr. Chair. Through you to Mr. Fildebrandt, that's a good question, and the answer is sort of yes and no. No in the sense that the committee itself has to agree to the research, so it can't be an individual member of the committee. It has to be sort of vetted by the committee, but that could be done through the working group, of course, and we've prepared research in that respect. We would be happy – and this is the yes part – to look at, you know, specific issues and to tailor our briefings to the specific questions that the committee would have with respect to a ministry, with respect to an Auditor General's recommendation or report, or whatnot.

Thank you.

**Mr. Gotfried:** I just wanted to reiterate, Dr. Massolin, about the great work that you've done. You make us look pretty smart sometimes. We like to think we're fairly smart on our own, but quite frankly the research that you and your team do really helps us to narrow into some of the key issues that the Auditor General has highlighted, and providing us that additional background is invaluable. I'd like you to formally pass on from the PC caucus to the rest of your team how much we appreciate it. I'm sure I can speak for the rest of the committee as well that it's invaluable, and we deeply appreciate it and look forward to more great work going forward.

Thank you.

**The Chair:** Does the Auditor General have anything to add?

**Mr. Saher:** Yes. From our position, I would support all of the positive feedback that research services is getting today. From a practical point of view, I read those briefings the night before PAC meetings, and I just find it an excellent way to get back into a topic. I mean, we were involved with the topic when we wrote a report. Often there could be as long as a year in between, so I just find that an excellent place to start. I have learned things in research services' background material that I didn't know anything about, so I think it's a great job.

**The Chair:** So, Doctor, was this the feedback you were kind of looking for?

**Dr. Massolin:** Mr. Chair, well, I'm blushing, very much so. Thank you. I appreciate very much all your kind words, and I will certainly pass them along.

Fundamentally, I get the sense that the committee is willing to give us our marching orders to continue on. What I would suggest, though: are there any additional sort of specific requests? Perhaps at the next working group meeting we can sort of field those and discuss those. Would that be acceptable, Mr. Chair?

3:00

**The Chair:** I would say that that's very acceptable. We can task each caucus to come up with recommendations for research. Is that fair enough?

Does that meet what you were looking for, Doctor?

**Dr. Massolin:** Yes. Thank you very much.

**The Chair:** And I, too, truly appreciate everything you and your group have done.

**Dr. Massolin:** Thank you very much.



**The Chair:** Let's take a second here and hand out the schedule for everybody so that we all are looking at the proposed schedule done by the working group.

I'll just read this for the record. As members may recall, at our December 6 meeting the committee working group was charged with determining the invitees for the out-of-session meeting, which was to be held today. As part of those discussions it was agreed that the working group would draft a spring meeting schedule for the committee's consideration. Members should have a copy of the draft spring 2017 schedule, and I will open the floor for discussion. Note that the working group's suggested schedule includes an additional out-of-session meeting. However, I would add that it also recommended that should a second out-of-session meeting not be feasible, the regular spring schedule then start with ministries and issues identified for the second out-of-session meeting.

I will open the floor for discussion. Mr. Westhead.

**Mr. Westhead:** Thank you very much, Mr. Chair. Just in terms of item 3, I'm not aware that there is an Auditor General's report regarding Executive Council and the Public Affairs Bureau. I don't know if I need to make this as a motion, but I'll sort of say what I'm thinking out loud, that we would change the words "Public Affairs Bureau" after "Executive Council" to say: the annual report and outstanding recommendations. The reason that I'm bringing this up is that it seems inconsistent with the mandate of our committee to examine reports that aren't referred by the Auditor General or referred to the committee. The standing orders, really, guide our practice here at the committee. I know that the Auditor General recommends that the committee review the ministry's annual reports and the outstanding recommendations, so I think that changing it to look at those items lives up more to the spirit of what our committee should look at.

**The Chair:** I do appreciate the concern you're bringing forward. While looking up the mandate of our committee, it does say that public accounts are a part of our mandate as well, not just Auditor General reports. I guess: going forward, are we going to be tying the hands of the committee to only review Auditor General reports? Is that the intent that you have to move forward?

