



Legislative Assembly of Alberta

The 30th Legislature
Third Session

Standing Committee
on
Resource Stewardship

Ministry of Environment and Parks
Consideration of Main Estimates

Thursday, March 17, 2022
9 a.m.

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The 30th Legislature
Third Session**

Standing Committee on Resource Stewardship

Hanson, David B., Bonnyville-Cold Lake-St. Paul (UC), Chair
Ceci, Joe, Calgary-Buffalo (NDP), Deputy Chair

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Also in Attendance

Loewen, Todd, Central Peace-Notley (Ind)
Schmidt, Marlin, Edmonton-Gold Bar (NDP)

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Standing Committee on Resource Stewardship

Participants

Ministry of Environment and Parks

Hon. Jason Nixon, Minister

Brian Makowecki, Assistant Deputy Minister, Lands

Shane Shreiber, Assistant Deputy Minister, Parks Operations

9 a.m.

Thursday, March 17, 2022

[Mr. Hanson in the chair]

**Ministry of Environment and Parks
Consideration of Main Estimates**

The Chair: I'd like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Environment and Parks for the fiscal year ending March 31, 2023.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, when we get to you, please introduce the officials who are joining you at the table. My name is David Hanson. I'm the MLA for Bonnyville-Cold Lake-St. Paul and chair of the committee. We'll begin starting on my right.

Mr. Getson: Shane Getson, MLA for Lac Ste. Anne-Parkland.

Mr. Guthrie: Pete Guthrie, Airdrie-Cochrane.

Mrs. Allard: Tracy Allard, Grande Prairie.

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Mr. Turton: Good morning. Searle Turton, Spruce Grove-Stony Plain.

Mr. Singh: Good morning, everyone. Peter Singh, MLA, Calgary-East.

Mr. Rehn: Pat Rehn, MLA, Lesser Slave Lake.

Mr. Jason Nixon: Jason Nixon, MLA for Rimbey-Rocky Mountain House-Sundre and the Minister of Environment and Parks. On my right is Bev Yee, who's the Deputy Minister of Environment and Parks. To her right is Tom Davis, who's the assistant deputy minister of resource stewardship. On my left is Kate Rich, who's the assistant deputy minister of policy, and Darrell Dancause, who's the assistant deputy minister of financial services and the senior financial officer at Environment and Parks.

Ms Ganley: Kathleen Ganley, MLA, Calgary-Mountain View.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Mr. Huffman: Warren Huffman, committee clerk.

The Chair: Okay. Thank you, everyone.

I'd like to note the following substitution for the record: MLA Allard for MLA Lovely.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Members participating remotely are encouraged to have your camera on while speaking and your microphone muted when not speaking.

Remote participants who wish to be placed on a speakers list are asked to e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to please signal the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates. A total of three hours has been scheduled for consideration of the estimates for the Ministry of

Environment and Parks. Standing Order 59.01(6) establishes the speaking rotation and speaking times.

In brief, the minister or member of Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of the minister's comments a 60-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for independent members, if any, and then a 20-minute speaking block for the government caucus.

Individuals may only speak for up to 10 minutes at a time, but time may be combined with the member and the minister. After this rotation, speaking time will then follow the same rotation of the Official Opposition, independent members, and government caucus. The member and the minister may each speak once for a maximum of five minutes, or these times may be combined, making it a 10-minute block. If members have any questions regarding speaking times or the rotation, please feel free to send an e-mail or message to the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose taking a break? Seeing none, we'll announce that at the time.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting.

Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn.

Points of order will be dealt with as they arise, and individual speaking times will be paused; however, the speaking block time and the overall three-hour meeting clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The vote on the estimates and any amendments will occur in Committee of Supply on March 21, 2022. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk with 20 hard copies. An electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

Finally, the committee should have the opportunity to hear both questions and answers without interruption during the estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between a member and the minister.

I would now invite the Minister of Environment and Parks to begin with your opening remarks, and you have 10 minutes, sir.

Mr. Jason Nixon: Thank you very much, Mr. Chair, and thank you to your committee for the time today. I'm excited to be here to present Alberta Environment and Parks 2022 estimates. With this budget Alberta Environment and Parks is focused on supporting a strong economic recovery and a strong financial future for our province. Our budget makes important investments in species and habitat conservation; new capital investments on public land, including trail maintenance; as well as climate initiatives that are supporting innovation, jobs, and economic growth. The ministry's

2022-23 operating expense is \$534 million, which reflects an increase of \$35 million, or 7 per cent, over Budget 2021-22. I'll go into a bit more detail about some of our main priorities for the coming year.

Mr. Chair, Albertans really enjoy fishing, but it's important to have a healthy aquatic population to support this recreation sport. That's why Budget '22-23 includes more funding to support the recovery of Alberta's native trout and capital investments in our fish stocking hatcheries; \$600,000 will support native trout habitat remediation and restoration, while \$6.9 million is dedicated for the Cold Lake Fish Hatchery upgrades to support design and construction of new recirculating aquaculture systems that will help protect against whirling disease. An additional \$21.7 million is being provided for the Raven Creek Brood Trout Station to support a new brooding facility with three separate brood rooms, a production floor, and a staff residence to provide on-site emergency response due to the remoteness of this facility. These investments will ensure Alberta has a healthy fish population and aquatic habitat for years to come.

As well, Alberta is also making great progress on lowering emissions, and Budget 2022 continues this important work. Budget 2022 maintains our commitment to the technology innovation and emissions reduction program, or the TIER fund. As you know, Mr. Chair, our TIER system is best suited to Alberta's unique economy and needs and covers about 60 per cent of the provincial emissions. Budget 2022 includes \$698 million of TIER funding over three years for projects and programs that will support jobs, reduce emissions, and help Albertans adapt to changing climate. TIER fund revenue estimates increased from the 2021-22 budget to the 2022-23 estimates. With this increase more funding will be allocated for programs supporting technology innovation and emissions reductions, including funding for the Municipal Climate Change Action Centre and Emissions Reduction Alberta.

Government-funded agencies like Emissions Reduction Alberta are helping move Alberta's recovery plan forward, and TIER funding projects are creating jobs, attracting investment, and reducing emissions. Just 10 days ago I was pleased to announce that up to \$12 million from the TIER fund will go towards energy efficiency projects for small to medium oil and gas producers. This program will help these operators invest in cost-effective emissions reduction technologies. It's part of ERA's \$55 million energy savings for business program, which is expected to cut 1.1 million tonnes of emissions, create about 1,400 jobs, and stimulate \$300 million in economic activity.

Mr. Chair, it's projects like these that are making real differences in emission management. We're proud of the work the ERA is doing with the department. In fact, since they were created in 2009, \$796 million for carbon price revenue has been reinvested into 220 projects worth \$6.5 billion and will cut an expected 42 million tonnes of GHG emissions by 2030. Alberta has seen a fantastic response to these funding programs, demonstrating that our industries are eager to reduce emissions and get Alberta's economy back on track.

Environment and Parks is also responsible for a variety of environmental monitoring activities, and Budget 2022 continues this important work. Mr. Chair, as you know, the actual amount spent for the oil sands monitoring depends on the work plans approved by the Oil Sands Monitoring Program Oversight Committee, which is made up of federal and provincial government representatives as well as industry and area Indigenous communities. We expect that the oversight committee will be releasing their monitoring plan for this year very soon. We're committed to ensuring that our oil sands monitoring budget for 2022 remains consistent this year, and we will continue to invest up to \$50 million annually in oil sands monitoring going forward.

Mr. Chair, I'm also pleased to inform the committee that funding is maintained in Budget 2022 for other science and environmental monitoring. This funding helps ensure strong water and air monitoring across our province. When it comes to water monitoring, funding will support our 115 water quality monitoring stations, our rivers and tributaries across Alberta, plus an additional 31 tributary sites in the oil sands region. Funding also supports important work on water quality management frameworks, including new plans for the North Saskatchewan and upper Athabasca and Battle rivers.

Budget 2022 also supports important work with airshed groups to support air quality monitoring across the province. Overall, funding supports grants for community airsheds, monitoring equipment, and maintenance to air monitoring stations.

Alberta Environment and Parks is also continuing its work to modernize our regulatory system. Our new system is making the review of applications more transparent and efficient, all while maintaining high environmental standards. Nineteen million dollars is being provided over the next three years for continued work on the digital regulatory assurance system, or DRAS. DRAS makes regulatory applications for nonenergy development activities like fertilizer, water use, and livestock grazing available online.

9:10

This new system addresses what we have heard from the industry, stakeholders, and citizens, that Alberta's environmental regulatory system is outdated, complex, and difficult to navigate. This transformation is about improving operational efficiencies while maintaining the environmental protections that Albertans demand.

