

9 a.m.

Wednesday, May 8, 1991

[Chairman: Mr. Pashak]

MR. CHAIRMAN: I'll call this meeting of the Public Accounts Committee to order. We have just a few items of business before I introduce our guests. Would anyone care to move the adoption of the minutes as circulated? Moved by Mr. Sigurdson. Any business arising from the minutes or any questions, additions, errors, admissions? Hearing none, those in favour of adopting the minutes as distributed. Agreed.

I'd like to first of all to welcome again Donald Salmon, the Auditor General, and Andrew Wingate, the senior Assistant Auditor General. This morning we have the pleasure of having the Minister of the Environment, the Hon. Ralph Klein, with us, and he's brought a fair delegation of members from his department. I'd invite the minister to introduce his delegation and make whatever opening comments he'd care to make.

MR. KLEIN: Well, thank you very much, Mr. Chairman. I'm pleased to appear before this committee for the second year as Minister of the Environment to present you with expenditures and issues related to the 1989-1990 fiscal year. Members may be aware that 1989-90 marked the first complete fiscal year that I was responsible for the Ministry of the Environment.

Before I get into my very brief presentation, I'd like to introduce the delegation that I have with me today. They just want to make sure that I've been thoroughly briefed and that if I don't have the answers, there is someone from within the department - although I have half of them here - to answer the questions. On my immediate right is Peter Melnychuk, assistant deputy minister of water resources; Bill Simon, assistant deputy minister of finance; Ken Smith, ADM of environmental protection services; Sherman Weaver is executive director of the Environmental Centre at Vegreville; Ken Simpson, president of the Alberta Special Waste Management Corporation; Natalia Krawetz, CEO of the Environment Council of Alberta; and Ron McKague from Alberta Special Waste Management, finance division.

Mr. Chairman, there were a few issues of concern raised by the Auditor General in his annual review of the ministry's operation, and we have of course made the necessary adjustments to address the Auditor General's comments and recommendations. Later on I would be glad to answer any specific questions that you may have in relation to the Auditor General's report.

First, I would like to provide you with an overview of the ministry's 1989-1990 expenditures. There were five votes that fiscal year. A total of \$119 million was appropriated for the department under the General Revenue Fund, and a total of \$123.2 million was expended under these votes. During the fiscal year supplementary funding totaling \$6.3 million was obtained by way of special warrants. Out of the \$125.3 million provided by the General Revenue Fund, \$2.1 million, or 1.7 percent, was left unexpended.

Included in the vote 1 expenditure was the department's public consultation process to update and revamp Alberta's environmental laws to meet the needs of the 1990s and beyond. That is an ongoing process, with that legislation now working its way through government for introduction in the House hopefully sometime this month but certainly by early June. The process started in 1989-90 with the publication and distribution of the mission document. Basically, it was a document that said to the people of Alberta: "Here's where we are in terms of protecting

and enhancing our environment, and here's what the environment is all about. Where, as Albertans, would you like to see us go?" We asked Albertans to respond to the mission document in terms of helping us draft new, all-encompassing legislation. We've received literally thousands of letters, and these letters were read very, very carefully. With some extrapolations we were able to get some consensus as to where Albertans want us to proceed in terms of protecting our environment. Approximately \$250,000 was spent in 1989-90 for this very worthwhile public undertaking. Funding of \$630,000 was obtained by way of special warrant for this process, but the unexpended balance was, of course, returned to Treasury.

Vote 1 also funds our environmental education program. A major emphasis for the fiscal year under environmental education included a full year's implementation of the water literacy program, which was a water education program for Alberta schools. Over 80 workshops were conducted, and over 1,600 teachers participated in these workshops. Over 80 percent of the workshops, Mr. Chairman, were for the elementary component of the water literacy program, which is becoming a recognized and appreciated resource that is making its way into Alberta's classrooms. Similarly, the junior high series is being welcomed by grades 8 and 9 general science teachers, who will be able to use these units as highly correlated curriculum resource materials that will assist them in planning for new junior high science curricula.