**Mr. Westhead:** Well, it's my understanding that that is the role of the committee, to review Auditor General reports and the ministry business plans and annual reports.

**The Chair:** Just one second. The doctor has something that he'd like to say.

**Dr. Massolin:** Thank you, Mr. Chair. Well, I think Mr. Westhead was referring to Standing Order 53(1). It says, "Public accounts and all reports of the Auditor General shall stand permanently referred to the Public Accounts Committee as they become available." I think that, within that, the Auditor General's reports are self-explanatory. When the public accounts are discussed, I think that basically they're talking about what Mr. Westhead just indicated, the annual reports plus the business plans, because within the public reporting process of annual reports you have the public accounts in terms of the financial statements there as well.

I don't know if Mr. Auditor General has anything to say to supplement that.

Thank you.

**Mr. Saher:** The way I look at it is that the annual reports of the ministry contain what is called results analysis. That, in effect, is the ministry's effort to articulate its performance against business plan goals. By looking at results analysis, I think the committee

would in fact be looking at business plans. In my view, it's incorporated.

**The Chair:** Okay. Mr. Fildebrandt.

**Mr. Fildebrandt:** Thank you, Mr. Chair. Now, it is – I'll just begin – somewhat irregular for an amendment of scheduled meetings to be discussed on the floor of the committee without prior notification through the working group. One of the keys to the functional nature and I'll call it the constructive partisan nature of this committee is that the working group has worked together in good faith, come to an agreement, and if there are changes to what the working group has discussed, that is always discussed in the working group first and not sprung on the floor without notice to other members. That is a positive practice that has helped to ensure that all of the different caucuses represented at this committee are working together constructively and that we're not trying to get anything on one another. The spring schedule, which was agreed to, was agreed to by representatives of all three caucuses, and unless I'm aware of something else, no notification has been given that any change would be made.

Now, the committee has the right to look at Auditor General reports, as was noted, and also annual reports and business plans, the Measuring Up documents. You could always just look at an annual report of Executive Council, but I think the intention was to be more specific in looking at the Public Affairs Bureau as a subunit of the Executive Council. You know, perhaps we want to clarify that this could be looking at the annual reports or business plans of Executive Council as it relates to the Public Affairs Bureau. I just think the intention would be that there is a direct representative of the Public Affairs Bureau there with Executive Council to answer questions as it relates to the Public Affairs Bureau, Executive Council being a particularly broad, scattershot ministry. Is that something you'd be open to, just clarifying that this would be the annual report and business plan of Executive Council with an invitation specifically to representatives of the Public Affairs Bureau to answer questions on that topic?

**Mr. Westhead:** No. I would stand by my original recommendation that it would be the annual report and outstanding recommendations that would be referred to the committee.

**Mr. Fildebrandt:** So with no representative of the Public Affairs Bureau, which falls under Executive Council?

**The Chair:** Please, through the chair, if we could.

**Mr. Westhead:** I believe it's the ministry's prerogative to invite to the table whomever they see fit to best answer those questions.

**Mr. Fildebrandt:** No, no. That's not the way it works at Public Accounts, with all respect. We have the right to invite who we want here. Sometimes we invite a ministry, and we allow them to pick others, but this committee has absolutely every right to invite who it likes to come. The working group agreed that the Public Affairs Bureau was due to be before this committee. All parties agreed to that. No prior notice was given to the working group, which came to an agreement between all parties in good faith. You know, those who have served on the working group will know – Mr. Gottfried can attest to this, and Minister Anderson can attest to this – that this is a collaborative document between three different caucuses. Each item is not randomly picked on its own. It is a give-and-take between three different caucuses in consultation with the clerk and the Auditor General. This is a complete document, not just a number of one-offs, and this was arrived at in good faith.

3:10

So in keeping with that, which keeps this committee, I believe, functioning well and constructively and as nonpartisan as possible, I would think that we would be well advised to perhaps amend it to say that we will be dealing with the annual report and business plan of Executive Council but invite a representative of the Public Affairs Bureau to be there to answer questions as the business plan and annual report relate to the Public Affairs Bureau.