DRAS started rolling out in 2021 and is expected to be complete in 2023 as all application types move online. Following the launch of DRAS, the average timeline to issue a decision on a Water Act application is 59 days from submission. Previously it was 155 days. This, Mr. Chair, represents approximately a 60 per cent decrease in the average decision time, and applicants are finding it better, too, saving an estimated 44 days throughout the application process.

While Budget 2022 helps enhance our regulatory system, it's also improving experiences for Albertans in our parks and our public lands. More Albertans than ever before are exploring our great province and experiencing all that our provincial parks and public lands have to offer. In Kananaskis Country we welcomed more than 5 million visitors last year, and the Kananaskis conservation pass is providing services and supporting operations to offer premier recreation experiences in Alberta's Rocky Mountains. To date the Kananaskis conservation pass has generated \$12 million in revenue, which funds supporting premier recreation experiences in that region. In fact, just last week the Premier and I were in Canmore to announce \$17.5 million over the next two years as part of this budget to support upgrades to the Canmore Nordic Centre. These upgrades will create 90 jobs and help support the centre's world-class reputation as our premier Nordic sports facility.

Projects like this, Mr. Chair, are possible because of the Kananaskis conservation pass. Kananaskis pass revenues are being reinvested to support visitor information centres, groomed trails, hire staff and conservation officers, support public safety, and better connect Albertans to nature. For instance, we have spent half a million dollars to reopen and staff visitor centres; \$4 million to address increased operating costs due to the surge in demand, including search and rescue, trail grooming, and traffic control; \$5 million to support the hiring of new staff, including 20 new conservation officers and 20 new land officers. I'm pleased to share that tomorrow I'll be taking part in the graduation ceremony for 19 new conservation officers, many of whom will be stationed in the Kananaskis region, fulfilling our commitment for more boots on the ground. We'll provide an update soon on additional investments

and projects that the pass is supporting, including some exciting municipal and community association partnerships.

Outside of Kananaskis we know that Alberta is blessed with a strong trail network. Trails are an important part of Alberta's history and identity and offer Albertans and visitors an opportunity to experience the outdoors while contributing to conservation, tourism, and well-being. Budget 2022 allows for important trail maintenance and conservation work like repairing trail water crossings so we can support healthy fish and other aquatic life habitats. It will support a bigger role for partnerships to maintain trails, as outlined in the recently passed Trails Act.

Speaking of the great outdoors, Mr. Chair, we're expecting another busy camping season this summer. The parks operating budget is increasing by 15 per cent this year due to an expected increase in camping occupancy. With more Albertans than ever before seeking to get outside and explore our provincial parks, it's important that we do what we can to promote fair and equal access to campsites while continuing to prioritize affordability. That's why we are increasing the reservation charge fee from \$5 to \$10, to address overbooking and recover the cost of no-shows and last-minute cancellations. I have already spoken about the Canmore Nordic Centre as well, but we're also pleased that infrastructure projects like the William Watson Lodge will reopen again this summer, providing Albertans with disabilities an opportunity to enjoy our parks.

As Alberta starts booking camping spots this spring, we can't lose sight of another annual spring event: flooding. Flooding has disrupted the lives of Albertans and our economy too often in recent years. Budget 2022 includes \$27.7 million for 11 flood mitigation capital grants in flood-prone communities around the province: \$5.2 million, for example, this year for the Horsefly emergency spillway in the MD of Taber and \$12.3 million for the upper plateau separation project in Calgary. Budget 2022 also includes funding for new and updated flood maps so we can help support safe and resilient communities. I am pleased to say that since 2020 Alberta has delivered more than 1,500 kilometres of new or updated draft flood mapping to Albertans, which is more than the previous 30 years combined.

Mr. Chairman, Environment and Parks will continue its important work to improve environmental oversight and protect Alberta's parks and public lands. Budget 2022 will help us carry out this important work for the benefit of Albertans now and for future generations.

With that, Mr. Chair, I'll be happy to take some questions.

The Chair: Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block on the two clocks up above in the committee room and also on Microsoft Teams on the big screens.

Member, would you like to combine your time with the minister's?

Mr. Schmidt: Yes, please.

The Chair: Minister, are you amenable to that?

Mr. Jason Nixon: Yeah.

The Chair: Okay. We will go back and forth.

You may begin, Mr. Schmidt.

Mr. Schmidt: Great. Thank you, Mr. Chair, and thank you to the minister and everyone from the department for showing up and agreeing to share time. I appreciate the opportunity to have an open back and forth to talk about the budget for the environment ministry.

Minister, it sounds like you're feeling a little bit under the weather today. I hope you get well soon.

My first question is about page 45 of the Environment and Parks business plan, the science and monitoring line item in the business plan. You talked about that off the top, that the government is committed to spending the required amount on oil sands monitoring of approximately \$50 million. We see that in the 2022-23 estimate, but in the '23-24 target and the '24-25 target we see only \$47.9 million budgeted. I'm just curious if the minister can inform the committee what the plan is for science and monitoring and why it doesn't even meet that \$50 million threshold that you committed to delivering this year.

Mr. Jason Nixon: Mr. Chair, the amount of money that goes into the oil sands monitoring program, \$50 million, is established through multiple agreements. It's important to note that that organization is made up of several groups, including environment Canada and Alberta Environment and Parks, as the hon. member knows, as well as quite a list of First Nation communities in the area that are part of that organization. The \$50 million is set outside of government, and it does not come from general revenue; it's through payments from the industry. At the request of the people involved in the committee, along with the federal government, Environment and Parks is moving towards a financial administrator for portions of that budget. In an outlying year it's anticipated that \$20 million of the oil sands monitoring program would be within that financial administrator but would continue to be used for oil sands monitoring and not within the Alberta Environment and Parks budget.

There are a couple of reasons why that has been asked for by people that are involved. First, it's just from a good accounting perspective. The reality is that this is not Alberta Environment and Parks' money; it comes through a different source. The second was for efficiencies for that oil sands monitoring group, as they put in their work plans for the year, so that they don't find themselves always encumbered by Alberta government budget practices or unable to be able to move their financial resources forward in a more effective way. To be very clear, though, Mr. Chair, it would still remain \$50 million, and the process would remain the same. You have to file an operating plan that would be agreed to, including with environment Canada and Alberta Environment and Parks as well as with all of the industry partners and First Nation partners that make up the oil sands monitoring group.

Mr. Schmidt: I appreciate that explanation. Can the minister help the committee understand exactly how this is achieved and why it doesn't show up on the books? I mean, I know that this is an incredibly nerdy question, but we have consolidated budgeting, so why would \$20 million that is spent on oil sands monitoring, delivered by the oil sands monitoring group, not show up on our books? To recap, I guess, if you could help the committee understand how this is more efficient than the current system and then why that money won't show up on the books in the future.

Mr. Jason Nixon: Again, part of it will show up on the books, the part that's associated with Alberta Environment and Parks, but industry money that is not associated with Alberta Environment and Parks would be run through the administrative authority. We already do this for caribou. We have found it to be more efficient and able to get resources to the environmental need. The reason that there is not more detail to be spoken about at the moment is because we're going through a process to make sure that that could be done right, and that involves, of course, the Auditor General and other organizations like Treasury Board and Finance to make sure that

that structure would be appropriate. We'll have more to say about that as we progress with that conversation. What's important, though, Mr. Chair, is that the \$50 million will remain, whether it's with the current format, that we utilize now, or with a future partnership with an administrative authority.

Mr. Schmidt: Can the minister tell the committee why the number \$20 million is being moved to a financial administrator and not the whole \$50 million? Why are we splitting this amount, and how did \$20 million end up being the amount that we decided to put into a financial administrator?

Mr. Jason Nixon: The portion that would remain in the budget is for the monitoring that the department of Alberta environment conducts. It's taxpayer resources that are invested in the oil sands monitoring program, and it's managed by Alberta Environment and Parks. The \$20 million would be for the portion that we do not conduct and is conducted by other agencies that are involved in the oil sands monitoring program.

9:20

Mr. Schmidt: Will that change how the oil sands monitoring programs are funded? Help me understand if my current understanding is correct. All of the \$50 million is put into the oil sands monitoring program every year. The oversight committee approves a general monitoring plan, and then it's funded directly. Are they going to have to now separate the different monitoring programs and say, "Well, this one is conducted by industry, so it comes from this pot of money, and this one is funded by Alberta Environment, so it comes from this pot of money"? If that's the case, how are we going to continue to maintain an integrated oil sands monitoring system?

Mr. Jason Nixon: It does not change how the oil sands monitoring program is funded. To be very clear, the oil sands monitoring program is funded by industry, to the tune of \$50 million. The working plan and how that resource is used to monitor the oil sands is created through the oil sands monitoring group, which, again, is made up of Alberta Environment and Parks and environment Canada as well as industry partners in the oil sands region and, of course, Indigenous communities. Ultimately, how you spend the budget is based on the oversight committee's recommendations, as, Mr. Chair, the hon. member knows and just referred to.

