



Legislative Assembly of Alberta

The 27th Legislature  
Fourth Session

Standing Committee  
on  
Public Accounts

Sustainable Resource Development

Wednesday, November 23, 2011  
8:31 a.m.

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**Legislative Assembly of Alberta  
The 27th Legislature  
Fourth Session**

**Standing Committee on Public Accounts**

MacDonald, Hugh, Edmonton-Gold Bar (AL), Chair  
Goudreau, Hector G., Dunvegan-Central Peace (PC), Deputy Chair

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Benito, Carl, Edmonton-Mill Woods (PC)  
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Groeneveld, George, Highwood (PC)  
Kang, Darshan S., Calgary-McCall (AL)  
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Rodney, Dave, Calgary-Lougheed (PC)  
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**Department of Sustainable Resource Development Participants**

Rick Blackwood	Assistant Deputy Minister, Fish and Wildlife
Wendy Boje	Assistant Deputy Minister, Corporate Services
Ray Gilmour	Deputy Minister
Bruce Mayer	Assistant Deputy Minister, Forestry
Morris Seiferling	Stewardship Commissioner, Land Use Secretariat
Glenn Selland	Assistant Deputy Minister, Lands

**Office of the Auditor General Participants**

Merwan Saher	Auditor General
Ed Ryan	Assistant Auditor General
Sameer Khalid	Principal
Sergei Pekh	Principal

**Support Staff**

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Wednesday, November 23, 2011

[Mr. MacDonald in the chair]

**The Chair:** Good morning, everyone. I would like to please call this Standing Committee on Public Accounts to order. On behalf of all committee members I would like to welcome our guests this morning.

Please note that the meeting is recorded by *Hansard*, and the audio is streamed live on the Internet.

We will quickly, as is our tradition, introduce ourselves around the table. I'm Hugh MacDonald, Edmonton-Gold Bar.

The hon. Member for . . .

**Mr. Goudreau:** . . .Dunvegan-Central Peace, Hector Goudreau.

**Dr. Massolin:** Good morning. I'm Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

**Mr. Benito:** Good morning, everyone. Carl Benito, Edmonton-Mill Woods.

**Mr. Groeneveld:** Good morning. George Groeneveld, Highwood.

**Mr. Rodney:** From Calgary-Lougheed, Dave Rodney. Welcome.

**Mr. Mason:** Brian Mason, Edmonton-Highlands-Norwood.

**Mr. Kang:** Darshan Kang, Calgary-McCall. Good morning, everyone.

**Mr. Chase:** Harry Chase, Calgary-Varsity, and temporary resident of Cataract Creek.

**Mr. Blackwood:** Rick Blackwood, Sustainable Resource Development.

**Mr. Seiferling:** Good morning. Morris Seiferling, Land Use Secretariat.

**Mr. Gilmour:** Ray Gilmour, SRD.

**Ms Boje:** Wendy Boje, SRD.

**Mr. Selland:** Glenn Selland, SRD.

**Mr. Mayer:** Bruce Mayer, SRD. Good morning.

**Mr. Khalid:** Sameer Khalid, office of the Auditor General.

**Mr. Pekh:** Sergei Pekh, office of the Auditor General.

**Mr. Ryan:** Ed Ryan, Assistant Auditor General.

**Mr. Saher:** Good morning, everyone. Merwan Saher, Auditor General.

**Mr. Allred:** Ken Allred, St. Albert.

**Mrs. Forsyth:** Good morning. I'm Heather Forsyth, Calgary-Fish Creek. Hi, everybody.

**Ms Rempel:** Jody Rempel, committee clerk, Legislative Assembly Office.

**The Chair:** Thank you.

Before we proceed any further, I would like to take a moment to introduce committee members to Giovana Bianchi, who has recently joined the Legislative Assembly Office as a committee clerk.

**Ms Bianchi:** Hello.

**The Chair:** She will be stepping in as a regular committee clerk for Ms Rempel, who is taking a leave.

We wish you the very best.