**The Chair:** Okay. Thank you, Mr. Fildebrandt.  
Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair. It's my recollection that when we discussed this at the working group level, we did look at some of the cycles and past representation of various ministries, in this case Executive Council, and when we had last addressed them. I think the committee clerk had provided that information to us, and it had been some time since we'd had Executive Council. Again, that's my recollection. Hence, we were looking at ministries or departments, Executive Council in this case, that we had not seen for some time, so it was just as a matter of course in the business of Public Accounts that we rotate them in. It's not a regular one. It's one where we do not see them with as regular a frequency as many of the other departments. That's my recollection of it.

Further, I think that the Public Affairs Bureau, by the annual report that we got from Executive Council, communicates with other governments and stakeholders to represent Alberta's interests nationally. I think that that, in itself, is something that should be of interest to this committee in managing the importance and the priorities of Public Accounts. Insofar as that is the case and reiterating to some degree as well the comments made by the Member for Strathmore-Brooks that we've had a very good and cordial working relationship at that level, that information dates back to I think early December, when we had our meeting. That information has been available to all caucuses, and there was ample time for discussion around that at that time. I would suggest that we proceed with this list and schedule accordingly.

Thank you.

**The Chair:** Was there any further discussion? Ms Renaud.

**Ms Renaud:** Yeah. I was not part of the working group. I don't know what was agreed to or what was not agreed to. I certainly don't have a problem asking questions of the Public Affairs Bureau. However, I do think that what should take precedence and be our focus first is to deal with the ministry business plans and the recommendations and all of the important work that this department does. Then, certainly, if we have time, we can do that, but I think we have to look at priorities.

**The Chair:** Thank you.

**Mr. Fraser:** Mr. Chair, again, the role of this committee is to hold the government to account, and I've been on the other side when we were government. Yes, these issues are difficult, but again I do believe it is entirely up to the committee to invite whom they want when they want and based on what they see is happening with the government in day-to-day operation. If we take that away and we only cherry-pick or, you know, if people decide to send other representatives for whatever reason, again, I just think it lessens the importance of this committee. I just think: yeah, these are difficult things for the government to answer. We've all been there. Again, I think it's to endeavour to try to keep this as nonpartisan as possible and be respectful and just get down to it, because, really, it's

Albertans that listen to this committee and what comes out of this committee. It's all our duties to make sure that that happens.

Thank you, Mr. Chair.

**The Chair:** Please, Mr. Shepherd.

**Mr. Shepherd:** Thank you, Mr. Chair. Of course, I'm here today as the acting deputy chair. I came in, I guess, after much of this process had already been negotiated, but I did have the opportunity to follow up a little bit on the process to make sure that I was coming in a little bit informed about where things had been. I do recognize, from what I understand, that the working group had had the discussion and moved this. Of course, with the transition between yourself now as the new chair of the committee and the outgoing deputy chair, who has now moved on to his ministerial role, my understanding is that he had tried to make some attempts to reach out and be able to broker the discussion but that with the transitions and the holidays, opportunities didn't necessarily come together.

That said, I think that perhaps the compromise Mr. Fildebrandt is proposing is a reasonable one and that we look at, then, simply amending it to note that it would be a focus on the annual report and outstanding recommendations as is the norm for the committee. But, again, if we wanted to invite specifically, then, a representative for the Public Affairs Bureau to address those particular items, I think that's a reasonable compromise there.

**The Chair:** Mr. Fildebrandt.

**Mr. Fildebrandt:** Thank you, Mr. Chair. Thank you, Mr. Vice-chair. I think that in the spirit of this committee, which I think 99 per cent of the time functions very nonpartisan and constructively, we can find a middle ground here along that basis.

Did you have a formal amendment on the floor?

**Mr. Westhead:** I guess I was asking the question about whether I needed to make a formal amendment, a friendly amendment.

**Mr. Fildebrandt:** I would be willing to make a motion myself, I think, then, which I think will encapsulate . . .

**The Chair:** Can you give me a second with the clerk, Mr. Fildebrandt?

On the clerk's advice that we probably don't need a motion – we're not actually changing the schedule. What we're looking at doing is inviting to the Public Accounts Committee to review the annual reports and outstanding recommendations . . .