But the question that I believe is being asked by the hon. member is whether it would change how much has to be paid for by industry, whether industry would continue to be the only funder of the oil sands monitoring program going forward, and whether or not the oversight committee would change how they determine how oil sands monitoring takes place. The answer to that question is that nothing would change as far as that structure. What would be in Alberta Environment and Parks' budget is the amount of money that we expense in the department in a year for oil sands monitoring. That is paid for by industry through that program. The amount of money that we do not expense, that goes out to other partners within the oil sands monitoring process through the same work plan, would no longer be on Alberta Environment and Parks' books.

Mr. Schmidt: If I understand correctly, then, \$20 million every year in oil sands monitoring is being moved off the books, which means that in the '23-24 and '24-25 targets we've got, effectively, approximately \$30 million set aside for oil sands monitoring that's showing up there and then another \$18 million for other environmental science, monitoring, evaluation, and reporting functions. Is that correct?

Mr. Jason Nixon: Just to make sure we're on the same line item, hon. member, which . . .

Mr. Schmidt: Yeah. Page 45. I'm still looking at the statement of operations. We've got science and monitoring in '23-24 for approximately \$48 million. Now, if you're moving \$20 million of oil sands monitoring money off the books, that means that \$30 million of oil sands monitoring is showing up in this line item. Is that correct?

Mr. Jason Nixon: Yes.

Mr. Schmidt: Then the remainder, I assume, would be dedicated to other environmental science, monitoring, evaluation, and reporting functions. Is my understanding correct?

Mr. Jason Nixon: Mr. Chair, can I get the hon. member just to repeat the end part of that to make sure I'm answering the question? I didn't quite catch it.

Mr. Schmidt: Sure. In the '23-24 and '24-25 target years we're looking at approximately \$17.9 million, maybe \$18 million in other environmental science and monitoring money. Is that correct?

Mr. Jason Nixon: I think the question the hon. member is asking is: if there's \$30 million that would still remain for the oil sands monitoring program in that line item, would the difference still be going towards other monitoring in the province? The answer to that question is yes.

Mr. Schmidt: Thank you for clarifying my understanding.

In the '22-23 estimates on page 92 we see that the allocated amount for environmental science, monitoring, evaluation, and reporting is \$20 million. Are we looking at a \$2 million cut to line item 9.1, then, in the '23-24 and '24-25 targets?

Mr. Jason Nixon: Just to be clear, you're referring to 9.1, Member, correct?

Mr. Schmidt: Yes. That's correct.

Mr. Jason Nixon: The way I have it currently in front of me in the estimates – I'm not sure where you're coming up with the number from. I have it as fairly stable on the environmental science and monitoring process, where the number is staying pretty much similar.

Mr. Schmidt: Well, I suppose that's what we call in the Legislature a matter of debate. Maybe one person would see \$18 million as being close enough to \$20 million, but maybe other people would say: well, a \$2 million reduction in the out-years might have a significant negative impact on our environmental science, monitoring, and reporting functions. Can the minister inform the committee what the plan is for maintaining our environmental science, monitoring, and reporting functions in the face of what appears to be a \$2 million cut to that budget?

Mr. Jason Nixon: In this year's budget \$20 million will be going to science and monitoring. In out-year budgets the process, obviously, would be evaluated as we get closer to other budgets. There are multiple monitoring groups that we work with that would help determine budgets. What I can say, though, is that the science and monitoring budget is going to remain very stable, between \$18 million and \$20 million, going forward in the outlying years and as a priority for the department. I don't have the breakdown of further out-years. That would have to be developed as we prepare the

following budgets. But what this budget shows is an ongoing commitment to science and monitoring.

Mr. Schmidt: Well, to be fair to members of the committee, we could be looking at the same amount of money or a 10 per cent cut to the budget, and those two things are significantly different. I'm afraid that we might have some problems meeting our environmental obligations given such a massive cut proposed to the environmental science, monitoring, and reporting budget in the out-years.

Now, I want to look now at page 95 of the estimates. The minister talked a little bit about fees that were collected this year, and the minister has introduced a number of new fees for parks. Can the minister confirm my understanding? It's been reported in the media that the amount of the Kananaskis conservation pass is expected to be approximately \$15 million this year. Is that correct?

Mr. Jason Nixon: That is correct.

Mr. Schmidt: Okay. Can the minister help the committee understand where in the line items in the government expenses on pages 91, 92, or 93 that \$15 million is showing up?

Mr. Jason Nixon: Line 7.1.

Mr. Schmidt: It's just in line 7.1?

Mr. Jason Nixon: Correct.

Mr. Schmidt: Okay. Can the minister explain to the committee why the amount forecast for '21-22 is approximately \$53 million, yet the '22-23 estimate is \$49 million, a \$4 million reduction, even though Kananaskis Country is expected to generate \$3 million to \$4 million more this year than it generated last year?

Mr. Jason Nixon: That number is based on occupancy projections. Part of the challenge, from the provincial parks perspective, is being able to predict occupancy in this year and outlying years. As we come out of COVID, it's going to change some of the numbers that we've seen inside our campground systems. If you'd like, I'm happy to bring the assistant deputy minister of provincial parks up to have a conversation with you on how they determine occupancy estimates, but at the end of the day that number is tied directly to occupancy inside campgrounds and people that are utilizing Kananaskis.

Mr. Schmidt: Sorry. Line 7.1, the \$49 million that appears there, is generated based on projected occupancy for this year. Is that correct?

Mr. Jason Nixon: A tremendous amount of it, yes.

Mr. Schmidt: Okay. I mean, in 2020 we saw a record number of visitors to Kananaskis Country. In 2021 we saw a 10 per cent reduction in the number of visitors. Perhaps the K Country fee was a disincentive for people to visit the park. Help me understand. Are we seeing a 10 per cent reduction in estimated visitors to parks this year? Like, why are we seeing this \$4 million drop?

Mr. Jason Nixon: Park fees are dedicated revenue. If the department is slightly off on their projections, they will have to reinvest fees inside the area. You can see how it would look. I'll point you to the last budget forecast. You can see that it was budgeted, I believe, at \$43 million on that line item. It ended up coming in, if I've got this right, at \$53 million – I'll double-check with officials – which shows that that increase in occupancy resulted in an increase in revenue, which, of course, results in an increased expense to be able to

maintain the parks system. Again, Mr. Chair, if the hon. member is very interested in how Parks determines occupancy rates, I'm happy to bring the assistant deputy minister up to the microphone to talk to him about that in detail.

9:30

Mr. Schmidt: Minister, I guess my primary concern here is that we just confirmed that we are going to generate approximately \$15 million in Kananaskis Country fees this year. The minister has confirmed that. I'm still waiting for an adequate explanation. We only see a \$6 million increase over the '21-22 budget in parks operations even though we're projecting a \$15 million increase in revenue.

Mr. Jason Nixon: It was already added previously in the previous year. Again, the Kananaskis conservation pass goes to make sure that we can adequately pay for Kananaskis, and one of the big changes moving forward with the Kananaskis conservation pass is that campgrounds in all of my colleagues' ridings across the province are not having to pay the bill just for Kananaskis going forward, which allows the fee to be able to go pay for the utilization of our busiest park but money to be reinvested across the province from people that are using it.

Mr. Chair, you and I both know and have talked about this many times in your community, where there are many provincial parks, especially your great lake communities, who have had to disproportionately subsidize Kananaskis until that fee had come into play. Again, we are spending more than the \$15 million from the Kananaskis conservation fee on Kananaskis and will continue to. You can find it in that line item. You are correct. There may be some adjustments if we have a busier year. Some years we have a less busy year. The department has to make a prediction, but fees like the Kananaskis conservation fee have to be reinvested back into Kananaskis, and that's where it'll go.

Mr. Schmidt: Okay. It is an interesting budget, I guess, where you're projecting \$15 million in dedicated revenue but only a \$6 million increase in the expenses.

Mr. Jason Nixon: Mr. Chair, I'll actually ask the assistant deputy minister of parks to come up and have a conversation about how the department determines occupancy rates. He'll probably elaborate a little bit more on some of the renovations he's doing across the province, but if you'd like to hear more detail on that, come on up, ADM Schreiber.

Mr. Schreiber: Assistant Deputy Minister Shane Schreiber, responsible for parks operations. To try and answer your question as best I can, what that number is is a combination of both the conservation pass revenue and also the likely revenue from camping fees and other fees. We use a rolling five-year average to estimate the amount of generated revenue we're going to get from camping fees, and then we also take a look at which campgrounds may be closed for renovation and try and add that into the estimate so it's a little bit more accurate. Then the final thing we do is we err on the side of being conservative because we may have bad weather, which means we'll have less revenue generated. That's how we come up with the number that's in there.

Now, it's important for us to ask for less, and then if we generate more revenue, we can always go back and ask Treasury Board if we can keep that revenue and reinvest it back in the parks system. That's why that number seems to be less in the forecast or less in the budget but grows as we actually generate additional revenue. Does that help explain it?