**Ms Rempel:** Thank you.

**The Chair:** May I please have approval of the agenda that was circulated to members? Moved by Mr. Chase that the agenda for the November 23, 2011, meeting be approved as distributed. All in favour? Thank you very much.

The minutes were distributed for the October 26, 2011, committee meeting. Can I have approval of those minutes as circulated? Moved by Mr. Groeneveld that the minutes for the October 26, 2011, meeting of the Standing Committee on Public Accounts be approved as distributed. All in favour? None opposed? Thank you very much.

We come to our next item on the agenda, which is, of course, our meeting with Alberta Sustainable Resource Development. We are dealing with the reports of the Auditor General from April 2011 and November 2011, and of course there are many outstanding recommendations as noted. We are also dealing with the annual report of the government of Alberta 2010-2011, which includes the consolidated financial statements, the Measuring Up document, the business plan, and, of course, Alberta Sustainable Resource Development annual report, that was recently published, earlier this summer.

I would remind everyone of the briefing material prepared for us by the research staff. Thank you very much for that. We appreciate your research. We really do.

Now I would invite Mr. Gilmour, deputy minister, to make a brief opening statement on behalf of Alberta Sustainable Resource Development.

Thank you.

**Mr. Gilmour:** Thank you, sir. It's my privilege to present the public accounts of Sustainable Resource Development for the 2010-11 year.

I would just like to highlight a few of the folks with me today. I've got Vern Hartwell, who's the chair of our three quasi-judicial boards; Peter Woloshyn, who's the chief executive officer of the NRCB; the stewardship commissioner, Morris Seiferling, of the Land Use Secretariat; and the assistant deputy ministers: Glenn Selland from lands, Rick Blackwood from fish and wildlife, Bruce Mayer from forests, and Wendy Boje from corporate services. Also with me is our SFO, Greg Kliparchuk; our human resource director, Mike Boyle; our legal services director, Darin Stepaniuk; and our communications director, Carol Chawrun.

The ministry includes the Department of Sustainable Resource Development, with its three main divisions being lands, forests, and fish and wildlife. In addition to the department are the Land Use Secretariat and the three quasi-judicial boards, which are the Natural Resources Conservation Board, the Surface Rights Board, and the Land Compensation Board.

In 2010-11 the ministry's base budget was \$306.8 million, which included preparation for wildfire and mountain pine beetle season. Actual spending included emergency funding for wildfire response and mountain pine beetle programs, for a total expenditure of \$452 million.

The ministry generated \$180 million in revenues, about one-third of our spending. About \$114 million came from premiums, fees, licences, and leases. Another \$45 million came from federal transfers, mostly related to the softwood lumber agreement. Other sources, including investments, provided \$21 million.

As we look at our budget for 2010-11, as part of the government's efforts to get back in the black, the base budget started with a 12 per cent reduction from the previous year. The ministry used four strategies to deal with the impact of this. First, a review of discretionary spending was looked at and reduced, with less travel, delaying equipment upgrades, and lower contract bids from a slower economy.

Second, costs were cut where there was little or no impact on services. For example, \$1.8 million was cut from the Land Use Secretariat, which allowed us to continue to work on our two regional plans that were under way but slowed some preliminary work on future regional plans.

Third, the department looked at where reductions would have the lowest impact on services. For example, \$2.2 million was cut from different grant funding programs.

Fourth, the department looked for and found additional efficiencies within the department. For example, expanding the use of mobile office technology lets staff access data and documents in the field. And to reduce the impact of losing 112 staff positions, the department mainly relied on attrition.

That summarizes how the department managed its reductions. Now I'd like to take a moment to summarize how we allocated our budget. First, public lands. About two-thirds of Alberta is public land. In '10-11 the lands division spent \$64 million to manage access to and impact on public land from grazing, industrial development, and recreational use. There are more than 250,000 active dispositions currently on public land.

