

[Mr. MacDonald in the chair]

THE CHAIR: Good morning, everyone. I would like to call this meeting to order, please. There was an agenda circulated to the members earlier in the week. Are there any questions regarding the agenda? May I have approval of the agenda, please?

AN HON. MEMBER: So moved.

THE CHAIR: We're meeting this morning with Dr. Lorne Taylor, Minister of Environment, and the Hon. Mike Cardinal, Minister of Sustainable Resource Development. Before we proceed, would it be possible, perhaps starting with Ms Blakeman, to introduce ourselves briefly for the convenience of all those assembled this morning.

[Mr. Ambrock, Ms Blakeman, Mr. Broda, Mr. Cao, Mr. Cardinal, Mr. Cenaiko, Mr. Churlish, Mrs. Dacyshyn, Ms DeLong, Mr. Fessenden, Mr. Goudreau, Mr. Gray, Mr. Hoffman, Mr. Hug, Mr. H. MacDonald, Mr. W. Macdonald, Mr. Mason, Mr. Palmer, Mr. Pellis, Mr. Quintilio, and Mr. Stratford introduced themselves]

THE CHAIR: Thank you very much.

Mr. Cardinal, are there any of your staff at the back as well that are going to assist you this morning?

MR. CARDINAL: Yeah. We have a couple more members. Bob was already introduced. Donna Ballard, who is my executive assistant, is here also with me and also Daphne Cheel, executive director of policy and planning, and Anne McInerney, wildfire support.

THE CHAIR: Thank you. If any of those individuals would like to participate whenever questions are asked or assist with answers, they're welcome to go to the podium there to your right.

Mr. Cardinal, could I ask you, please, to give us a brief but concise update of your department?

Yes, Ms Blakeman.

MS BLAKEMAN: I'm sorry. Am I misunderstanding? I thought we had the Minister of Environment here as well.

THE CHAIR: He's not here yet, and hopefully he will arrive. But we have two ministries and two ministers here.

MS BLAKEMAN: But we are expecting him?

THE CHAIR: We certainly are expecting him, yes.

MR. CARDINAL: I would hope so, because most of the issues that are going to be dealt with today I believe are under Environment, under that particular minister. I wasn't alerted that I was going to be acting. I'll start off briefly. Thank you very much.

I've introduced the staff already, so I won't get into that. I'd like to thank you for allowing us to be here this morning. I know that our time is reasonably limited. I assume that a majority of the questions may be directed to Lorne's department.

Two of the ministry's priorities in 2000 were protecting our lands and forests and fish and wildlife species. First of all, of course, Environment continued to do a good job managing Alberta timber resources in a sustainable manner. As you're aware, when I mention Environment, this was under Environment at the time, so I don't want to get it confused. We continue to do a good job, I believe, in managing our timber resources in a very sustainable manner.

Although the timber harvest in Alberta increased, it was still below the annual allowable cut, which is a goal that is stated in the ministry's business plan. Of course, helping protect our forests is also another. Environment did a fine job of fighting wildfires. Again we declared an early fire season, and staff were on the job and prepared to fight fires one month earlier than the previous year.

In protecting fish and wildlife resources, the ministry followed through on its commitment to report on the status of Alberta wild species every five years. Once again we took a leadership role on this issue. Work was begun on the General Status of Alberta Wildlife Species 2000. This report is a tool to help us improve conservation and give us a baseline for measuring future changes in species. Out of 832 species that were assessed, 12 were classified as at risk. That is less than 1.5 percent. This is certainly lower than the target of 5 percent, which was in the business plan.

That is basically the main area when you look at the estimates for 2000-2001 from our end of the responsibility at the time. The balance of the report generally covers Environment. Thank you.

THE CHAIR: Thank you very much, Mr. Cardinal.

Ms Blakeman, do you have any questions for Mr. Cardinal?

MS BLAKEMAN: Well, I don't know if it falls under him specifically now, but it did then. When I look at page 91 of the Auditor General's report, there is a reservation noted near the end. The Auditor's reports "contained four reservations of opinion that resulted from the Ministry and Department following the corporate government accounting policies and reporting practices." In particular,

a provision for the future costs of site restoration has been recorded for the Swan Hills waste treatment plant. However, numerous other sites exist where the Ministry is responsible for site restoration but no liability has been recorded.

So my question for whichever minister is appropriate . . .

MR. CARDINAL: That has to be under Environment. It's a little awkward, Lorne. I think it's best for you to redo the question.

DR. TAYLOR: This is finance, and that's fine. Since it's a finance question, I'll hand it to Stew. He knows everything about finance.

MS BLAKEMAN: Maybe if I could just ask the question.

DR. TAYLOR: Oh, okay. I thought you'd asked it.

MS BLAKEMAN: No. That was the preamble to it. Longer preambles here.

DR. TAYLOR: Oh, okay. So it's not like the Legislative Assembly. Does Hughie the Speaker keep you shorter?

MS BLAKEMAN: No. We get to go long.

AN HON. MEMBER: Chairman, Lorne. Chairman.

DR. TAYLOR: Oh, okay.

MS BLAKEMAN: What I'm looking for is: what other instances do we have where the ministry was responsible for site restoration but no liability has been recorded? In other words, what's the Auditor General referring to here?

MR. CHURLISH: In a normal business practice you would record

all liabilities on your books for any potential costs of reclamation. There are so many sites that might have a cost associated with them and the costs are unknown until such time as the site is actually identified that we're unable to provide a number in the financial statements.

MS BLAKEMAN: Can you at least indicate where the sites are? You honestly record no amount of money at all? You don't even ballpark it? You have no concept of how much this could cost us in the future? You don't even try? It's directed toward the minister; sorry.

MR. CHURLISH: Rather than guess a ballpark cost of what these costs might be, the practice in the ministry has been to wait until such time as the site for reclamation is identified and the costs can properly be determined or estimated.

MS BLAKEMAN: Well, there you go.

THE CHAIR: Thank you, Ms Blakeman.

Now I would like to welcome Dr. Lorne Taylor to the meeting this morning and provide him time to give a concise but brief overview.

8:41

DR. TAYLOR: I am pleased to be here, and I do apologize for being a bit late. I was over at the Premier's prayer breakfast praying for you all, so that's why I was a bit late.

As you know, this department is today an essentially different department than the public accounts that we're looking at. The department has been split between really three, and I'm surprised that Community Development isn't here as well, because they got quite a bit of all the parks and protected areas under Community Development. It would have seemed to me that we should have had all three departments, because the budget we're looking at, as I understand it, refers to all three departments. Is that correct? As I said, I'm a bit surprised, but we'll go on with the questions you want to deal with.