Mr. Schmidt: I appreciate the explanation. I've certainly heard from many Albertans who are concerned that they aren't seeing necessarily the \$15 million being spent in Kananaskis Country. You know, we still have garbage cans that are overflowing, parking lots that are full to bursting, roads that are filled with potholes, campgrounds that are in a shape that is disappointing to many of the people who visit the park. I appreciate the explanation of the process. What assurances can the department give to the people of Alberta that the money is being spent in Kananaskis, and how will they know what it's being spent on other than through the occasional government press release?

Mr. Jason Nixon: Well, Mr. Chair, first off, I was in Kananaskis the other day, and I'm happy to report that basically everybody that we spoke to in Kananaskis thanks us for bringing the Kananaskis conservation fee and some of the significant investments taking place. I'll give a list of a bunch of it here in a second. The reality is that this is a big provincial park, and our entire provincial parks system, unfortunately, underneath the previous government was allowed to deteriorate with almost no investment inside it. That's something that we are correcting right now.

I'll give you some figures right now: the regional transit initiative with the town of Canmore, a \$1 million investment; investing in local volunteer trail organizations, \$550,000; supporting visitor service centres and information centres, half a million dollars; the west Bragg Creek association, a quarter million dollars; the Moose Mountain trail bike association, \$100,000; the Friends of Kananaskis Country, \$100,000; Canmore and Area Mountain Bike Association, \$100,000; grooming winter trails, a quarter million dollars; operation of subsidizing facilities, including the Canmore Nordic Centre, \$1 million; William Watson Lodge, three-quarters of a million dollars; planning for the infrastructure upgrades to the Canmore Nordic Centre, \$1 million; running the Kananaskis Country public safety program, \$1.5 million; additional supports that we've just invested in search and rescue, \$100,000; contracting traffic management services, \$350,000; hiring new conservation officers, \$5 million.

I will point out, Mr. Chair, that something that you and I both know our constituents have long asked for was a strong investment in boots on the ground, and that's something that this budget has and would not be made possible without an appropriate fee structure. Of course, just the other day \$17.5 million for the Canmore Nordic Centre. We cannot see the entire park system be repaired from the damage that was created by the NDP government in one year, but it will be and is now on a trajectory to make sure that that can be accomplished.

The reality is that to leave a mountain park – the only mountain park – that has no fee on it like that, we'll continue to see a spot where it will not be sustainable long term. Five point four million people were in Kananaskis, I believe, last year. That is more than Banff. That is a park that has more search and rescue calls than all of the mountain parks in B.C. and Alberta combined. We have a brand new emergency service centre there as well, and the investments are going to continue long term. Most importantly, though, there will be an appropriate fee now with Kananaskis that allows there to be sustainability for that important park and stops, again, your constituents' and my constituents' parks from having to pay for Kananaskis.

Mr. Schmidt: Thank you very much for that explanation.

Now, the minister mentioned a bunch of grants to a number of trail organizations. Sorry. Just confirm for my understanding that that money is coming from line 7.1 of the government estimates, first of all.

Mr. Jason Nixon: Yes.

Mr. Schmidt: Okay. Thank you very much.

Can the minister explain to the committee the process that people have to go through to apply for these grants, what criteria they have to meet? How many applications were received? Can the minister share with the committee how that granting program that the minister mentioned was structured?

Mr. Jason Nixon: If we want to have that level of conversation in detail, you'd have to have a conversation both with the ADM of public lands and parks, and then we may have slightly different processes for both. Again, Mr. Chair, I'm happy to bring either of them up to the mic if that's what we like. Why don't we start with the ADM of public lands, Brian Makowecki.

Mr. Schmidt: Thank you.

Mr. Makowecki: Good morning. Brian Makowecki, ADM of lands in Environment and Parks. Yeah, so a lot of our folks work directly on the ground with people in these communities and in local areas. There are identified needs that come through time, some long-standing opportunities and relationships in those areas. Often the grants and discussions are happening with the most sophisticated and capable groups on the ground to deliver some of these opportunities where we see the need for investment. A lot of it is worked with between our front-line people and local groups.

Mr. Schmidt: I'm thinking of other grant programs that are operated regularly through the government of Alberta. CFEP is one that I deal with a lot in my constituency office. You know, there's a well-defined process. There's a well-defined application form. Where can Albertans find the application form for these grants?

9:40

Mr. Jason Nixon: Mr. Chair, the difference between those programs is that this is not a competitive process. This is about managing a landscape. In the department of public lands the department of parks works with a variety of partners on a daily basis to be able to manage that landscape. As the assistant deputy minister referred to, a tremendous amount of this is about existing relationships with NGOs, nonprofit organizations, and others that are helping us maintain our parks and public land system. While I know in the past the hon. member's government really did not want to work with those organizations, that's something that's a high priority for our government. A lot of this has to deal with need and the priority of need and which partner is in the best place to be able to help us accomplish those needs as they are developed.

Mr. Schmidt: I guess: can the minister help the committee understand how those needs are evaluated? I mean, for any kind of grant program we have presumably much more demand than there are resources available. There must be some kind of selection criteria for these grants. I appreciate the minister's comments that these are built on pre-existing relationships, but what assurances can the people of Alberta be given that these grants are handed out in a fair and transparent manner?

Mr. Jason Nixon: Mr. Chair, the hon. member has got to be a little bit more specific. The department of environment works on trail maintenance for everything from bridges to hiking trails, cross-country ski trails, off-highway vehicle trails, horseback riding, on and on and on. If he would like to know how the public land employees and parks employees decide each of those priorities, you're going to need to ask for a little bit more specific detail than that.

Mr. Schmidt: I get that, Mr. Chair. I appreciate the minister's request for clarity. I apologize for not being clear. When the minister was detailing how the revenue from the Kananaskis Country fee was being administered, he mentioned a number of groups that had received grants to do work in Kananaskis Country. I guess I'm curious to know how the people of Alberta can be assured that these grants were assigned fairly through an open and transparent process.

Mr. Jason Nixon: I'll see if the ADM wants to supplement the process that we use for grants for trail levels. Go for it there, Brian.

Mr. Makowecki: Yeah. It really does come down to that on-the-ground knowledge, so "Who's on the ground and best placed to deliver some of this work?" has been largely the way that we've moved forward this year. You know, we have ongoing discussions with some of the most significant groups in the province on a number of different topics. We are working towards – as we continue to move forward on things like the Trails Act and other pieces to have systems in place, where we can make sure that we're able to communicate that well to the people and make sure that we're getting the input from the broader group. Part of it is going to be enabled through some of the recreation planning that's enabled under the Trails Act. That act allows us to incorporate views of local people and industry, Indigenous people, and it'll be more done through a planning process. That's the way we're going to sort of identify those priorities and make sure that there's sustainability to trail development.

Mr. Jason Nixon: I'll supplement that as well, Mr. Chair, if I could. Again, this is a large landscape that the department is responsible for, identifying multiple priorities, and, yes, the hon. member is correct. You can't solve every priority in one budget, so those priorities are being identified through the department of environment and particularly through public lands and parks. Then it's through existing relationships on the ground of which partner can be in the best spot to be able to help accomplish that. Conversations are taking place with those partners.

I mean, for example, if you're doing work inside Kananaskis, the Friends of Kananaskis are a common organization that works with the department on a regular basis to be able to help maintain that important park. That would be a logical partner that the department will talk to. When a grant is given out, it'll have very clear terms of reference. These have tremendous variety in what these grants could be used for, so it would have different terms but very clear objectives of what must be accomplished with those grants and a reporting structure back to the department to make sure that that was accomplished. That's how the process works for this large public land area that the department is responsible for.

Mr. Schmidt: The minister stated that there are terms of reference. Will those be made public? How will the people of Alberta know that they're getting the value for the money from these grants that have been given out?

Mr. Jason Nixon: I'm not in a position where I can speak to each grant agreement, obviously, during estimates, Mr. Chair. You know, I think we've given the hon. member a lot of latitude to try to get well into policy. At this point I'd encourage him to get back to talking about the estimates that we're here to present, but I will quickly just check if the ADM of public lands wants to answer that question. My view is that we should get back to talking about the budget.

Mr. Makowecki: A lot of the details are available. We can work with people to make sure that there's a good understanding. We

have different agreements with different groups, and, like I said, I think the future of this is that as we move towards the implementing and standing up a full recreation management system, we're working on a system that will enable some of this to be done through plans so that it'll be clear about what's going to be achieved, it'll be clear where the priorities are, and it'll be clear, you know, what things were considered. It is really part of the system that we're enabling.

Mr. Schmidt: Thank you very much for that.

I appreciate that the department is working on a plan to better allocate these funds in the future. When does the department expect to complete that work?

Mr. Singh: Point of order.

The Chair: A point of order was noted.

Go ahead, Mr. Singh.