Vote 2. This included Environmental Protection, Enhancement and Research with \$41 million expended there representing an increase of \$2.6 million, or 7 percent, over the 1988-89 expenditures. The department continues a very comprehensive and sophisticated approach to research, with emphasis on emerging issues such as pulp mills, waste management, and new environmental technologies. The fiscal year witnessed another major public consultation initiative: \$1.5 million of special warrant funds were acquired to allow for public involvement in the review of Alberta-Pacific's environmental assessment process. Included in these expenditures were \$235,000 for intervenor funding to groups and individuals to help defray the costs of preparing submissions and participating in the hearings.

The department was involved in two important environmental protection initiatives during the fiscal year. The first one was the emergency containment of creosote in and along the Bow River, and the second one was the disposal of PCB contaminated material from the Fire Park site in Calgary. These types of costly emergency responses are beyond the department's normal budget provisions, so special warrant funding of \$850,000 and \$450,000 respectively was obtained to allow the department to tackle these problems. For those abandoned or contaminated sites the program HELP, Help End Landfill Pollution, as well as the management of underground storage tanks program, or MUST, have been put in place to provide remedial actions wherever human health or the environment is threatened. Over \$2.7 million were expended to municipalities for regional waste management systems, which included sanitary landfills, transfer stations, and incinerators.

In addition to the three special warrants - Al-Pac, the Bow River creosote problem, and Fire Park - two more special warrants were approved during the fiscal year under vote 2. Special warrant funds of \$232,000 were obtained to enable the Alberta Environmental Centre to carry out research projects. It's to be noted that an equal amount of funds were deposited back into the General Revenue Fund, as outside agencies, the private sector, had reimbursed the centre for this entire amount. As well, another special warrant of \$150,000 was obtained for

the development of a comprehensive waste minimization and recycling program.

With respect to vote 3, Water Resources Management, a total of \$48.6 million was expended. Water management and erosion control programs benefited 69 municipalities with 101 projects for a total expenditure of \$4.4 million. And 1989-90 saw the successful conclusion of the Alberta water supplies assistance program. Under that program Alberta Environment provided grants to individual landowners for the construction or improvement of water wells as well as grants, equipment, and technical assistance to communities for the replenishment or replacement of water supplies that had failed due to drought conditions in 1988 and 1987 in particular. A total of \$8.9 million was expended, with \$2.3 million being provided by special warrant.

With respect to vote 4, Special Waste Management Assistance, this involved an expenditure of \$25 million. This was for the installation of a new rotary kiln at the Swan Hills treatment centre to handle solid waste. We still have a backlog of solid waste in this province. Of course, further expansion is now being contemplated, and indeed the environmental impact assessment process is now under way with respect to that proposed expansion.

With respect to vote 5, Overview and Co-ordination of Environmental Conservation, a total of \$1,059,000 was appropriated to the Environment Council of Alberta, with \$195,000 being awarded through the special warrant process.

The 1989-1990 fiscal year was the start of many initiatives by the department, and in that fiscal year that has just passed we have made significant progress relative to some of the programs that were initiated. With that brief overview, Mr. Chairman, I would be happy to respond to questions you or members of the Public Accounts Committee may have.

9:10

MR. CHAIRMAN: Thank you very much. Time's a little shorter this morning than normal, so we'll get right into questions. This is the list the way I have it: Mr. Severtson, Mrs. Black, Mrs. Laing, Mr. Drobot, Mr. Payne, Ms Calahasen, Mr. Cardinal, Mrs. Osterman. Okay.

Mr. Severtson.

MR. SEVERTSON: Thank you, Mr. Chairman. Good morning, Mr. Minister, and welcome to the staff. My question today is on page 3.50, vote 2.4. Wastes and Chemicals received a special warrant for \$1 million. What was the special warrant needed for?

MR. KLEIN: Well, this ostensibly was for the creosote problem on the banks of the Bow River. This is a very serious problem, where many years ago Canada Creosoting, a family operation, had a very good business going but was ignorant of the environmental consequences of the application of creosote as protection for railway ties and other wood products. What happened over years of I guess what would be considered abuse of this substance was that it was allowed to seep into the ground. It formed large pools. That material is now leaching into the Bow River. It had to be contained on an emergency basis. We had known about the problem for some time, and we were doing some investigations to determine how this stuff is flowing, where it's flowing, and so on. During the investigation some leaching actually started to appear, so we had to take some emergency measures to contain the materials coming up through the riverbed. The ultimate cleanup, unfortunately - and I hate to say this, but it certainly demonstrates what has happened and the

consequences of poor environmental law or the lack of environmental law completely 50 or 60 years ago - is probably going to be in the neighbourhood of \$35 million to \$45 million, cost shared hopefully by the federal government.