We have moved and we're moving our department, as you know, from our budget estimates that we just did to a number of different issues, but in the year that we're looking at, with the issues that the Department of Environment deals with, we feel that we had quite a successful year. We had air quality issues that we dealt with, and if you look at the air quality even today in Alberta, it's certainly better than in much of the country. We have water quality issues that we dealt with as our share of that department over the last year, and in spite of the county of Lethbridge's water turning blue on the weekend, we do have high-quality water in the province. That largely is because of the fact that we are one of the few provinces, maybe only two – I'm not sure – that have adopted Canadian drinking water quality standards either in legislation or regulation. Ours is in regulation. We've even toughened up some of those standards significantly over the Canadian drinking water quality standards. Now, that does not mean that we will not have problems with drinking water performance as we go forward, so you will get occasionally where there are communities that have to boil water, have boil water orders. Mistakes happen, like has happened in the county of Lethbridge, where the water turned blue, but that has naught to do with standards. That has to do with human error.

Edmonton, as you are aware, just got fined \$200,000 for dumping some sewage. That had naught to do with standards or even equipment. That had to do with error. I'm not sure how you protect against human error, and I don't know if you ever can. You do put warning systems in, and these warning systems are supposed to

make alarms. In the Edmonton situation the people that were working ignored the alarms. As an ex-alderman Brian might know more about how these things work than I would.

MR. MASON: They're provincial alarms.

DR. TAYLOR: Provincial alarms.

In spite of the fact that we have high standards, you know, we do have some difficulties that one has to deal with. As well, overall I believe that we have tough environmental standards.

We put out a document not long ago that looked at the fines and enforcements that we had done in the year we're looking at, and it seems to me that there were over a million dollars in fines in that year and a number of enforcement actions. A huge number of enforcement actions took place, and I think it's important to recognize that because often we get accused of not enforcing. We have some of the strictest laws in North America around environment, and we do enforce, and I want to make that very clear. The problem with enforcement is that once you're enforcing, there has already been a mistake made. There's already a mess to clean up. As we move forward, we're going to certainly retain our right to enforce, but if we can prevent the mess from being made, then from our perspective we've done a better job. So our job as we move forward will be one of education and enforcement as kind of a last result. This is our intention anyway, and we believe that that's a more effective way to deal with environmental issues.

Greenhouse gas emissions are of course another issue that we're dealing with. Of course, you'll be hearing a lot more about this, but we also have taken a strong stance on that issue, and I don't need to go into the details here. Most of you are familiar with it, but if anybody has got questions, I'd be more than pleased to try and answer your questions around this particular issue. As we go forward, this is going to be a large issue for Alberta.

We have asked the Clean Air Strategic Alliance to review our air standards as they reflect on coal-generated electrical plants in particular and come up with new standards. We put in tougher standards last summer, as you may be aware, that caused some consternation with our two major generators in this province, TransAlta and EPCOR, but we stuck by our guns and left them there in spite of interesting discussions that were ongoing and continue to be ongoing.

The Clean Air Strategic Alliance, or CASA, is made up of industry groups and environmental groups. Some of the people you might know: Linda Duncan from Edmonton is one of the people who is on that; Martha Kostuch is another person that's on that. So we have very strong environmental proponents – I've heard them called other things – in this group, and it's an interesting group to watch work. I've only been at one of their meetings, but there is quite an interesting what I'd call dynamic tension in that group. I think that from groups like that you actually get good results in the end. It may take a little longer, but you do get good results from groups like that. As we go forward, we're expecting them to take about a year to 18 months to take a look at these and come back to us with recommendations, and then hopefully I'll be able to take those recommendations to government and have government accept those recommendations.

It's going to be an interesting issue to watch develop as we go forward because it is important. Our standards, even today as we sit, are tougher than the federal standards, and they're tougher than any standards in Canada where the provinces are using coal to produce electricity. Now, B.C. I can tell you has tougher coal-burning standards than we do. But guess what? They don't have any coal-burning electrical plants, so it's easy to have tough standards when

you don't have that and don't see yourself going there.

So those are some of the important issues that we're dealing with: air quality, water quality, greenhouse gases. As we go forward, these are the issues that we will continue to deal with. I should probably stop there, Mr. Chair, and let people ask any questions.

THE CHAIR: Thank you very much, Dr. Taylor.

Mr. Hutton, a question.

MR. HUTTON: Thank you very much, Mr. Chairman. I'd like to thank both ministers for coming to this meeting this morning, in particular the Minister of Environment, who took the time to pray for us this morning. Welcome to Public Accounts in purgatory.

DR. TAYLOR: I was trying to pray us out of purgatory.

MR. HUTTON: My question is to the Minister of Sustainable Resource Development though. Referring to page 98 of the annual report, the reference to expenses on forest fires, I notice that forest fire expenditures decreased by approximately \$40 million from the previous year. Could the minister briefly explain the decrease?

MR. CARDINAL: What happens is that from year to year – and the Auditor General has a number of times reported to us as far as our fire budget and how the system operates, and I'll get some of my staff to expand on it after. It's really hard to predict what each year's expenditures are going to be. It depends a lot on the weather and the activity out there. We have a base budget, and in most cases in the last five years it has gone beyond the base budget. In fact, the last average – we did a five-year average – we spent about \$151 million each year in the last five years. Last year was \$170 million, so our average is going up. The fluctuations in expenditures will no doubt always continue. In fact, the Auditor General has asked us a number of times to increase our base budget closer to a five-year average, and we may do that in the future if there is money, but that is the reason why there are fluctuations in expenditures. No doubt it will always continue to be that way. If we increase our base budget, then sometimes we'll have a surplus. If there's a shortfall, then of course we go for a special warrant or special approval to fill that in. So that is the reason.

I don't know if the staff want to expand or comment.

8:51

MR. HUTTON: Thank you, Mr. Minister. There are significant fluctuations. Is it just weather, or are there other contributing factors to that?

MR. CARDINAL: Yeah, it's mainly weather. We've had dry seasons out there for the last five years except for that one particular year, I believe 2000-2001, where it was a reasonable year. We had a lot of rain; the moisture was out there. In that particular year we spent of course less money than the other years. So it is a normal process. It'll always continue. I don't want to get into the new policies that we're developing under Sustainable Resource Development, but eventually I think we are going to be better equipped to have early detection and early response to the fires and also be proactive in preparing our communities as far as fire guards and safety and stuff.

MR. HUTTON: Thank you, Mr. Minister.

THE CHAIR: Thank you very much, Mr. Hutton.

Mr. Mason, followed by Mr. Broda.

MR. MASON: Thanks, Mr. Chairman. My first question is for the

Minister of Environment. I'm on his page, and I'm looking at the Auditor General's report starting on page 83, where it says: "We recommend that the presentation of core businesses, goals, performance measures, and key strategic initiatives in the Ministry's business plan be enhanced." It goes on to talk about the need to strengthen the management of the ministry's performance measurement initiative, and it goes on to indicate on page 85:

Of 50 indicators and checkpoints, we could not locate 20 summary sheets that should have been filed with the central group. Many of the 30 summary sheets that we did review were not completely filled out.

So I would like to know what steps you have taken in order to correct these deficiencies in the past year.

DR. TAYLOR: Well, we agree with the Auditor General's report, and we are taking the actions that he has suggested. For instance, in our business plan we've quite clearly identified policy areas and then action areas. During our business planning process in the legislative session when our budget was up for questions, I gave it to some of the Liberals that were there. I think Kevin has one, and I'm not sure who else. Several of them were passed out. It actually clearly identifies how we're doing this and identifies, as I say, across the top our goals. What we've done is a matrix of our business plan, and we can put numbers in that matrix, so we feel that this will quite clearly answer the questions that the Auditor General has. I'd be pleased to provide you with a copy of that if you'd like, Brian, and go from there. I think it's a valuable document.