Mr. Singh: Thank you, Mr. Chair. The point of order is under Standing Order 23(c). The member "persists in needless repetition." The committee has convened for the purpose of considering the ministry's estimates. The matter has been previously raised already, and we do not need to hear it again as it will be an unnecessary repetition. The question has been answered. Although the response did not meet the satisfaction of the member, the repetition of the question would mean a similar answer, which would waste the time of the committee.

Thank you, Mr. Chair.

The Chair: Go ahead, Member Ganley.

Ms Ganley: Yes. Thank you very much, Mr. Chair. This is not only not a point of order, but it's ridiculous to allege that it's a point of order. The member was asking questions, questions about money in the budget. The grants come out of the budget. We've identified the line items out of which the grants come. The budget comes not only with dollars but also with a business plan, and in that business plan are metrics, that the government identifies, to determine how money is spent because it's public money and to hold people accountable. We have the minister telling us that he gives out grants. He listed organizations to whom he gives the grants, but now we aren't told how those organizations are selected, what the criteria is, how it's measured, whether that money is actually doing anything.

I mean, I think whether the member likes our line of questioning or not, it is a line of questioning which is clearly and transparently tied to the budget. We have identified the line item under which it has come, and we are permitted to continue asking the question until such time as some sort of answer is actually provided. It will be clear in time that "someone thought about something at some point," which is the answer we're getting right now, is not an answer.

The Chair: Thank you, Member.

I'm prepared to rule on this needless repetition. As I've said in many of the other committee estimates that we've been through in the last two weeks, it is the opposition member's time. If he chooses to use it all up on one line of questioning and burn up a whole hour, that's his prerogative. The minister and staff are under no absolute obligation to answer. I was, you know, looking forward to hearing about the minister's horse Tank, because we haven't heard that for a while yet. Yeah. It is the member's time if they choose to use that.

Thank you, Mr. Makowecki, for taking a point and standing up there.

You know, we talk about transparency, and the issue that I think the member is trying to get at – I believe that the minister mentioned the names of different groups that got the grants. That's on the public record. That's as transparent as you can get. I think if the member wants to continue on this line of questioning for the remaining 25 minutes of this time, so be it. I don't think it's a point of order. It's the member's time, so we'll carry on.

9:50

Mr. Jason Nixon: Thank you, Mr. Chair, for that ruling, and I completely agree with you. I think that maybe some of the struggles that the hon. member is having is understanding the management of large areas of our province where recreation takes place. These are areas that are done often through joint planning groups that include environmental organizations, municipalities, First Nation communities, and others that are operating on the landscape.

We'll go to my neck of the woods. I know the hon. member doesn't spend a lot of time west of Rocky Mountain House, but you have the Bighorn standing committee, which has existed for many, many years, which is a partner with the department to try to figure out the best way to invest resources in managing recreation and the landscape in that area. The Bighorn standing committee is made up of communities like Rocky Mountain House, Clearwater county. First Nation communities like the O'Chiese in the Big Horn as well as Sunchild and the Smallboy Camp in the area interact with that committee on a regular basis. Communities like Nordegg, of course, who are right in the centre of some of the most beautiful landscapes on Earth, are at that committee as well as public land officials and provincial park officials. They're working together to identify needs on a landscape that is very big.

The department of environment is responsible for, I believe, about 60 per cent of the entire land mass of the province. If I have that right, I think it's a little bigger than Great Britain, the entire land mass that they are responsible for managing. Obviously . . .

Mr. Schmidt: Thank you. Thank you.

Mr. Jason Nixon: . . . the department really works hard . . .

Mr. Schmidt: Thank you, Minister.

Mr. Jason Nixon: No. This is a high-priority question so one I'm happy to answer.

Mr. Schmidt: Well, Minister . . .

Mr. Jason Nixon: The department works very hard with those organizations to be able to determine where those needs are and then goes to the best partner to be able to maintain or to be able to utilize a grant. For example, if you're going to groom snowmobile trails and there's going to be a process for that, you're obviously not going to go to the hiking association. You're going to work with the Alberta Snowmobile Association and other local clubs that are on the ground. But when you're refixing a trail inside Kananaskis, you're more likely to go to the hiking association and not to the Snowmobile Association to be able to maintain that.

The reality is this. Very clearly, the Kananaskis conservation pass is required, through Treasury Board processes, to be dedicated revenue and reinvested back into the park, and we are investing in the department significantly more than the \$15 million that is anticipated to come in from the Kananaskis conservation pass back into Kananaskis.

Mr. Schmidt: Thank you.

On page 95 of the estimates line 8 is a trail permit fee. Now, it mentions revenue collected from off-highway vehicles. Can the

minister confirm for the committee whether or not an off-highway vehicle trail fee is proposed to be charged this year?

Mr. Jason Nixon: In our platform, Mr. Chair, as you know, we committed to bringing in both random camping and off-highway vehicle fees. This was a direct response to the former government's attempt to shut down large areas of the eastern slopes to Albertans that utilize it for recreation purposes. Last year we brought in the random camping fee, which has operated for this year, as the hon. member knows. This refers to \$4.5 million, I believe – yep – that would come from off-highway vehicle fees, which are collected currently through registrations on off-highway vehicle fees.

As you know, Mr. Chair, your ATVs on the farm – I don't know whether you plow the driveway the same way that I do. I know we have a similar type of location where we go home. We don't have to have registration fees when we're on our own private property, but when you go out onto the eastern slopes, for example, in areas where you could ATV or other areas in the province, you are required to have a registration fee. We've worked with Treasury Board and Finance to repurpose that fee back into our budget to be able to fulfill our platform commitment of making sure that off-highway vehicle fees are going towards conservation purposes and the protection of landscape as well as the maintenance of trails.

I should mention as well that there's a commitment in there to invest and partner with volunteer search and rescue as well as continuing to work with municipalities that are helping us manage Her Majesty's forest reserve.

Mr. Schmidt: So how much of the \$4.5 million on page 95 will come from the off-highway vehicle registration?

Mr. Jason Nixon: The random camping fee is also in that \$4.5 million. I'll see if our officials can give you the breakdown. Of the \$4.5 million, \$1.5 million of that is coming from random camping, and the remainder is coming from ATV registrations.

Mr. Schmidt: Okay. Thank you very much.

I want to turn now to some questions around the mine financial security program, which I think is related to outcome 2 on page 43 of the business plan, and also talk a little bit about how the department will respond to the Coal Policy Committee report. Now, the Coal Policy Committee report identified some problems with the current structure of the mine financial security plan. Estimated liabilities exceed the assets. Assets may be overstated. Only two coal mines have had detailed audits performed. What work does Alberta Environment and Parks have planned for implementing the committee's recommendation that a mine reclamation funding plan be designed specifically for coal mines?

Mr. Jason Nixon: While officials are pulling out the mine security report, Mr. Chair, I'll also elaborate a little bit on what the department will be doing to implement Energy's recommendations and their work that they're doing to, frankly, plug the NDP's loophole to be able to mine things like category 2 lands. That was established by a written letter by their Energy minister. This is a clear recommendation from the coal committee but as well now from the Department of Energy, which has been supported by cabinet. Alberta Environment and Parks will be working to enshrine the 1976 coal policy inside the eastern slopes policy as a temporary stop measure to make sure that we can put in place the 1976 coal policy into land-use planning. We'll continue through the process of implementing the 1976 coal policy into land-use planning, again, to make sure that in the future we won't see stuff like the hon. member's government trying to, through letter, change the way that coal mines could get built in the eastern slopes.

As for the mine security program, we're reviewing the program to ensure appropriate funds are collected from mine operators to cover both coal and oil sands mine reclamation liabilities. The review has focused on program asset calculations, information reporting, and timing of security payments and is targeted for completion by the end of 2022. My department remains engaged and is actively sharing information with mine operators and Indigenous communities and organizations in order to ensure that this review is successful. We'll keep working towards that and had already started prior to the coal committee's report. There have been conversations and, in my understanding, some Auditor General reports over time as well on that issue, and we look forward to having more to say over the coming year on that important issue.

Mr. Schmidt: Thank you, Minister, for that explanation.

Now, according to the most recent statement from the Alberta Energy Regulator, total mine reclamation liabilities increased by \$2 billion last year, but the amount held by the mine financial security program only went up by \$40 million, which is approximately 2 per cent of the liability increase. I'm wondering if the minister can inform the committee how much money to the mine financial security program was forgone due to the changes that were made to the program for oil sands producers last year.

Mr. Jason Nixon: Just one second, actually, if we could. We certainly don't have the details of that here. I don't believe that's in Alberta Environment and Parks' budget, but we will endeavour to look into that and get back to the member.

Mr. Schmidt: Thank you.

Certainly, I appreciate that the money doesn't show up on Alberta environment's budget, but the policy around the mine financial security program – how much money is collected from whom? – is clearly the ministry of environment's responsibility. I would hope that, having undergone some changes to the MFSP last year, there was some kind of analysis on how much revenue was going to be lost or changed. If the minister could commit to tabling that analysis for the committee.