**Mr. Fildebrandt:** And business plan.

**The Chair:** Okay. To clarify.

. . . and business plan and to invite representatives from the Public Affairs Bureau.

**Mr. Westhead:** And the outstanding recommendations.

**The Chair:** Right. Annual reports, outstanding recommendations, and including the business plan.

**Mr. Fildebrandt:** As long as there are direct officials for the Public Affairs Bureau invited to come.

**The Chair:** Again, we put the invitation towards the ministry – sorry; the Executive Council.

**Mr. Fildebrandt:** If I can, Mr. Chair.

**The Chair:** Absolutely.

**Mr. Fildebrandt:** We often invite towards a ministry, but if we are dealing with a specific topic, the committee often does invite officials to discuss particular areas, so I think we would invite the ministry, including representatives of the Public Affairs Bureau.

**The Chair:** The clerk has a comment that she'd like to make.

**Mrs. Sawchuk:** I believe, Mr. Chair, it's basically the same process as for today's meeting. The committee's direction was that the Ministry of Environment and Parks be invited, including representatives or senior officials from Alberta's climate change office, so it would be along the same lines.

**The Chair:** Right.

**Mr. Fildebrandt:** I think that would be appropriate wording, if we just adapt essentially climate change office to Public Affairs Bureau.

**The Chair:** Are we in consensus on this?

I would like to mention that even though we've come to consensus on this, the working group doesn't speak for the committee. In the end the committee is the one that decides.

I feel that it is appropriate that we have debate like this coming forward. I would always ask – if caucuses are going to make changes, it's better to do it before the actual meeting. But, again, I believe this was debate that needed to happen. I thank Mr. Westhead for bringing this forward.

Moving on, the next concern regarding the proposed meeting schedule is the date of an additional out-of-session meeting. What I would like to do is a poll, if everybody is okay with a second out-of-session meeting in the spring here. Do we have anybody that is against a second out-of-session meeting in the spring? Is there anybody on the phone that is against an out-of-session meeting?

3:20

**Ms Luff:** No. A poll would be good, though.

**The Chair:** A poll will go out to the committee members with a suggested date before March 2. If you can get back to Karen promptly, then we can put an invitation out. I will warn you that we do have a certain courtesy, in my opinion, to the ministry in stating that we would like to have them come. If we surprise them with two weeks' notice, it's unlikely that they're probably going to accept our request. So if the committee can answer the poll within the next couple of days, then we can get that out. I would appreciate it.

Is a member prepared to move that the spring 2017 revised meeting schedule be approved? Moved by Ms Renaud that the Standing Committee on Public Accounts approve the 2017 spring schedule as revised.

Any discussion on the motion? All in favour? Any opposed? On the phone? Thank you. The motion is carried.

Okay. Other business. For the record I wish to note that the committee received written responses to questions outstanding from, one, the November 22 committee meeting with the ministries of Education and Infrastructure and, two, the November 29 meeting with the Minister of Justice and Solicitor General. In keeping with the usual process of this committee, the written responses will be posted to the external committee website. Just a notice.

All right. Is there any other business?

**Mr. Fildebrandt:** Mr. Chair, following from today's meeting, all caucuses expressed significant concern that after quite a few years there are still 22 outstanding recommendations for the ministry that was before us today. I've spoken to representatives of all three caucuses, and I believe we'll find consensus for the following motion. I move that

the Standing Committee on Public Accounts invite the Ministry of Environment and Parks to attend a meeting of the Public Accounts Committee in January 2018 to discuss outstanding recommendations at a date to be determined by the working group.

**The Chair:** Thank you, Mr. Fildebrandt.

Is there any discussion on this motion? All in favour? Any opposed? Members on the phone? Thank you. The motion is carried.

Is there any other business? No? All right.

If not, item 7 on the agenda is the date of the next meeting. Again, we went into detail in discussing that a poll will be put out, so please watch your e-mail.

I call for a motion to adjourn my first Public Accounts Committee meeting.

**An Hon. Member:** Well done, sir.

**The Chair:** Thank you.

Ms Miller. All in favour? Any opposed? Any on the phone? Carried. Thank you very much.

[The committee adjourned at 3:26 p.m.]