I now notice several other ministries, I believe, including Children's Services – I've seen something on the desk of the Minister of Children's Services that looks very similar to what we're doing, very clearly identifying goals and outcome measures, because it's very important that we do have the outcome measures.

MR. MASON: I'd appreciate that.

Could you give a specific example of one?

DR. TAYLOR: Of the outcome measures?

MR. MASON: How it's been improved, how it's been sharpened.

MR. PALMER: The way in which it's been specifically improved is the process for rolling up the measures towards those major indices. For example, the clean water index that we've been using, which is based on those international measures: we're trying to make sure that that is a legitimately rolled up measure, where we have a clear understanding of what we're shooting for and what the results are and public scrutiny of the results, which lead to those pieces.

MR. MASON: Thank you.

THE CHAIR: Thank you.

Mr. Broda, followed by Ms Blakeman.

MR. BRODA: Thank you, Mr. Chair. Mike, I think you may have brought it up in your opening statement, but in the annual report on page 34 – I believe it comes from your department – what major achievements were accomplished for the species at risk program? Could you explain what the major achievements were?

MR. CARDINAL: Again, my staff may want to supplement. It's the first year of enhanced funding. The program industry had over 50 projects involving 70 partners in Alberta, stakeholders and private landowners. Additionally, a major effort was directed at assessing

the status of over 4,000, closer to 5,000 species. The results of those are contained in the General Status of Alberta Wild Species report, which has since been released.

MR. BRODA: A supplemental question to that: what was the significance of that report? Why did we do it? Other than doing a report, what did it really achieve, or what was the significance of it?

MR. CARDINAL: Well, it is a very important area when you're dealing with just the environment and sustainability and sustainable resources. The report assists the provincial government departments in determining the need for action on endangered, threatened, or species of special concern. The report provides information on and it raises public awareness of the current status of wild species in Alberta. It sets a priority on species in broad categories requiring some conservation action, and it provides a reference for the department and other provincial agencies and industry also in the development of resource management plans and programs. Of course, it serves as a barometer to monitor the health of fish and wildlife populations, including plants.

MR. BRODA: Thank you.

THE CHAIR: Ms Blakeman, followed by Mr. Cao from Calgary-Fort.

MS BLAKEMAN: Thanks. This question is being directed towards Dr. Taylor. I'm just looking for a reference. I actually didn't find it coming up very much in the Ministry of Environment annual report, but there is a reference on page 23 to climate change, and as well the minister referenced greenhouse gases during his opening. We've heard a lot about the Alberta government's response to the Kyoto agreement recently, and my thought as I listened to that is: well, this must have come from somewhere. So what was done during the fiscal year that we're looking at, which is 2000-2001, to prepare Alberta's response to the federal government's intention to ratify the Kyoto agreement?

DR. TAYLOR: Well, as you know, we have Climate Change Central in Calgary, which is a not-for-profit organization. Once again, the Climate Change Central board is made up of industrial groups and NGOs, academics, and so on. It's a broad-ranging board that covers all of the spectrums that you would expect to be involved. Agriculture is around the table, transportation, construction, the electrical industry, the coal industry, the oil and gas industry, the NGOs, the Pembina Institute, as well as other environmental groups. So certainly this group has spent some time analyzing the climate change issues and actually working on some projects; for instance, the Ride the Wind project in Calgary. You may not be familiar with it here in Edmonton, but the city of Calgary's C-Train system is all being powered by green power, and Climate Change Central was involved in the analysis of that data, working with the city of Calgary. That's probably the most well-known one that they had.

9:01

As well, we have this voluntary challenge and registry program. I believe there are 55 different companies – oh, it started at 55, and there are now 161 different Alberta companies that have been involved with Climate Change Central in voluntarily reducing their greenhouse gases. Suncor, for instance, has reduced its greenhouse gas 43 percent per barrel of oil production. Syncrude has reduced its CO₂ per barrel of oil by 33 to 35 percent. So it's being technologically driven, and these companies recognize that CO₂ is

an issue and they need to reduce the CO₂. So there's that kind of voluntary challenge that has certainly got people thinking about what our response should be to the Kyoto agreement.

Then, on top of that, inside the department we have a climate change working group. It wasn't at that stage, but it's presently headed by an assistant deputy minister. We felt that the issues they were dealing with, the policy issues, were so important that we basically put an ADM in charge of that. John Donner is actually recognized as one of the leading thinkers on climate change in the country. He co-chairs the national process on climate change with David Alton, who's the federal appointment. I'm not sure what position David holds in the federal government, but he's very high in their Department of the Environment. Certainly some of our research and our position has been generated by John and his group in the department, based on national data.

So what you saw us release in February came out of both of those processes, and the information we released was based on national data. We've had some justification of that just 10 days ago. The federal Minister of the Environment now is saying that the costs could be as high as \$23 billion by 2012, to quote David Anderson. If you remember what we released based on the work that was done, we said that there was a range of risk. What we're concerned about in the Kyoto agreement is the range of risk and not understanding that range of risk and not understanding what that range of risk would do to our economy, both the Alberta and the Canadian economy. So our position has been quite clear. We don't believe we should ratify until or if at some stage we have a full understanding of that range of risk.

Our position, generated on some of the work that John has done inside the department, is that this needs to be a technologically driven agreement as opposed to a political one. Quite clearly it is a political agreement, and the prime purpose is a wealth transfer from the developed world to the developing world. I don't have a problem with doing that. I think, quite frankly, we need to do more of that.

If you look at my history, in 1982 six of us businessmen formed a group called World Relief Canada. When I left, I was chairman of the board, and our budget that we raised privately was \$7 million a year. I left in '93 when I got elected because I simply didn't have the time anymore. We were matching those dollars anywhere from 3 to 1 to 10 to 1 from CIDA. I mean, I believe we need to do more in the developing world as a country, as rich people, but a political agreement that artificially transfers wealth to the Third World to help them develop clean energy projects, which is important but at the same time is not their primary issue – they're interested in education, health, safe drinking water. These kinds of issues are from my perspective more primary to the developing world. I was at a meeting in Bonn and talking to some of the folks from the developing world, and those were their issues as well. They'll of course take any money they can get.

So that's the kind of development that we did in the department, and it's been a very well-thought-out and a very well-developed position that I think is getting more validity every day. I mean, we went to Ottawa – I can still remember the day, February 21 – and presented our position. After that, the Canadian Chamber of Manufacturers came out and the Canadian Chamber of Commerce and CAPP. You name it; people have come out. In fact, an economist from the University of Guelph who I'd never heard of before who we don't pay and who is not in Alberta, a guy by the name of Ross McKittrick, was a bit annoyed in some of the quotes that I read because he was saying: well, why is Alberta now . . . You know, people are starting to pay attention to this when Alberta says it, and I've been saying it since 1995, 1996. He said: this is nothing

new; these guys are Johnny-come-latelies.