Mr. Jason Nixon: Mr. Chair, what I'll commit to is that, as I said in my remarks on this, the department is reviewing it and is going to have lots to say both publicly and with stakeholders over the next year. We anticipate that review to be completed in 2022. While he is correct that there is a policy role for Alberta Environment and Parks on this issue, which I'm happy to discuss, the exact financial details I actually don't think are within Alberta Environment and Parks estimates. I will just remind the committee that we're here to talk about those estimates.

Mr. Schmidt: Thank you very much.

I have a few more questions now on the coal committee report and how the Environment and Parks ministry is going to respond to that. Another one of the recommendations is re-establishing funding for the reclamation of legacy coal mines. I'm wondering what work the department will do this year to address these legacy coal mine liabilities, if there is an estimate of how much the legacy coal mine liabilities will cost the people of Alberta, and whether or not that shows up in the budget here of Alberta Environment and Parks or will be carried under the AER. Where will that show up?

10:00

Mr. Jason Nixon: My understanding is that that would be underneath the Alberta Energy Regulator, which would be tied to the Ministry of Energy's budget.

Mr. Schmidt: In terms of developing policies, though, for the reclamation of legacy coal mines, what role will Alberta Environment and Parks play in reviewing those policies and coming up with recommendations to address these legacy coal mines?

Mr. Jason Nixon: Both the Ministry of Energy and the department of environment will work together in partnership through that process and then ultimately would provide directives and policy to the Alberta Energy Regulator, who would be the one to implement that.

Mr. Schmidt: Is there a timeline that the department has for coming up with this direction to the Alberta Energy Regulator?

Mr. Jason Nixon: I think what my answer to that, Mr. Chair, would be is that it's ongoing.

Mr. Schmidt: Okay. Thank you very much.

Now, the first recommendation in the coal policies report is that regional and subregional plans for the eastern slopes must be completed before any major coal approvals will be considered. I'm wondering: how much money has been budgeted from Environment and Parks this year to complete these regional and subregional plans in the eastern slopes to implement this recommendation, and when will that work be completed?

Mr. Jason Nixon: Mr. Chair, as you know, subregional and regional plans take time. I want to thank you, Mr. Chair, for your work on some of the most recent subregional plans that have just been completed around caribou. The reality is that that work must be done right, it has to involve significant consultation, and it's going to take several years to be able to complete all across the province. Again, to my earlier remarks, that is why Alberta Environment will move forward with putting the 1976 coal policy into the eastern slopes policy for the time being, to make sure that the categories are enshrined into land-use rules that are currently in place in the department, and then as each regional plan and subregional plan is completed, if that plan overlaps with the eastern slopes, the 1976 coal policy will become part of that.

The reality of the legislation that is in place when it comes to land-use planning is that you can't just open up land-use plans for one issue. You have to complete all of the issues that are associated with land-use planning. This is the most efficient way to do that while making sure that the eastern slopes are protected and that the overall objective of the Energy department when it comes to coal is maintained. If there are specifics about where that land-use planning is funded inside the estimates, I'm happy to talk about that.

But, again, there's a lot of work taking place on subregional processes, particularly around caribou right now, where a large focus of the department right now is on managing that issue for the province because of the potential catastrophic outcomes for communities like yours, Mr. Chair. Again, I'll thank you for all your hard work on that.

Mr. Schmidt: Thank you.

I noticed that on page 91 of the government estimates the Land Use Secretariat, which I understand is the primary section of the department that's responsible for developing regional plans, isn't getting an increase in the budget. Can the minister inform the committee how he expects the government to complete this eastern slopes policy, continue work on the caribou subregional plans with no additional investment in the people who are doing that work?

Mr. Jason Nixon: Well, Mr. Chair, I think the member's math is off. What was spent in 2020-21 on the Land Use Secretariat was

just over \$1.4 million, and the estimate for this year would be \$5.1 million, so that seems like a significant increase.

Mr. Schmidt: All right. The Coal Policy Committee report recommended that coal projects be subject to a net benefit test, implying that changes to the assessment of these projects is needed. I'm wondering: what work will Alberta Environment and Parks do to implement this recommendation?

Mr. Jason Nixon: Our friends in Energy would be responsible for that conversation through the Alberta Energy Regulator, and I'd encourage you to ask Minister Savage for more details on that.

Mr. Schmidt: So Alberta Environment and Parks will not play any role in how coal mines are environmentally assessed?

Mr. Jason Nixon: The net benefit analysis that you referred to would be primarily led by Energy. Of course, we would support Energy, as we always do, but if you're looking for it from a conversation on the budget perspective – again, we're here to talk about the budget – I would have a conversation with the Department of Energy on the details of how they intend to handle that within their budget.

Mr. Schmidt: Thank you very much.

Another thing that the Coal Policy Committee identified was a lack of trust in regulatory entities in Alberta as a major issue. I'm wondering: what work will Alberta Environment and Parks do this year to attempt to restore trust with the people of Alberta?

Mr. Jason Nixon: Well, some of the biggest things we've had to do right away, Mr. Chair – I know you know this. Three years ago, when Minister Savage and I both became the environment minister and the Energy minister, the first challenge we had to face was probably the worst ethical disaster in the history of the Alberta government, that was overseen by the NDP government, where for the very first time every officer of the Legislature, except for the Child and Youth Advocate, had a damning ethics report into what the NDP did with the regulator. The very first thing we had to do to restore trust was to rebuild the entire Alberta Energy Regulator – its management staff, its board – to be able to establish a regulator that could be trusted by Albertans and clean up, frankly, that ethical disaster that was created by the NDP, and I'm proud to report that that work has been done.

If the member has specifics about, again, the financial investments that take place inside the Alberta Energy Regulator, I would refer them to the Department of Energy's estimates because that's where it is financed.

Mr. Schmidt: I appreciate the minister's attempt to put this all on the Alberta Energy Regulator, but the Coal Policy Committee was much broader than just identifying trust with the Alberta Energy Regulator. Certainly, Environment and Parks is an important regulatory ministry. What work will be conducted under Environment and Parks to restore trust with the people of Alberta?

Mr. Jason Nixon: We continue to educate the public about the important work that takes place in Alberta Environment and Parks when it comes to the regulatory role that we play. Mr. Chair, I refer you to the joint panel decision on Grassy Mountain, which refers in detail to the strong environmental policies that exist in Alberta Environment and Parks as the reason for their decision not to proceed with that mine, including working policies around species at risk, in particular westslope cutthroat, as well as the fish and wildlife regulations that exist, our strong water policies that exist. All of these were referred to by that regulatory process as to why

that mine could not proceed. We'll continue to make sure that those strong regulatory rules remain in place to be able to protect the environment going forward.

The biggest thing that has to take place is to continue to provide assurances that the arm's-length regulatory process that we have in Alberta remains arm's length. It's unfortunate to have watched at times the Official Opposition try to go past that arm's-length process. I will say to you, Mr. Chair, that that is how we ended up in a spot where you had the Ethics Commissioner, the Auditor General, the Ombudsman, and the Privacy Commissioner all writing some of the toughest ethics reports I had ever seen in my time in elected life against the then NDP government because of their attempts to be able to interfere with the regulatory process.

The strongest thing that we can do to continue to make sure Albertans are feeling comfortable with the regulatory process is to assure them that there will not be political interference in our regulatory process. Again, it's unfortunate to see the Official Opposition continuing at times to push to see political interference in the regulatory process.

Again, Mr. Chair, if there's a specific question about our estimates or where we're going to invest on these regulatory issues, I am happy to answer them, but the Alberta Energy Regulator itself is financed through the Department of Energy.

The Chair: Thank you for that, Minister.

I would encourage the member to stick to the business plan and the budget, papers that we have in front of us. There's plenty of material there to ask questions on, so I'd encourage him to do that.

You have about six minutes left.

Mr. Schmidt: Well, I appreciate, Mr. Chair, that perhaps we have different interpretations of what's in the business plan and what isn't.

The final recommendation from the coal committee report was to enhance environmental monitoring, inspection, and enforcement at existing and abandoned mines to address water contamination, specifically selenium contamination within watersheds. How do you anticipate to meet this recommendation from the committee while forecasting a 10 per cent cut to the environmental science and monitoring budgets in the '23-24 and '24-25 out-years?

Mr. Jason Nixon: Mr. Chair, on this recommendation, Alberta Environment and Parks already does it, so it was great to see the committee reaffirm that this is the right process. In a moment I'll get a list of the monitoring stations that already take place, particularly within the South Saskatchewan River and elsewhere.

10:10

Also, in addition to that, over the past year my department has launched initiatives as part of its effort to continue to work on this issue. A selenium management review to examine Alberta's current regulatory requirements and assess relevant policy tools used in comparable jurisdictions: that's taking place as we speak. New surface water quality management frameworks, again, for the North Saskatchewan, the Battle, and the upper Athabasca rivers to protect water quality and manage cumulative effects. As well, as already previously spoken about, a review of the mine financial security program to ensure it adequately covers the industry's reclamation liabilities and protects taxpayers.