Basically, that was what the special warrant was for. I don't think I can add too much to that.

MR. CHAIRMAN: Do you have a supplementary, Mr. Severtson?

MR. SEVERTSON: Yes. I guess the supplementary to that is: have you got any time line when that would be cleaned up?

MR. KLEIN: Again this takes us into an ongoing program. It's so very, very hard to say, because the investigations are still under way. What we've got to do is make sure that when we go in to clean up this site, we don't disturb it to the extent that we would make the matter worse. It's a very sensitive, very delicate situation to handle because of the viscosity, really, of the materials involved. It sort of moves like jelly. I hate to say it, but it's unaffectionately referred to in Calgary as "the blob." Really, we just don't know the extent of this thing and how far it's traveled, because it really can move in very strange ways. We have to do a very detailed investigation as to how to approach the problem, and once that has been determined - where it's moving, and how it's moving - how we get at it. So it could take some years, but what we are doing and doing successfully is managing to contain, through a series of dikes and so on, this material from making its way down the Bow River.

MR. SEVERTSON: Thank you, Mr. Chairman, for letting me use the latitude of going off the public accounts slightly: the last answer wasn't an expenditure for '89-90.

My final supplementary: what is the nature of the Waste Assistance on page 3.53, vote 2.4.6?

MR. KLEIN: As you may be aware, in this province we have decided, certainly outside the main centres of Calgary and Edmonton, that as much as possible we should regionalize waste management. This allows us really to get rid of some of these very obnoxious town and county dumps that were developed way back when in an environmentally unsafe manner. Basically, regional waste management programs involve, instead of dumps in the smaller towns, transfer stations: very well operated, clean kinds of facilities that collect the waste and then bring it to environmentally sound regional sites. These things are fairly expensive to operate, and in rural municipalities, where the tax base is perhaps not as strong as it is in major municipalities such as Calgary and Edmonton, it was the policy of the government that we ought to provide some financial assistance to these municipal waste management authorities to provide and assist in the establishment of these regional facilities. In some cases we pay up to 100 percent of the initial capital costs of these systems. They're innovative, they're somewhat revolutionary in terms of waste management handling in this country, and we feel that if we're going to help clean up the problem and if we're going to demand these kinds of things, there ought to be a responsibility on the part of government to assist these municipalities.

MR. CHAIRMAN: Mrs. Black.

MRS. BLACK: Thank you, Mr. Chairman. I'd also like to welcome the minister and his department and congratulate you

on all the fine work and foresight that you've shown these last couple of years. I commend you on that.

I'd like to ask a question. It's with regard to vote 2, on page 3.53. It's vote 2.3.2, Water Quality. There's an overexpenditure of \$280,000, and I was wondering if you could explain to the committee what the \$280,000 overexpenditure was for.

MR. KLEIN: Well, Mr. Chairman, a lot of this dealt with the kinds of things that we had to contend with respecting pulp mill development, especially on the northern rivers. Basically, it was demonstrated that we had to have in place more systems for river surveys, computer modeling of the impact of pulp mill discharges in the rivers, and the consultants, of course, to do the analyses and the sampling of the effluents. These works, by the way, enabled the government to set standards, basically new standards, for biochemical oxygen demand and total suspended solids, which I think have contributed somewhat to the fact that most of the mills now on the river system are operating far below their licensed limits.

We are all aware of the debate and the controversy surrounding the pulp mill development. Since this is an evolving industry in the province of Alberta and since we want to be the best and maintain our policy of achieving whatever is the best environmental technology achievable in the world, we had to put in place the kind of monitoring system that would make sure we had proper information that would require the mills to meet our standards.