So there seems to be a fair degree of validity for what we're saying, but once again we talk about a range of risk, and until we understand that range of risk, then we feel quite clearly that the agreement should not be ratified. We feel quite clearly that it needs to be technologically driven as opposed to politically driven.

MS BLAKEMAN: Okay. That was pretty thorough. Let me just try and recap that then. So what we have is the government encouraging the voluntary sector to come up with what sound like quite concrete alternatives, like wind power and the C-Train, and then internally in the government during the fiscal year that we're examining of course working on things like this range of risk and a technological approach. Is there anything else I can get you to add to how the government was contributing to their approach to this?

DR. TAYLOR: Well, if you're asking financially – and I'm not sure that's the question you're asking – yes, there's certainly a budget for the climate change group inside the department, and we fund Climate Change Central. Their operation is \$2 million a year. As well, we've given Climate Change Central project money, but we expect that project money to be matched by the private sector. I think last year they matched it anywhere from 4 to 1 to 10 to 1. So if the government is prepared to step up to the plate and be there and be a leader, then I believe the private sector quite clearly will come onside. As we go forward and start to develop the plans that you'll be asking me about 18 months from now, you're going to see shortly that we absolutely believe in partnerships, private/public partnerships. We believe that there needs to be a federal, provincial, and private-sector partnership if we're going to make a significant and meaningful difference in this whole area of climate change.

We need to also recognize that CO₂ is not the worst thing that's going up the stacks. The NOx's, the SOx's, and the particulate matter are the stuff that causes the yellow haze and the illnesses. CO₂ is not a pollutant. You know, the world needs CO₂ to survive because the green things absorb it and put out oxygen. So, you know, from my perspective there's an interesting emphasis here. In fact, the kind of Mister Climate Change is an American scientist by the name of Hansen, and he's recently backtracked a little bit. He's now saying that CO₂ is important, but maybe we should be spending just as much money or more money on the things that actually make people sick. So there is some cobenefit when you do deal with CO₂. I don't know how long you want me to go on. When you do, we'll deal with CO₂ and that there is some cobenefit, that you do get rid of some NOx's, SOx's, and particulate matter. By the same token, if you want to deal with it directly, the best way to deal with those pollutants – and there are mercuries and leads as well, but NOx's, SOx's, and PMs are the biggest things. You should deal with them directly, and you get some cobenefit then in CO₂ as well.

There is going to be a real debate as we go forward, I believe, in this whole issue of climate change and greenhouse gas. What should you spend more money on? What should you deal with first? Do you get the cobenefit of CO₂ or deal with CO₂ and get the cobenefit of the pollutants being lowered?

MS BLAKEMAN: Good. Thank you.

THE CHAIR: Thank you for that brief and concise question and brief and concise answer.

Mr. Cao, followed by Mr. Mason.

MR. CAO: Well, thank you, Mr. Chair. Thank you, Minister, for a comprehensive understanding of the issue of Kyoto and the climate

change of the world.

My question in fact is much closer to home. It's based on page 20 in the annual report from the Environment ministry. Talking about waste, first of all, we know that our population, the density of our population, is increasing dramatically in Alberta and in urban areas. My question is regarding waste disposal – in fact, I said close to home – the things that we dispose of from our households and municipalities, you know, massive stuff. I would like to ask the minister if he has some idea of what has been done and how we achieve waste disposal to ensure that our population and our living environment are still in good shape.

9:11

DR. TAYLOR: Certainly waste is one of the important issues that we do deal with, so you have different kinds of waste roundups. For instance, we have one that deals with prescription drugs, and we encourage people to round up their prescription drugs. They're very difficult to dispose of. In fact, we saw studies just a little while ago where it appears like you're getting, you know, birth control drugs and antibiotics in the water systems. Certainly there are people that unfortunately take them and dump them down the toilet or whatever, so that drug roundup is a good example of that, where we encourage people, provide a central collecting point for them to bring their old drugs in, and then we take them to Swan Hills and dispose of them. That's one of the valuable things that Swan Hills does for us. So that's just one example.

We work with Action on Waste, which once again is a not-for-profit out there that is certainly involved in recycling. The best example of action on waste in a general sense in this province is Edmonton, with their recycling centre. The city of Edmonton owns that centre, and it's a world-class centre. There are people from all over the world that come and see how that was developed, and quite frankly Calgary could learn considerably from that. So all you MLAs from Calgary have to work with your city and get them to be a little more proactive.

One of the issues where we do have problems with waste, though, is in rural Alberta with recycling. It's not economically feasible in many ways, so we're encouraging Action on Waste to take a look at recycling in rural Alberta and see if there are economic ways that make sense in rural Alberta. I don't know if you – well, because I drive in rural Alberta, various counties have what we call a dumping station. Basically, you back up kind of a ramp, dump, and they have one of the big metal containers underneath, and periodically a truck comes and gets it. So everything ends up there. There's not a lot of recycling.

As we go forward on the waste issue, we of course need to encourage the urban cities. In Medicine Hat, where I live, there is some recycling, but it could be a lot better. So we need to work with groups like Action on Waste and encourage more recycling.

One of the things we have found is that when there is a charge on things like pop cans or beer bottles, then you get a lot more recycling. Pop cans are 85 percent and beer bottles over 80 percent recycled, but milk cartons, for instance, are only 45 percent recycled. So as we go forward, this is an issue where we've told the Dairy Council that we expect them to be at 55 percent at the end of this year, 65 percent at the end of next year, and 75 percent at the end of the next year. You're seeing the Dairy Council spend a million dollars in advertising to try to get their recycling up, because they've got until the 1st or the 30th of June to hit the 55 percent mark. So we are putting tough goals on them, and if they don't hit that 55 percent mark, then we will look at putting some kind of container charge on milk cartons. Now, that's something I can't do myself. As you know, I have to bring it through a political process, but

certainly I intend to go there if the milk containers don't get to the appropriate level. Once again that'll help in rural Alberta, because as I say, once there's a deposit on something like milk cartons, people tend to return them. There's actually zero deposit on milk cartons right now. So there are a number of actions we're taking as we go forward to deal with waste, and we're going to be more aggressive and more proactive in the future on this issue.

MR. CAO: Thank you, Minister. That's very good.

My next question is in fact relating to a fire incident in an industrial park in my riding, and I remember the story at that time in the newspaper was that we didn't have enough mobile units for monitoring so we had to wait. A truck came from somewhere near Edmonton here to Calgary. My question is regarding the mobile air quality monitoring. What are our programs now addressing? Since, again, our industry is growing and our population density is clustering around those areas, it's quite important, so I would like to have your idea on it.

DR. TAYLOR: Well, as we go forward, monitoring is a large issue with this. We do have the buses, I call it. My department doesn't like it when I call it the buses. What's the right name? [interjection] Okay. Mobile air monitoring vehicle. I call it the bus, and it can be anywhere in the province in about five hours. We've also done a deal with the city of Calgary where we can partner with the city of Calgary, and they have monitoring equipment as well. So certainly we are improving that.