Alberta already has a very, very strong process for water quality monitoring in our province, with 116 active provincial monitoring stations all across the province, plus 31 additional tributary monitoring stations as part of the oil sands monitoring program. These stations are intended, Mr. Chair, to capture the cumulative effects of multiple stressors in the watershed or river quality sites.

There are also long-term river networks that consist of 36 sites that are sampled monthly, and 102 core water quality parameters are routinely measured at those sites and at 71 other tributary monitoring networks across the province. Also, those monitoring networks consist of 80 provincial and 31 oil sands monitoring sites that are sampled monthly, some in near real time.

There was an identification by my department about a year ago about the need to expand the water quality management frameworks and monitoring into places like the North Saskatchewan and the Battle rivers, but as you can see, there is already a very significant amount of water quality monitoring that takes place all across the province, and we will continue to do so. Specifically to the coal report on that, I'm happy to report we already do that, and we're going to continue to do it.

Mr. Schmidt: Am I understanding the minister correctly in that he believes that the work is adequate and that the coal committee's recommendation is off base, that no additional monitoring or improvements to the monitoring programs are required?

Mr. Jason Nixon: Well, again, Mr. Chair, I just listed to you some very adequate monitoring. But, in addition to that, I actually opened up with recognizing that we don't think it's fully adequate, which is why, even prior to the coal report, under my leadership in the department of environment we have added more water quality management framework processes. We're doing a selenium review as we speak. In particular, work around the North Saskatchewan and the Battle River corridors, which we have identified, needs to be handled the same as elsewhere in the province. No, I did not say that it was adequate. What I did say is that we have a significant amount of water quality monitoring taking place. Yeah. I'll leave it at that.

Mr. Schmidt: The minister announced last year a selenium review. When will the people of Alberta be able to see the results, the outcome, of that work?

Mr. Jason Nixon: Yes. Mr. Chair, there are some draft federal regulations that are also anticipated in late 2022 that have to deal with this issue, so there will be some overlap between my department and the federal department. We are working towards final publication of that process by 2023.

Mr. Schmidt: By 2023. Okay.

Is that just the selenium part? I mean, the minister mentioned the North Saskatchewan water quality framework, the Battle River water quality framework. When will those be completed?

Mr. Jason Nixon: The selenium review process was what I was referring to in 2023. As for water quality frameworks, they will be sooner than that. I don't have a date yet, though, but I anticipate that it would be in this year, I believe. Yeah. So in 2022 is what we're tracking on that.

Mr. Schmidt: Okay. Thank you very much for that.

Now, I don't have a whole lot of time. Line 7.5 in capital grants. Can the minister confirm for me on the \$3.1 million: is that for Big Island provincial park? On page 92 of the estimates, line 7.5, parks infrastructure management capital grants: is that for Big Island provincial park?

Mr. Jason Nixon: Yes.

Mr. Schmidt: Okay. Why wasn't the \$1.4 million budgeted last year spent?

Mr. Jason Nixon: We had to renegotiate road access to be able to get into that area, which has prolonged our movement towards Big Island provincial park, but we remain committed to it and anticipate that it'll be completed this term.

The Chair: Thank you very much, Minister.

That concludes the first portion of questions from the Official Opposition. We'll now move on to the independent member for 20 minutes of questions.

Would you like to combine your time with the minister?

Mr. Loewen: Yeah. Back and forth.

The Chair: Are you amenable to that, Minister?

Mr. Jason Nixon: Sure.

The Chair: Thank you.

Go ahead, Member.

Mr. Loewen: Okay. Thank you very much, Minister, and thank you to your staff for being here today, too. I do appreciate the work that you do. Obviously, Environment and Parks is something that's near and dear to my heart. I know, Minister, you'd probably agree that we don't get enough time in the outdoors, so we look forward to the days ahead where we can spend more time enjoying the things we enjoy doing in our free time, spending time in the outdoors.

I'm just going to start on the business plan, page 44, key objective 3.2. It says, "enhance angling and hunting opportunities through effective fish and wildlife program management." I want to focus on fish and wildlife program management. In particular, right now I think there's been an initiative from your ministry, and I want to, I guess, congratulate you on that. I've heard discussions that you've had, where I was present at public events, talking about looking for a more natural and balanced age structure in particular with mule deer but, again, with all wildlife. I just wanted to give you a chance to talk about that a little bit and your feelings and what direction the government has when it comes to mule deer management but maybe other species, too, in regard to creating that natural and balanced age structure.

Mr. Jason Nixon: Well, primarily, hon. member, referring to chronic wasting disease management techniques associated with mule deer, particularly in southeastern Alberta, I think is probably at the heart of your question. You are correct that the department has, like other departments all across North America, a challenge with CWD. We continue to see it move further and further west, as you are aware. At the same time, I have recognized that there have been techniques used, primarily around culls, in the past by the department to manage it, sometimes to the level of, frankly, shooting a lot of deer from helicopters, and we still remain in the same spot all these years later. My view is that we are in a spot where as long as Saskatchewan is not prepared to be in the same spot from a management technique as us, we are trying to plug a hole that we can't plug.

Instead, we have started to move forward to encourage the department to work on CWD in different ways. Part of that would include looking at the mule deer herd for age structure instead of straight management of size, which is something we've heard loud and clear from both hunters and outfitters inside that region, and instead pivot to actually looking at ways that we can actually combat CWD as it moves west. You and I have spoken lots about this. Some of that work is the joint work we're doing with Saskatchewan and the Alberta Conservation Association on a potential vaccine. In addition to that, a push to see that the

regulations at least have an education component about the main reason that we would see CWD move across the province, which is actually carcass control. That's the number one way that we've seen it in the past.

It's early days, but it's clear that continuing to do the same thing over and over for CWD has not worked, and we have to have a conversation with the department as well as with the Alberta Conservation Association, APOS, the Alberta Fish and Game Association, and other key partners in having a more, I would say, modern way of trying to address CWD.

Mr. Loewen: Okay. Thank you very much, Minister. I appreciate those comments.

Kind of along the same vein here when it comes to wildlife management: the minister's licences. Of course, I see that as an opportunity to increase tourism and showcase the management of our wildlife around the world and, of course, bring money in for projects to do with wildlife management. I know that there have been some recommended changes or some suggestions. There might be some changes coming there, too. I just wanted to give you again an opportunity to kind of expand on that a little bit. Like I say, I believe that that's been important as our wildlife management improves, and I think that helps to showcase not only the tourism opportunities in Alberta but also to show other jurisdictions how good wildlife management can make a difference for the society as a whole.

Mr. Jason Nixon: Yeah. Thanks for that question, hon. member. The ministerial tags, which have been in place for a while – I believe it actually started under the former MLA for Rimbey-Rocky Mountain House-Sundre when he was minister, Minister Lund – I'm happy to report, and I don't know if you saw, that we've seen the first increase in a long time at the Sheep Show in Reno this year for Alberta's tag, certainly nowhere near the record yet. We've got more work to do on that.

10:20

I announced the other day at our wild sheep show that we would be adding antelope, Merriam's turkey as well as antlered moose, particularly in the southwestern portion of the province, which you know is a unique antlered moose opportunity that we have in Alberta that probably has not been given adequate attention. Hopefully, this will do it. We'll continue to use those tags to, one, give Albertans a unique opportunity. I mean, often we only talk about it from the auction side, but as you know, it also comes with a draw opportunity for Alberta hunters to get a very unique opportunity. We're going to continue to do that because we see it as a way forward to really help with conservation, particularly on some of our more unique species: bighorn sheep, obviously, but antelope and shiras moose being some of them.

Mr. Loewen: Okay. Thank you very much, Minister. I appreciate that.

I'm just going to switch over now to land and land management. You're aware of, I'm sure, because we've talked about it and had discussions on it, the town of Fox Creek wanting to purchase land. That process took – I'm not sure exactly – seven, eight, maybe even nine years. Of course, that goes through three governments, so obviously it's not all on you and your government on that.

I just wanted to bring that up but also to talk about the industrial gateway that the MD of Greenview was working with. That process is a few years under way, but I believe that's coming closed or maybe has finished, too. If I could get a bit of an update on that. I know both of these projects, you know, the industrial gateway, that time period – and I understand it does take some time to do this

process. It's not something that's just done immediately. But that investment has lost billions of dollars of the possible investment, and the Fox Creek land transfer cost the community millions of dollars of investment there, too. I guess, I know you've been working on trying to shorten up that time frame and everything. I just want to know, basically: how long? I understand not every project is the same and not every sale is the same. Roughly how long would it take now for a municipality to purchase land from the government and to go through that process? Again, I know you can't have a set number on that, but if you could just give us an idea if that timeline has been shortened and that process streamlined a little bit.