9:20

MRS. BLACK: As a supplementary, Mr. Chairman, the minister alluded earlier to the question from Mr. Severtson that there was some funding available for municipalities and they needed to have landfill site cleanups, et cetera. I understand there was a water quality study done for the city of Edmonton. I'm wondering in which vote those funds are in the accounts. I don't see them identified.

MR. KLEIN: First of all, let's make it quite clear that while regional waste management is supported and subsidized by the provincial government in rural areas, that doesn't mean to say that we are completely ignoring the cities. When special problems are identified in municipalities – and some have been identified in the city of Edmonton, and there's one evolving in the city of Calgary relative to some fairly ambitious plans to upgrade once again the sewerage wastewater treatment facilities there.

Basically the problem that has been identified in the city of Edmonton is twofold. One we don't have the funds for right now and we'll probably have to deal with that later on, and that is the whole situation relative to a regional approach to solid waste management. But the program we are committed to is to embark with the city of Edmonton on a joint water quality study. That falls under the mandate of vote 2, Environmental Protection, Enhancement and Research. Basically what we're trying to determine with the city of Edmonton is: how do we develop an action plan that will prevent the discharge of up to 13 million or 14 million gallons of sewerage into the North Saskatchewan River every time it rains heavily in this city because of some problems that were created in the past through residential subdivision development and so on? Basically that comes under vote 2, and it represents a commitment by this province to participate with municipalities when they have particularly difficult problems to deal with, to see how action plans can be formulated to deal with these problems.

MRS. BLACK: Finally, Mr. Chairman, with due respect to the city of Edmonton, we've been hearing ever since I was elected about Edmonton dumping raw sewage into the Saskatchewan river. I guess my question is: are they making any progress on cleaning up this mess?

MR. CHAIRMAN: A revision. I think technically your question is: is there an expenditure during this year under review that addresses that problem?

MR. KLEIN: Yes. We are making some progress, and in about six months, I believe, we should have an action plan that will tell us not only how we deal with this problem – and it's not only a problem of sanitary sewerage; it's a problem, too, that deals to some degree with storm sewerage. We should have within six months a plan in place. It's not so much the plan that we're concerned about. We want to make sure the plan achieves what we want it to achieve and at the least cost, because ostensibly the ratepayers will be responsible. That was the case in the city of Calgary. Just to give you a very quick example as to how this thing works, I can recall the Environment minister of the day giving the mayor of the day, who wasn't this mayor, an order to clean up and expand sufficiently the wastewater treatment plant in the city of Calgary. Well, it cost the taxpayers of that city \$124 million, and the people willingly paid for it because they saw they were the contributors to the problem. It's the old philosophy "The polluter pays." The province of Alberta did, however, contribute \$11 million to the introduction of alum to cut down on phosphates, which was the first phase of tertiary treatment in that city. So we have to look at these programs first of all in terms of what can be done, how it can be achieved at the least cost, and what our contribution is going to be.

MR. CHAIRMAN: Mrs. Laing.

MRS. B. LAING: Thank you, Mr. Chairman. I also would like to say welcome to the minister and his department and would like to congratulate him on the publications he's been doing in the last year, especially educational ones. I think they're very, very excellent and well used by the public.

On page 3.51, vote 1, under Supplies and Services, I'd like to show a special warrant in the amount of \$630,000. Could the minister please describe what specific supplies and services were required which were not originally budgeted for in the estimates? It's on page 3.51, vote 1, a special warrant of \$630,000.

MR. KLEIN: Well, I don't have the document with me, but certainly it's been referred to enough in this House and in other places. I thought it was a good document that basically outlined where we were in terms of providing environmental protection services and other environmental programs. It asked the Alberta public what they thought could be done to improve our environmental laws. Basically the \$630,000 was earmarked for the preparation of that publication, the mailing, the freight and postage, the contracted professional and technical services. As a result of that publication going out, we received in excess of 5,000 responses and people really told us what they thought about the environment. They told us very frankly what they thought about the policies that existed then, what should be done, and as I mentioned earlier, we're now in the process of bringing in some very exciting, challenging changes to environmental law in this province that not only will establish new standards with respect to today's environmental realities and expectations but will provide Albertans with an environmental

agenda that will take us through this decade and into the next century.