As well, as we go forward, in new plants and in old plants we're looking at putting monitors right in their stacks. A number of plants have this already. One of the things we'd like to do as we go forward is have those monitors automatically monitored by a computer at Alberta Environment – and the technology is there to do that – so that it's a constant monitoring of emissions that are coming out of the stacks, of any particular stack that's around.

I'm going to ask Roger to talk a little. I'm not sure how far we are along in developing that, and I'm just wondering if you can tell us.

MR. PALMER: We've made some real progress this year in getting some of those air quality monitoring information stations actually on-line. You can now go through to the Alberta Environment site and with a little bit of effort – it's not quite as easy as we'd like – move through in fact to a Telus site which collects the information for many of the different air monitoring spots around the province: those run by us, those run by industry, and those run by some voluntary organizations. In something like 15 spots in the province you can actually see current air quality monitoring results almost real time, within an hour or two, on-line, visible for anybody to see. We really want to expand that to a much more intensive net across the province so that these things are available to everybody at all times.

DR. TAYLOR: So are we there yet? No. Are we going to get there? Yeah.

THE CHAIR: Thank you.

Mr. Mason, followed by Ms DeLong.

MR. MASON: Thanks, Mr. Chairman. My question is for the Minister of Environment, and certainly the minister of renewable resource development can supplement as well. You know, it might surprise you to learn that I'm actually in favour of getting objective data on the economic impacts of Kyoto or other environmental

measures as long as they're objective and not developed for political purposes.

Moving right along. The question that I have is: what is being done by the government in either of your ministries to measure the effects of ongoing climate change on the Alberta economy? Now, we have had a number of issues arise: repeated droughts in southern Alberta, forest fires increasing in intensity and number. There are measurable climate effects around the world, and that includes Alberta. So I really would like to know if the government is looking at that issue and trying to gather the same sort of data as they're attempting to gather on the ratification of Kyoto.

DR. TAYLOR: Well, climate change is an interesting issue, and you're starting now to talk about some of the science around climate change. Not to get into a debate about the science, because I'm not a climate-change scientist, but there is certainly evidence that the climate is changing. For instance, in southern Alberta there's a study out of the University of Regina, and I've talked to the professor a number of times on the phone. What he's done is he's drilled back into lake beds. Apparently, now, if you believe the science, and I happen to, he says that by looking at – he's done core samples all over this kind of Palliser Triangle. Are you familiar with the Palliser Triangle? He's done core samples all through lake beds in the Palliser Triangle and even into Montana, because it's a very similar sort of climatic base. By analyzing the core samples, he can tell what kind of aquatic life was around and therefore how much moisture was around, and he's gone back 2,000 years. He says that particular area, the Palliser Triangle, was settled in the wettest hundred years in the last 2,000 years. So what he's saying is that climate changes and climate go through natural cycles.

9:21

I'm just reading a book called *Pillar of Sand*. David Schindler recommended it to me just a short time ago, so we've got the book and are reading it. They go back to Samarian society about 5,000 years ago and point out how climate has changed with or without much human interaction. So the point is that climate is changing. Now, how much of that is human related? Well, depending on the science and depending on who you believe, that could be different amounts, because the scientists don't agree on how much of the climate change is natural and how much of the climate change is caused by human interaction.

There's a study out of Yale University that was put out about nine months ago. It says that the climate is going to change in the range – they always talk about ranges, which they should – of four to seven degrees. They're saying that less than a degree and a half, probably less than one degree, in a range of zero to a degree and a half, is actually caused by human interaction. So, you know, we're interested in dealing with climate change, and we need to look at adaptive technologies as well as we go through this. The climate is going to change. If we go back and live in caves with no vehicles and no electricity, the climate is still going to change. So how do we provide adaptive technologies to deal with this climate change that's coming? I think we need to be talking about that. We haven't talked very much about that yet and how we're going to adapt to it in the future, because everybody's been so focused on the Kyoto agreement.

There's quite a good analysis out. It's a thick book published by a Danish statistician and environmentalist, and it's called *The Skeptical Environmentalist*. He looks in depth at data from around the world, and I would encourage anybody that's particularly interested in this subject to take a look at it.

There's another publication that just came across my desk this

week. It's called *Environmental Indicators*, done by a very reputable organization in Canada, the Fraser Institute. What they've done is take a number of different air/water quality and environmental indicators, and they're working with national data. It's not the data particularly that the Fraser Institute has developed, but working with . . .

THE CHAIR: Excuse me, please, Dr. Taylor.

DR. TAYLOR: Pardon me?

THE CHAIR: Excuse me, please, Dr. Taylor. The last series of questions has on average taken 10 minutes.

DR. TAYLOR: Oh, I'll stop. Sure.

THE CHAIR: And there's quite a long list of members still waiting to ask questions.

DR. TAYLOR: Oh, sorry.

THE CHAIR: If we could be a little bit more brief in our answers, I think it would be to the benefit of the Public Accounts Committee.

DR. TAYLOR: Well, you can tell I'm enthused about what I'm doing.

Sorry, Brian.

MR. MASON: Thanks, Mr. Chairman, and thanks for the thorough answer, Mr. Minister.

DR. TAYLOR: Is Mike supposed to supplement?

MR. MASON: If he wishes.

MR. CARDINAL: Do you want me to supplement?

MR. MASON: Sure.

MR. CARDINAL: Okay. Just very briefly, Lorne, you mentioned the caves. I don't know if I want to live in a teepee this morning. It's kind of cold out there. I'm not sure what's happening to the global warming. It's sure not warming out there these days.

Anyway, in our department that particular area at this time has limited impact, but we do maintain detailed fire statistics from Alberta in our department which, you know, identify the number of fires, size of fires, where the fires are occurring, and how they are started. So in relation to that, that's what we do.

I guess in relation to the overall management on the issue of climate change, to have a good economy in Alberta is very important, to have a very well-diversified economy in the oil and gas industry, agriculture, forestry, tourism, science and technology. We are moving in value-adding in those areas. So whatever we do, it is very important that we maintain a balance. I think Albertans are used to a certain standard of living, and in order for us to continue that, we have to continue developing the resources we have in a balanced way. I don't think Albertans would have it any other way, and as sophisticated as we are, I believe we can continue maintaining the high standard of living and still have the best environment.

One thing I've experienced personally in northern Alberta – the worst thing for the environment is poverty, and in order to get out of that, you have to have a sustainable economy. Any time you do that,

you disturb the environment somewhat, but with the technology that we have these days, I'm sure we can manage. The concern that I have personally as a northern MLA is because a lot of the economic activity in the heavy oil sands and the forestry plays a very important role in changing the lifestyles of our aboriginal people, for an example, in the north. It happens that our trade partners are directly south of us, they say, in forestry, oil, and gas. I think we need to look at ensuring – now, this is not a government opinion but as an MLA from the north – that we are consistent with our neighbours to the south in relation to some of these changes, because they do have an impact on our economy. They have an impact on the environment.

Thank you.

MR. MASON: Thank you.

Just my supplemental. I think, Minister Taylor, if we just say for the sake of argument that most of the climate change is occurring as a result of some external factor other than human activity – say the sun is just heating up a little bit or something like that, and that's possible – then the question still remains: is the government estimating the economic impact of continuing climate change on the economy of Alberta, and if not, why not?