Mr. Jason Nixon: I would answer this question both with grazing leases timelines as well as purchases. We have certainly, with the advent of bringing in the DRAS, been able to speed up the grazing lease side of it significantly. I mean, under the former government I think a grazing lease transfer was sometimes between three and seven years, and now we have that well underneath a year, as we should. We are moving forward rapidly on the dedicated industrial zone in the heartland down here. We see that pilot as the opportunity to be able to then be used in places like Greenland, right?

Mr. Loewen: Greenview.

Mr. Jason Nixon: Greenview. Sorry. Yeah; we're not going to Greenland. It'd be a muskox hunt there, hon. member. Being able to be replicated up there.

Another area that is commonly talked about right now would be Medicine Hat. We are going to see that pilot advance significantly this year, which we think long term will help with industrial zones like your community is pushing for. There are multiple ministries and, part of that process that takes time, multiple regulators as well. I wish I could say that it was easy, but it's actually a challenge. I think that if we successfully do that in the heartland, we'll be able to copy it elsewhere.

I'm glad you brought up land sales. You know, we need to protect the landscape and make sure that we're keeping Albertans' land there for recreational opportunities. You're in habitat, which I know you're very passionate about. We also need to recognize that, frankly, the land stewardship fund in Alberta: my department is primarily funded through land sales. It was built off of a concept where there is land that is owned by the Crown that would be better used for agriculture or for municipal purposes. The process of that is that the proceeds from those sales go in the land stewardship fund to then go buy habitat in more sensitive environmental landscapes. Part of the issue that we faced on this, hon. member, is to educate people on how we actually accomplish stuff. We awarded \$89 million in funding to nine land trust organizations between 2011 and 2012, for example, which conserved 172,000 acres of prime habitat or environmental landscapes. We would not be able to do that if we weren't moving some land out of our portfolio that would be better suited for agriculture and forestry purposes.

To answer the core of your question, the land sale process: part of the issue is speeding up stuff like surveys and some of the complications with other departments. We are not as far along with that as we are with the grazing lease side because that's where we chose to go first, but I anticipate the department will head there next.

Mr. Loewen: Okay. Thank you very much for that. I appreciate your bringing up the land trust information there. I think that's great to see that happening, too.

I just wanted to go on to a different topic again now with page 92 in estimates, 10.2, the TIER program and expenses there. I guess

I'm curious as to how much of that money is being spent on subsidies for solar and how that compares with what the previous government was doing. Again, I'm presuming that's coming out of the TIER fund there, too. I'm not certain. There could be some concerns on how much money has been spent on incentives and subsidies versus straight emissions reductions.

Mr. Jason Nixon: Under the previous government there would have been amounts that were spent on the subsidization of solar. In our first year in government there would have been some overlap of funding commitments. But in this budget there would be very minimal subsidies for solar if not none, with the caveat that the offset credit market itself may create some subsidies that are not being paid for by taxpayers. Just the nature of offsets could create opportunities for renewables, but this budget itself is not investing inside solar.

I think that, frankly, proves that given that Alberta continues to be, as far as I'm aware, the largest if not close to the largest province with investment in renewables without subsidies coming from the government, our government's approach to this, to create a regulatory environment where people can be innovative, makes more sense than the previous government's attempts to subsidize the industry.

Mr. Loewen: Okay. Thank you.

Just kind of one last question or comment. We do have the orphan well program when it comes to the oil and gas industry, and I'm just wondering if there is any talk or discussion going on about, you know, what might happen down the road with windmills that become less active and maybe companies that go bankrupt and how that cleanup is going to happen and likewise with solar.

Mr. Jason Nixon: There's some pressure coming on the department to have a policy conversation about potentially creating a framework to put renewable projects on Crown land. Currently there is nothing like that in the province of Alberta. I spoke about this at RMA the other day. My hesitancy to see the department go down that road remains with not wanting to be in a spot where we create the next orphan well problem on Crown land. On private land we're dealing with a whole different legal structure than we are with oil and gas, as you know, because of subsurface processes.

You know, while we have indicated, particularly to the community around Swan Hills, who wants to have this conversation, that we're willing to have a policy conversation about it, I will not allow the department to move forward with that in a significant way unless I think that there's a path forward where we can guarantee that we don't end up in a liability situation that we saw with oil and gas wells. So it's a live conversation, but the hesitancy of the department to go down that road is to protect Crown land and in particular to protect future taxpayers.

Mr. Loewen: Okay. Thank you very much, Minister.

That's all the questions I have for now, but if you didn't mind, I'd maybe just have you cover some of the issues especially when it comes to maybe environment and wildlife, if you want to take some time and discuss some of the objectives you have now and maybe endangered species and how that project is going with the endangered species committee and everything. I'll leave the time to you now.

Mr. Jason Nixon: I'll probably talk about a couple of things, then, if I could, Mr. Chair. I know the hon. member is passionate about most of them, so I'll try to stick to the ones that he and I share.

First, I do want to recognize the department and its work that we did over COVID with APOS, the Alberta Professional Outfitters

Society. I think it was a unique opportunity for us to help small businesses all across the province. I know you have worked in that industry most of your life and have been able to creatively work with that process to be able to make sure that outfitting survived inside our province. I think that the department of fish and wildlife deserves a tremendous amount of credit for that, and I certainly appreciate the work they did on that.

I know that another issue that probably is not being talked about enough on the fish and wildlife side is the work we've done on grizzly bears over the last several years. We now have the largest grizzly bear DNA study anywhere in the world that I'm aware of, that has been completed and is going to be able to provide a significant amount of data to the department to make determinations on how we manage the bear going forward, which is exciting. I think previous governments were not willing to put that level of investment into that key species. I'm excited that work has been completed. I think it's going to create some opportunities for us to be able to overcome some of the areas of concern in communities like yours and mine when it comes to the overall conversation about the grizzly bear.

10:30

I also think that the government should be very proud of the work – and I'm very proud of the department's work – when it comes to caribou. As you know, you come from that neck of the woods where there could have been significant consequences if we got this wrong. Mr. Chair, I think some of the estimates on a SARA order in northern Alberta would have resulted in about 75,000 jobs lost and maybe the end of the forestry industry inside northern Alberta, something that was completely unacceptable. It was also clear that we couldn't continue to not do anything when it came to caribou.

I think one of the great successes of this government when it comes to species at risk was the task force process that we put in place. The chair of this committee has done two of them now. It's a big job. I think he's working on a second one, but I'm sure he'll be just as successful as his first. That process of being able to bring the community together – Indigenous communities, environmental organizations, and industry – to overcome what is a real, serious species challenge that we have across basically the entire northern portion of our province has seen significant success and shows that we can manage species at risk on the landscape while still having economic activity and making sure that we can protect our economic development in the province. I think that's, to us, been exciting.

I know that the hon. member doesn't like to fish as much as me. He likes to go hunting more than me – I do like to go hunting, too, Mr. Chair; I won't deny that – but I do like to fish a little more than the hon. member. I think some of the work that we've done, particularly on walleye, is pretty exciting. It's something that was called for for a long time in opposition, being able to increase harvest opportunities in large portions of the province, playing with new regulatory techniques that can help make sure that species can be utilized by Albertans but still be there for my kids and your kids in the future, the largest investment hatcheries in decades to be able to make sure that we can maintain recreational fishing opportunities, which is really important given the speed of the growth of our population. I know you and I both want to make sure that our kids and grandkids get to enjoy the outdoors like we did. This government has invested probably more in that than any government in, I'd say, 40 or 50 years. There's some real neat stuff taking place on that.

I know that the chair, who has been very passionate about this issue as well, is – you know, even stuff like cormorants, being able to play with new ideas to see how we can manage to make fisheries sustainable and allow species to interact inside those landscapes in more efficient ways has been kind of exciting. In particular when it

comes to fish, Alberta's challenge with a lack of water compared to other jurisdictions, there has been a lot of creativity that's been allowed to take place on fish and wildlife over the last couple of years.

The other one I'll talk about – I don't know if you know this, hon. member. We have some more turkeys on their way here. Governments of the past have sat on the turkey management plan for a very long time, and I signed off on that just recently. We're bringing in more turkeys, Merriam's turkeys, from Manitoba to increase what is a really unique hunting opportunity for Albertans and at high demand. I think it's one of the highest things tried to be drawn every year, and we're working with the Alberta Conservation Association on conversations about a new species of turkey coming into Alberta.

There's lots of exciting stuff happening, so much exciting stuff that I'm losing my voice.

The Chair: Thank you very much. Are there any other members wishing to speak?

Seeing none, then pursuant to Standing Order 59.01(8) the estimates of the Ministry of Environment and Parks are deemed to have been considered for the time allotted in the schedule. This also concludes the consideration of the 2022-2023 main estimates by the Standing Committee on Resource Stewardship.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 10:34 a.m.]