So the Mission Statement and the \$630,000 earmarked for that was basically the first step in a very long, detailed public process to bring about new environmental law in this province.

MRS. B. LAING: Thank you very much. My supplementary question. On the same page and under the same vote, vote 1, there was an unexpended amount of \$350,512 under Salaries, Wages and Employee Benefits. In what area were these savings realized?

MR. KLEIN: Basically, and I stand to be corrected, these were vacancy positions being higher than anticipated. In other words, these vacancy positions simply were not filled.

MRS. B. LAING: Good. Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Drobot.

MR. DROBOT: Thank you, Mr. Chairman, and good morning, Mr. Minister and staff. My question relates to page 3.54. Payments from Government of Canada increased to \$462,000 in 1990 from \$45,000 in 1989. Could the minister please explain why there is such a substantial increase from '89 to 1990?

9:30

MR. KLEIN: Basically, Mr. Chairman, we have numerous agreements with the federal government, and these agreements are amended from time to time. This particular agreement is the result of an amendment for flood damage reduction and flood risk mapping. It was agreed that that ought to be a priority. It was a legitimate joint venture operation between the government of Canada and the province of Alberta, and as a consequence, it was agreed that more funds should be allocated to this program.

MR. CHAIRMAN: Supplementary?

MR. DROBOT: How much of this revenue comes under the cost-sharing agreement with the federal government to clean up abandoned industrial sites?

MR. KLEIN: Again, as I pointed out, Mr. Chairman, there are many federal/provincial agreements. The federal/provincial agreement that was recently signed relative to orphaned sites and the cleanup of these industrial sites is a totally separate agreement, and no revenue would come out of the program as it relates to flood damage reduction and flood risk mapping.

MR. DROBOT: Well, perhaps a related question: to what extent do you expect revenues for 1991 to increase or decrease?

MR. KLEIN: Well, again, revenues for 1991 - of course, these are in the estimates - are increasing by close to a million dollars, about \$826,000. Again this includes programs such as native grass seed and flood damage reduction and orphaned contaminated sites. In 1991-92, especially as it relates to the orphaned sites, the contaminated sites program, we're looking at these programs to increase even more, to something like \$3.1 million under that one program alone.

MR. PAYNE: I think it's safe to say that special warrants are very useful and at times a critically valuable funding source for

emergent situations. I guess that would apply particularly to a department like the Department of the Environment. So one ought not to be surprised at all in seeing use made of special warrants in departments. Having said that, however, I'm somewhat puzzled if not dismayed by a couple of special warrants noted on page 3.51 of the public accounts. I'm referring specifically to vote 2, Environmental Protection, Enhancement and Research. Mr. Chairman, you'll note under the Special Warrants heading in the supplies and services object there's a special warrant in excess of \$2.6 million. I'm curious as to what additional supplies and services were required for environmental protection, enhancement, and research of this magnitude and that apparently were so unexpected and therefore unbudgeted.

MR. KLEIN: Well, Mr. Chairman, to account for the \$2.6 million, there were five different warrants. The bulk of that money, of course, was for the Alberta-Pacific pulp mill environmental impact assessment review, the joint review involving the Northwest Territories, the feds, and Al-Pac. The bills are all just in; they've all been calculated on that, and there could be some recoveries because we'll now be going back to the feds and the company to determine how this thing can be cost shared. That accounted for about \$1.5 million.

The other was \$740,000, for instance, that related specifically to the investigation and preparing the emergency containment of the creosote in the Bow River.

Another one related to \$450,000 that we had to up-front, if you'll recall, when there was a huge uproar in the city of Calgary. Alderman John Schmal, for instance, instigated it. With respect to the PCBs at Fire Park - you remember it well, Mr. Chairman - we made the decision that look, these birds aren't going to clean this thing up; there's some danger there. So we stepped in and cleaned it up, and then we went to court and lost originally. They said we had no business, for certain reasons, to be in there, and we appealed that. No, I'm sorry. Yeah, we appealed it, and then we won on appeal. They overturned the appeal. They then appealed to the Supreme Court of Canada; the Supreme Court refused to grant leave to appeal. Now they owe us \$450,000 and we're going to go after that, so there may be some recoveries there. But we had to go in and up-front that money and clean it up.