DR. TAYLOR: Well, we haven't had time, to start with, but certainly this is one of the issues that we're looking at. If you look at our report that we put out, we just estimate the effects of Kyoto on the economy. Certainly climate change as we go forward is an issue that we are going to have to deal with. I mean, you can only do so much with so much budget and so much staff, and certainly we are and will continue to look at how climate change generally will affect our economy and how we can adapt to it. The biggest thing is: what can we do to adapt to the climate change that is going to come? Are there different crops that one should grow? Mike is going to experience, perhaps, different forest fire patterns. So the big issue is an adaptive one, and the costs on adaptation, which would be the cost or some of the cost to the economy, we really haven't analyzed yet.

THE CHAIR: Thank you very much.

Ms DeLong, followed by Ms Blakeman.

MS DeLONG: I also have a question for Dr. Taylor. Referring to pages 30 and 31, surface water quality index, what's happening with the quality of Alberta's main rivers?

DR. TAYLOR: Essentially, overall we've been getting better. If we're looking at drinking water standards, certainly our drinking water is getting better, but we're getting better in our rivers as well. If you look downstream from Calgary and Edmonton, except when Edmonton mistakenly drops sewage into the river system, our water quality is getting better. It's getting better downstream of Calgary as well.

9:31

One of the reasons that it is getting better – let me give you a very practical example around Calgary. We have something that's a volunteer organization called the Bow River Basin Council. Once again, that's a not-for-profit made up of various groups. They are working with us to improve the quality of the Bow and to continue having it extremely high. In fact, I think that last year, the year we're talking about, the Bow River was rated as excellent over 95 percent of the time, and it was rated as good essentially the rest of the time. So we have in the Bow River, at least above Calgary, a

very high quality. We're looking to the Bow River Basin Council as a model that we can work from with other basins and other basin councils. Now, that's not to say that it's perfect downstream of Calgary or downstream of Edmonton or downstream of Medicine Hat. We do need to have those systems improved, and one of the ways to improve them is to deal more appropriately with wastewater.

MS DeLONG: Thank you. I also sit on that Bow River Basin Council, and I find it a very interesting organization and very useful. One of the questions I have specifically is that downstream of Calgary I understand that the problem isn't the actual wastewater so much as it's runoff that comes in through the storm sewers. I wonder: how much teeth do we have to encourage Calgary to improve how they treat their storm water runoff?

DR. TAYLOR: Well, we're certainly working with the city of Calgary. The city of Calgary has developed a couple of models of what I would call wetland approaches to this issue. They take their storm water and run it through a man-made wetland. They've put in appropriate grasses and, I suppose, cattails, bulrushes, whatever you want to call them, and various grasses that are wetland grasses that absorb the nutrients essentially out of the storm sewers. They have two of these projects right now. It takes, as I understand it, about 14 days from the time the water enters the project from the storm sewer to the time it gets out. When it gets out, it's essentially pure enough to drink. So those are two models. What we're going to do is continue to work with the cities to encourage them to treat their storm water like this.

In terms of the exact teeth that we have to force the cities to do that – I think that was your question – I don't know if Roger or Paul would answer that question.

MR. PALMER: We do have the environmental protection act, of course, which allows us to deal with any issue where there is a hazardous impact on the environment, so if at any time we see that as a result of an activity in any place in the province it actually is causing a hazard, we are in a position to go in and deal with it no matter what that hazard is.

MS DeLONG: My last question is regarding the testing. Do you have a breakdown for this year in terms of how much a test costs in terms of the collection part of that test, the testing, and the analysis?

MR. PALMER: No. We don't have that information with us, but we'd be happy to provide it after the meeting in written form if you'd prefer.

MS DeLONG: That would be great. Thank you.

THE CHAIR: Thank you. Mr. Palmer, if you could provide that information through Corinne Dacyshyn, the clerk, we would be very grateful.

Ms Blakeman.

MS BLAKEMAN: Thanks. On page 24 of your annual report there's a section on approvals, and I have a couple of questions there. I'd like to know what the results were of the environmental assessment review for the sandstone quarry near Peace River.

DR. TAYLOR: I don't have that specific data. Bill, do you?

MR. W. MACDONALD: I'm sorry; I don't have information on that particular one.

DR. TAYLOR: Does anybody here from the department have that? Okay. We don't have that information here, but we will be happy to provide it.

MS BLAKEMAN: Great. Okay. That was fast.

DR. TAYLOR: It's only because I didn't know anything about it.

MS BLAKEMAN: I didn't say that, Minister, but I noted it.

There's also a notation that "the Environmental Appeal Board processed and closed 53 files," but what I'm interested in is how many didn't get closed and remain open.

DR. TAYLOR: Well, there are certainly a number of ongoing files with the EAB. Certainly their goal is to close as many as possible. I think that the first year they were in existence, they heard six cases. This year they will hear 140 – in that range is our estimate – so there's been a rapid growth of caseload to the EAB. I personally support that, because essentially any decision a director makes can be appealed to the EAB, and as citizens or as companies we need to have that right. As we go on, there will always be files that carry over from one year to the next. Fifty-three were closed, and in terms of the specific number that carried over, I don't know. Would anybody here know?

MR. PALMER: I don't know, but we can certainly provide you with the information. It's not an issue which comes to my attention on a regular basis. The cases are dealt with very promptly.

MS BLAKEMAN: Okay.

DR. TAYLOR: Typically they try to go to an alternate dispute mechanism rather than having a full hearing. If the parties agree, they'll sit down with a mediator and try to mediate a solution before they go to a full hearing. So in some cases that may extend the process a little bit, but in other cases, then, you don't have to go to a full hearing.

MS BLAKEMAN: Okay. Thanks.

THE CHAIR: Thank you.

Mary Anne Jablonski, followed by Mr. Mason.

MRS. JABLONSKI: Thank you, Mr. Chairman. Good morning. As we all know, water is one of our biggest issues, and I think it might even get bigger than oil and gas at some point. I've had concerns – and I've asked questions about them – because of the poor supply of drinking water in communities around Red Deer, which would be Lacombe, Rimbey, Sylvan Lake, and places like that. I'm referring to page 13, which does refer to our water assurance initiative, and what I'd like to know is: where are we in the development of the provincial water strategy?

DR. TAYLOR: Well, it's a very interesting issue. Essentially the way it's working is we've gone through a series of public meetings. We had originally scheduled 12 public meetings for the province, but they generated such a great deal of discussion that I think we ended up having 16 or 17, in that range anyway. For instance, in Calgary we had booked a room in a hotel, and so many people came that not everybody could get in, so we had to schedule another meeting.

Where we are in the process: we've concluded the public portion of this, and we're just analyzing the data that we got from the public.

Of course, if you couldn't get to a meeting, there was a document on our web site. For anybody that hasn't seen it, we've got about a 48-page book. It's about this big, it's coil bound, and it is a really good primer on water. I mean, it was written so that I could understand it, and for me it was really a learning experience to read that book and learn about water. It's on our web site, I believe, or if you perhaps are not as computer literate yet as you would like to be, we can provide you with a copy of that book.