We needed dollars to do the preliminary work on the comprehensive waste minimization recycling program, which is now off the ground. We needed about \$150,000 to start that.

We needed about \$92,000 to stimulate joint funding for the Alberta Environmental Centre at Vegreville, and as a result of that we got in excess of \$200,000 in private-sector funding. So really, although we up-fronted the \$92,000, that has been fully recovered.

Unfortunately, Mr. Chairman, a lot of these things, with the exception of Al-Pac and the containment of the creosote on the Bow River, there's been virtually . . . There's been recovery on two of the five programs. Well, there's potential for recovery - I'm sorry - on three. There's potential for some recovery on Al-Pac, there's potential for full recovery plus all our costs associated with this on Fire Park, and the research funds have already been recovered.

MR. PAYNE: That's a very useful answer, and if I could be pardoned an editorial comment, I think it's illustrative of the critical value of special warrants in such emergent situations.

I wonder if I could take the minister up just a line now, also dealing with special warrants, up to Salaries, Wages and

Employee Benefits. I'm really puzzled by the \$170,000 special warrant, yet at the same time we show in the next column under Transfers a \$353,000 transfer out of the object. I'm curious, Mr. Chairman, what happened. What changed between the time of receiving the special warrant and the decision to transfer some funds out of that object? It may have a simple answer, but frankly I'm really puzzled by it.

MR. KLEIN: I'm sorry, Mr. Chairman, I'm just . . . Okay. In late 1989 an application for a special warrant was completed by the department for the \$170,000, and that was to supplement manpower. When we neared the fiscal year-end, it was found that a manpower surplus was going to occur as a result of higher vacancies than were anticipated in December of 1989. So basically that was the fundamental change.

MR. PAYNE: I'm really curious what would trigger those additional vacancies, but I don't want to waste my last sup.

My last sup, Mr. Chairman, has to do with the \$439,000 underexpended amount in the last column. Staying on the same objects - Salaries, Wages and Benefits - we have the late '89 special warrant, we have the fiscal year-end \$353,000 transfer out, and then we end up showing \$439,000 unexpended.

9:40

MR. KLEIN: Well, basically, from time to time I guess you underestimate or overestimate manpower needs, and the adjustments that occur - in this case, positive adjustments for the most part - occur through an examination of the accounts by the Public Accounts Committee. All I can say is that our surplus was a result of vacancies not being filled. We'll try and do a better job of filling those vacancies maybe, or maybe we're already doing a good job by bringing into place more productivity and service improvement and not having to fill those vacancies.

MR. CHAIRMAN: Mr. Bruseker.

MR. BRUSEKER: Thank you, Mr. Chairman. I'd like to draw the minister's attention towards the back of the book, please, to page 6.93. That deals with the Alberta Environmental Research Trust. At the top of the column it says "Alberta Environmental Research Trust Statement of Revenue, Expenditure and Unexpended Funds." It shows that there's a grant from the province of Alberta of \$300,000, and that also was the case in 1989. At the bottom of that column it shows that they have unexpended funds of \$339,000, and at the beginning of the year they had quite a chunk of money on hand as well. So my question is really: why would you give them \$300,000 when they've got more than that in the bank?

MR. KLEIN: Well, it's an annual grant; it's not an ongoing program. Obviously, all the grants weren't given out. I'm sure that if we were to provide the hon. member with an answer today, you would find that those funds have been expended.

MR. BRUSEKER: Okay.

MR. KLEIN: I met with the Alberta research trust only a few weeks ago and was given some assurance then that basically everything that was reviewed and applied for had been granted, and that had depleted their funding allocation.

MR. BRUSEKER: I'd like to move on to another corporation under the Department of the Environment. That's just a couple of pages over, 6.97, the Alberta Special Waste Management Corporation. I note again here a substantial grant, which the minister spoke of briefly, a \$25 million grant, last year almost a \$28 million grant. Yet when I look at the operations, really the nuts and bolts of this particular corporation, the collection and storage operations and the community waste programs - roundups - that total expenditure is only \$2.8 million. I guess really my question on this particular corporation is that if we're giving them a potful of money yet they're not expending it on actual delivery of programs to the people of Alberta, I'm wondering why we have such a large grant compared to such a small expenditure in actual handling of waste products. There seems to be a lot of money on expenditures in administration and very little in delivery of programs.