So we've got all that information back from the public. I'm not sure how many responses. Does anybody know how many we got back? Thousands. We got thousands of responses from the public. We're analyzing that data, and that data will go forward to a minister's forum, probably about a hundred invited stakeholders, that we're going to have June 6 and 7 in Red Deer. Out of that I'm hoping will come the workings of a plan that we then can put into the department and say: "Okay; here's what we've heard. Take this further, bring it back to me, and then we'll put that back out to the stakeholders or anybody that wants to be involved, put it on our web site for comments." From there I hope to develop, as I say, a strategy that will have priorities and budget numbers attached to it that hopefully will get into our next budget cycle.

MRS. JABLONSKI: So about a year away then.

DR. TAYLOR: Probably. I hope.

MRS. JABLONSKI: Me too.

As you know, Minister, there have been several challenges related to our water supply and its quality, and issues such as climate change have serious implications for water in Alberta. How will the water strategy deal with these?

9:41

DR. TAYLOR: Well, as we go forward, this is one of the necessities of developing a water strategy. As far as I know, we're the only jurisdiction in Canada that's trying to do it. California has done some work in this area, particularly around irrigation, but they haven't developed, it's my understanding, an overall strategy that deals with all issues around water and groundwater. Certainly as we go forward, one of the adaptive things or measures that we do need to take around climate change is water conservation, because theoretically if the climate is getting warmer, it stresses the water supplies even more clearly.

Let me give you a really good example of that. In the city of Calgary we have, say, roughly a million people. We have 500,000 with meters, 500,000 without meters. One of the Calgary aldermen told me that the half of the city that doesn't have meters uses twice as much water as the half that does. So why do we have 500,000 people sitting there without water meters? I have no idea.

Irrigators can be more effective in the way they use water as well. So that the chairman doesn't bother me, I won't talk too much about that, but if you maybe would like to ask me a question about that, I'd be pleased to elaborate.

MRS. JABLONSKI: Thank you.

THE CHAIR: Mr. Mason, followed by Mr. Cenaiko.

MR. MASON: Thanks very much, Mr. Chairman. I'd also like to ask a question about water and particularly groundwater. Can you identify just in a brief outline form the steps that you're taking to analyze the situation as it affects our groundwater and what the major findings and initiatives coming out of that are?

DR. TAYLOR: Well, groundwater is an interesting issue, because we do not – do not – have good mapping of groundwater in this province. Not to predetermine the discussions of the water strategy, but one of the things that I'm hoping will come out of there is a suggestion or a principle or whatever you want to call it that we develop a map of groundwater in this province. We have maps of groundwater in various places; for instance, around Edson. Edson gets its water supply from groundwater. Between the town of Edson and the provincial government, we've tried to map that aquifer. That would be one good example of where it's done. As we go forward, we do need to take a hard look and actually spend some more money mapping groundwater, a difficult task. We don't have a good estimate of our groundwater: where it is, how much there is, how much you can draw down.

One of the things that's happening in the U.S. is that they are drawing down their groundwater through irrigation faster than it's replenishing itself. Certainly in the Milk River area we've got the Milk River sands. There's some good mapping around groundwater there, and we know that the Milk River sands are going down faster than it's being replenished. You're in a situation now where some of the water coming out of the wells in that area is becoming saline. For instance, hogs won't drink the water, so they're having to haul different water in for the pigs to drink, if you happen to be a pig farmer in that area, because the water coming out of the sands is saline. What that means is that we're using it up faster than it's replenished.

MR. MASON: That seems to be a real concern, Mr. Minister, and we hear lots of stories from farmers about their wells drying up or changes in their water.

Have you given any thought to stopping the practice of the oil and gas industry of using large quantities of fresh water to inject into declining wells? I understand that they use an enormous amount of water in this type of operation.

DR. TAYLOR: This is an interesting issue that has certainly been raised as we go through the public discussions. Once again, not to predetermine what's going to come out the other end of the strategy, the question I have is: why does the oil and gas industry use potable water? Are there other solutions? Is saline water available to them? Now, I don't know – I hate to say anything in here that might not be factual – but I'm told that if you go down 700 feet, you hit saline water generally, and the oil industry doesn't want to go down. They go down 200 or 300 feet, so for another 500 feet, roughly, they could use saline water instead of potable water. I'm told – so I'm very clearly identifying that I don't know this to be true – that it would add a cost of about 2 percent to a well. Well, is that a significant issue or is it not a significant issue?

Actually, I have a question that I hope will be developed through the water strategies: why do they use so much potable water, and are there other alternatives; for instance, CO₂? We're doing an experiment in Weyburn, Saskatchewan, with Encana where we're using CO₂ to inject into wells to do enhanced oil recovery. So I think that as we go forward, there will be other alternatives, and I would personally like to see, you know, other alternatives to potable water being utilized in the oil industry where possible.

THE CHAIR: Thank you very much.

Mr. Cenaiko, followed by Ms. Blakeman.

MR. CENAIKO: Thank you very much, Mr. Chairman. Referring to page 9 of the annual report of the Ministry of Environment, what reviews did the Natural Resources Conservation Board, the NRCB, undertake this year?

MR. CARDINAL: I'll take that one – that's under my jurisdiction now – if that's okay. That's a good question. As you're aware, no doubt, as of 2001 the NRCB took a new role and additional responsibility, but going back to 2000 and 2001, the NRCB reviewed two new applications and undertook preparatory work for one potential application and continued to monitor progress on meeting the terms and conditions of a prior approval. At the same time, staff continued to provide support to the Alberta Energy and Utilities Board through the shared service agreement by reviewing two major and numerous smaller applications during that period of time.

MR. CENAIKO: My supplemental question is: why are the NRCB's expenses lower than anticipated?

MR. CARDINAL: The NRCB involvement in reviewing the applications was somewhat lower than anticipated. The NRCB budget estimate of \$1.5 million basically was based on receiving and fully processing two applications during this period, but both projects required further information before the reviews could proceed. So that is why the budget was not all spent.

MR. CENAIKO: Thank you.

MS BLAKEMAN: Could I get a word of advice, Mr. Chairperson? I noticed that on the agenda there's some additional business to be conducted by the committee, so I'm wondering if you'd like a short question from me or a longer question from me?

THE CHAIR: The additional business of the committee certainly can be taken care of after the ministers. They're also very, very busy, and I'm sure they have tight schedules. At 10 o'clock we can take care of that item.

MS BLAKEMAN: You're telling me longer questions. Okay.

THE CHAIR: It doesn't matter, but there are still other members of the committee who are waiting to ask questions as well.

MS BLAKEMAN: Okay. Good. Thank you.

Referring the ministers to page 90 of the Auditor General's report, I note that the AG has had to restate a recommendation made previously about "financial security for land disturbances." There was a specific case during the fiscal year we're examining at Smoky River Coal Limited in which the government found itself on the hook for \$6.4 million in cleanup. The estimate from Alberta Environment to reclaim this site was reported at \$13.5 million, but there was a requirement of the operator that they only post a bond of \$7.1 million, and if you do the math, you end up with \$6.4 million, which is what Alberta Environment and the taxpayers ended up on the hook for. So my question is: why wasn't the company forced to provide annual updates of its reclamation costs and post enough bond money to cover it?