MR. KLEIN: Well, basically the bulk of that is the contribution to the operation of that plant. It's very sophisticated, certainly from a technical point of view a highly sophisticated operation that costs a lot of dollars to run. I guess it's like any other kind of device or mechanism that would be established to handle hazardous wastes. It has to be handled in such a sensitive way and the equipment has to be sufficiently sophisticated to make sure that these wastes and their ability to contaminate land are destroyed or are safely secured for all time from the public. That's what it is; it's the operation. It's not the storage and collection of waste; it's the actual destruction, the killing of these wastes.

I think that if the hon. member hasn't been to Swan Hills, perhaps he should pay a visit to Swan Hills and get an understanding of the tremendous sophistication involved in destroying these wastes and the extremely high operating costs associated with the destruction.

MR. BRUSEKER: My final supplementary then. Just a little further on down that column it notes that in 1989 there was an excess of revenue of \$5.5 million and last year, 1990, a deficiency of revenue of \$3.7 million. That's a swing of \$9.2 million from a good profit to quite a loss, and I'm wondering what the minister is doing to attempt to stabilize the wild swing that has occurred. Can we see a little more stability in the future?

MR. KLEIN: Well, perhaps I could have Ken Simpson answer that question, Mr. Chairman, relative to this question of an excess of revenue over expenditure, 1990 to 1989.

MR. SIMPSON: It comes about, sir, because of the way the commercial operation works at Swan Hills. We do have a joint venture with a private-sector company where there is a revenue component, and that revenue component swings very wildly depending on the market, depending on the types of waste that they take in each year plus the types of treatment processes that have to be applied to those wastes. Really what we're trying to do here is fit a commercial operation to a government budget system, and there will be these fluctuations. We're trying to stabilize that, but it's going to be a number of years before we can see an ongoing, stable operation where we can budget on a year-to-year basis basically a year in advance. That's where the problem comes in, trying to match an ongoing commercial operation with a budget system as we have here.

MR. CHAIRMAN: Ms Calahasen.

MS CALAHASEN: Thank you. Good morning, Mr. Minister and all the staff that have accompanied him today.

On page 3.50 in the big blue book, on vote 2.5 there's a special warrant listed under Pollution Control in the amount of \$450,000. I guess like my colleagues from Innisfail and Calgary-Fish Creek I'm curious as to why you would need a special warrant for that particular vote.

MR. KLEIN: Well, this is the amount that we had to up-front to go in and decontaminate the Fire Park site. As I explained earlier, Mr. Chairman, the government is now involved because of the Supreme Court of Canada ruling in recovering those costs, the \$450,000.

MS CALAHASEN: Then just to follow through, on 3.53 and under vote and reference number 2.5.1, Investigations, what type of investigations were carried out relative to the pollution control there?

MR. KLEIN: Well, basically - and this is all accounted for in the \$450,000 cost - it was the investigation leading up to a prosecution, and I would assume it involved, certainly, the Clean Air Act and the Clean Water Act, the Hazardous Chemicals Act, the Agricultural Chemicals Act, the Litter Act to some degree I guess, and whatever other Acts we could throw at them. Soon, I guess, we can just use the environmental protection and enhancement Act. I know there were numerous contraventions of various Acts, and it involved quite a detailed investigation leading to prosecutions under a number of these Acts.

9:50

MS CALAHASEN: In your view, then, do you think there will be an increasing trend in the number of investigations from year to year which will continue at this particular level?

MR. KLEIN: Yes, I think we're going to see that. It doesn't really relate to the estimates today or the Public Accounts Committee subject, but certainly we're experiencing increases that amount to about 40 percent a year in the number of public complaints. As a consequence, our investigations have increased by 40 percent. If you look carefully at investigations that lead to prosecutions, you will find that more of these are now starting to occur. There has been a demonstrable increase in investigative activities, and I think that there's been a demonstrable increase also in successful prosecutions.

MS CALAHASEN: Thank you.

MR. CHAIRMAN: Excuse us for a minute while we ring the bells. Thank you.

Mr. Gibeault.

MR. GIBEAULT: Thank you, Mr. Chairman. If I could direct the minister's attention to page 3.53 in the large public accounts book, the first item in vote 1 is Minister's Office. The public accounts show that the minister's office budget was overexpend by about 30 percent in the '89-90 fiscal year. Can you explain to us, Mr. Minister, why that was?

MR. KLEIN: Well, I'll probably give the answer that the hon. member would like to hear. It's mostly due to travel. I can tell you it hasn't been travel to exotic places such as Paris and

London and Rio de Janeiro and some of the places I used to like to go when I was the mayor of the city of Calgary prior to the Olympics. It's been going to places like Vulcan and Swan Hills and High Prairie. I do spend just a tremendous amount of my time in the rural areas.

I think it's important to get a visual handle and be able to talk firsthand to the people who are experiencing some of the problems with respect to the environment. That's one of the problems, and it involves, just as I say, a lot of traveling. I can assure you, Mr. Chairman, that I don't spend a lot of money on hosting, and I don't spend a lot of money on exotic travel. Most of it is travel within the province. I'm on the road practically every weekend.

MR. GIBEAULT: Supplementary question then. It strikes me that \$70,000 would pay for a lot of travel, and while I'm glad to hear the minister likes to keep in touch with people around the province, I wonder if he couldn't give us some commitment to restrain expenditures.

MR. CHAIRMAN: No, no. That question's out of order. [interjection] No, it's out of order. We're dealing with the reasons for expenditures. We're not into a policy debate.

MR. GIBEAULT: All right.

I guess, Mr. Chairman, I'd like to have a supplementary question further on that same page, the item of 3.4.6, Groundwater Development, also a substantial overexpenditure of some \$4 million. The estimates were for 6 and a half million dollars, and it came in at \$10.6 million, almost \$10.7 million.

MR. KLEIN: First of all, the water supply assistance program, I think I explained earlier, came about as a result of severe drought conditions in '87-88, and I guess the program's overexpenditure was due to the very high level of demand experienced under Alberta Environment's component of that particular program. I can recall one of the hon. member's rural colleagues in the NDP caucus coming to me prior to March 31, 1990, when that program expired, to say, "Could you please extend it?" The rash of applications that came in near the end was phenomenal. We made the decision to cut it off, but we could have spent a lot more money than that had we carried that program past March 31 of 1990, when I believe it expired, Peter.

Perhaps Mr. Melnychuk could supplement that.

MR. MELNYCHUK: As a result of the drought in 1988, the government responded with the water supply assistance program, and during the course of the two years that the program was operating, approximately 12,000 landowners had assistance for developing drought-proof wells. Also, about 35 communities were assisted with assured groundwater supplies. The applications for the program were in such high demand that the expenditures were above what was anticipated when the program was first developed, which was about 18 months prior to that.

MR. CHAIRMAN: Okay. I'm afraid we're just about out of time, so we won't be able to take any more questions. But what I'll do: all those people that are on the list I'll make sure that I recognize first next week if that's all right.

Just a quick comment. In terms of your opening statements when you present a question, if you're too praiseworthy of the guest that's with us, I think it invites critical comment from opposition members. So we may want to take that into consideration in the future.

Finally, I'd like to point out that next week we'll meet with the Minister of Consumer and Corporate Affairs, the Hon. Dennis Anderson, at 8:30, and then we will not meet again until June 5 because members will be away on various committees and the House will not be in session.

MR. SIGURDSON: Isn't it the Minister of Technology, Research and Telecommunications?

MR. CHAIRMAN: Consumer and Corporate Affairs.

MR. SIGURDSON: Oh, that's right.

MR. CHAIRMAN: I'd like to thank the Minister of the Environment for coming this morning. I know he had to take time out of a very busy schedule, and I recognize that the members of his department did also. I'd like to thank them for coming as well and the Auditor General and Mr. Wingate.

So with that, Mr. Moore.

MR. MOORE: I move that we adjourn.

MR. CHAIRMAN: Okay. Motion to adjourn. Are you agreed?

HON. MEMBERS: Agreed.

[The committee adjourned at 9:59 a.m.]