MR. CHURLISH: I'm afraid I don't have the answer to that question. I would certainly undertake to research it and provide an answer back to you through the minister with his concurrence.

MS BLAKEMAN: Okay. Well, then, part of that is that the government let the company continue to keep, literally and figuratively, digging a deeper hole. What's the responsibility and the outcome of that permission to allow that company to continue doing what it was doing?

9:57

DR. TAYLOR: Let me just comment generally. I can't comment on the specific instance, but let me comment generally on this issue of environmental cleanups. It's an issue that we continue to struggle with. I mean, Smoky River is small compared to some of the larger ones that one might look at in the future, the oil sands for instance, in regard to: how much do you ask them to put down, and how much of their capital do they have to tie up to put into this whole area of reclamation? I can tell you that it's an ongoing issue that we struggle with and that we have not reached, I don't think, an easy solution to yet. I think that as we continue to develop and go forward, it will continue to be a difficult issue to deal with. If anybody's got any really easy answers, I'd sure like to hear them, but it is difficult to deal with.

MS BLAKEMAN: Well, we can talk off the record.

DR. TAYLOR: I will say that with Smoky River, a company has taken a contract to remine some of the coal that is there, and I'm not sure how much of the cleanup costs we will recover from that. Paul Pellis I think is familiar with that issue and perhaps could elaborate a little further on that in terms of where the contract is and how much we will actually recover through that process.

MR. PELLIS: After Smoky River Coal left, there were a number of what they were calling tailings still available at the site. We've put out a request for proposal. A company has submitted a tender for the tailings where the return to us could be in the neighbourhood of \$1 million to \$2 million. That funding would be used as part of the reclamation of that site. In addition to that, there are one or two companies interested in going back to the site and looking at mining additional coal. If that were to occur, that would again contribute against the costs of the reclamation.

MS BLAKEMAN: That's creative. Good. Thanks.

DR. TAYLOR: We do our best with these things, you know, but it's just really, really difficult.

THE CHAIR: Thank you.
Mr. Cao.

MR. CAO: Thank you, Mr. Chairman. My question is based on the environmental ministry annual report, page 21. The subject matter is land administration and forest management. The question is to Minister Mike Cardinal, I believe. Could the minister outline some recent initiatives in which the Alberta Forest Genetic Resources Council has been involved?

MR. CARDINAL: Thank you very much, and I'll be reasonably brief because of time lines. Again I'd just like to indicate how important the forest industry is to Alberta. The Alberta economy continues to generate over \$8 billion worth of economy for the province. Thousands of people are employed in that industry. So it is very important.

The Forest Genetic Resources Council of course is an important part of our continued improvement and maintenance and sustainability of that particular industry. The council took a number of initiatives, and I'll just mention a couple because of time lines, some of the more important areas probably. One is development of a status report on genetic tree improvements in Alberta. The other is overseeing the development of a comprehensive policy framework for the deployment of genetically improved stock into public lands

in Alberta and the development of a web site for the conveyance of general information to the public out there. Last, the council convened three times during the year 2000-2001 and submitted its first annual report in fact to the minister in July of 2001.

THE CHAIR: Thank you.

Mr. Mason, in light of the time have you got any further questions for either minister?

MR. MASON: I do have a question, but if we're out of time, I can . . .

THE CHAIR: No. That's fine. Go ahead.

MR. MASON: I'm assuming that I'm allowed to ask questions with respect to the department of resource development since it existed in the time period we're covering. Is that correct, Mr. Chairman?

THE CHAIR: No. They're not the same report, Mr. Mason.

MR. MASON: Okay. Well, then I don't have a question.

THE CHAIR: Okay. Thank you.

Are there any other members at this time? No? Okay.

As chair of Public Accounts I would like to thank both Dr. Taylor and the Hon. Mike Cardinal for attending this morning. I would like to thank their staff as well on behalf of the committee and certainly the Auditor General's delegation this morning.

If we could just have a brief recess to allow the ministers and their staff and the Auditor General's staff to leave, we will deal with the last item on the agenda.

DR. TAYLOR: Mr. Chairman, just let me thank you for the committee meeting and the perceptive questions that were asked by the committee members. I appreciate it.

MR. CARDINAL: Thank you very much from our department too.

[The committee adjourned from 9:58 a.m. to 9:59 a.m.]

THE CHAIR: I would now like to note item 4 on the agenda, the updated delegate selection for attendance at the Joint Conference of Legislative Auditors and Canadian Council of Public Accounts Committees. Traditionally, the chair, the deputy chair, and the committee clerk attend the Joint Conference of Legislative Auditors and Canadian Council of Public Accounts Committees. This year none of them are able to attend the conference in St. John's, Newfoundland, from August 25 to 27.

The committee previously made a motion authorizing the attendance of the chair or his designate, the deputy chair or his designate, and the committee clerk. The chair has designated Ms

Laurie Blakeman, MLA for Edmonton-Centre, and the deputy chair has designated Mr. Harvey Cenaiko, MLA for Calgary-Buffalo. There were seven MLAs interested in attending using funds designated for the committee clerk's attendance. Mr. Broda, Mr. Cao – I'm going to do this in alphabetical order: Mrs. Ady, Mr. Broda, Mr. Cao, Ms DeLong, Mr. Lukaszuk, Mr. Mason, and Mr. Ouellette. I thought the best way was to put each name in a draw and that we draw the first place and an alternate in case that person is unable for any reason to attend. Does anyone have any comments regarding this process?

MR. MASON: It sure beats a vote along party lines, Mr. Chairman.

THE CHAIR: Okay.

MR. CAO: You read my name twice, so I should be in there twice.

THE CHAIR: No. I stand corrected. For the record, I was provided with an alphabetical list of those seven members, so I thought I'd better use it. If I could now ask Mr. Cenaiko to draw the names.

MR. CENAIKO: Oh, yeah. Make me. Did you mix these up really good?

MRS. DACYSHYN: I did.

MR. CENAIKO: Mr. Lukaszuk.

MRS. DACYSHYN: And the alternate?

MR. CENAIKO: Oh, there are two.

MRS. DACYSHYN: Cindy Ady is the alternate. Okay. Thank you.

THE CHAIR: For the record, Mr. Lukaszuk is going to be the third representative attending the conference on behalf of the Public Accounts Committee. In light of the fact that if he cannot go, Mrs. Ady will be the alternate. Okay; everyone is satisfied with that? Thank you very much.

I would like to remind all members of the committee that we have a meeting next Wednesday, May 8. The Minister of Seniors, the Hon. Stan Woloshyn, and the Minister of Community Development, Mr. Gene Zwozdesky, will be here. With that, I would like to now please call, if there are no further questions or concerns, for a motion for adjournment.

MR. CENAIKO: So moved.

THE CHAIR: Thank you very much, Mr. Cenaiko. We'll see you next week.

[The committee adjourned at 10:01 a.m.]