The approval process for oil and gas access to public land was streamlined as a competitive advantage and to focus more staff time on monitoring and compliance. Under the new, enhanced approval process the department issued 3,100 approvals out of 3,800 applications and approved them in five working days or less. This was a significant improvement from the previous average of 20 days. That allowed staff more time to focus their efforts on monitoring and enforcement.

More than \$3 million in capital funding for fencing and water system improvements was deployed on grazing reserves to help bring the percentage of rangelands in good standing closer to the 90 per cent target. Partnerships also helped maintain efficient program delivery. For example, field staff work with other enforcement agencies like the RCMP and sheriffs on long weekends. The combined effort creates a bigger impact with targeted education, compliance patrols, and checkstops, especially during busy times like the May long weekend. In '10-11 the ministry and partner agencies interacted with almost 74,000 recreational users, which resulted in nearly 1,800 enforcement actions.

During the fiscal year the decision to suspend nominal sum disposals of public land was reversed for tax recovery land. The lands budget received a supplementary estimate of 13 and a half million dollars to offset the value of tax recovery land transferred to municipalities for a dollar per parcel.

#### 8:40

Looking at the fish and wildlife area, this division spent \$57 million in '10-11 on fisheries and wildlife management and enforcement. The division used this funding to manage and conserve Alberta's fish and wildlife resources, reduce and respond to human-wildlife interactions, and recover species at risk. Managing Alberta's fish and wildlife and their habitat is both an environmental responsibility and big business. A 2008 study estimated that hunters, anglers, and related conservation organizations were responsible for about \$800 million in economic activity. According to the Alberta Professional

Outfitters Society professional outfitting and guiding is also a \$100 million industry. Aquaculture contributes about \$10 million a year to rural economies, and commercial fishing harvest was valued at 3 and a half million dollars. Also, commercial trapping generates approximately \$1.7 million in sales.

In '10-11 licence sales generated \$22 million, of which about \$10 million went into covering the cost of service delivery and into general revenue. The other \$12 million funded programs to benefit fish and wildlife and their habitat. Programs were delivered primarily through the Alberta Conservation Association, or the ACA. Also through the ACA \$224,000 was paid in compensation to ranchers and farmers for livestock injuries and losses due to predation and hunting mistakes. In 2010 grizzly bears were officially designated as threatened in Alberta, and a ban on hunting grizzly bears, that was put into place in 2006, continued.

Now a look at forestry. More than 50 Alberta communities depend on forestry, and the industry adds more than \$4 billion to our economy. Managing and protecting the forests, that cover 60 per cent of our province, is a major priority. The original budget for forestry was \$151 million, which was almost half of the ministry's operating budget. About a third of the budget focused on sustaining our forests and supporting a competitive forest industry. Staff worked with industry to start development of the Alberta forest products road map to promote new uses for all forest fibre, including waste. Biofuels and other new products from forest fibre will open new and diverse markets. Ministry staff also worked with the Ministry of Energy to help deliver a bioenergy grant program to study opportunities in the forestry field, which accounted for \$45 million to forestry companies.

The other two-thirds of the budget was used in preparation for the wildfire season by covering prevention and detection and retaining personnel, equipment, and aircraft for immediate mobilization. Included was \$4 million for initial management of mountain pine beetle. As usual, the actual cost of fighting wildfires and implementing mountain pine beetle programs was funded for emergencies as well. Responding to and controlling wildfires required emergency funding of \$118 million in '10-11. The 2010 wildfire season saw more than 1,800 wildfires, 12 per cent more than the five-year average, and those fires burned almost 84,000 hectares, which was a 13 per cent increase over the five-year average. The ministry did an exemplary firefighting job, containing more than 98 per cent of wildfires within the initial burning period. This is better than our 97 per cent target. Efforts to control the spread of mountain pine beetle and spruce budworm took \$28 million in '10-11. In total, budget and emergency funding brought actual spending in forestry to \$277 million.

The Land Use Secretariat saw a \$1.8 million cut, leaving it with a \$13 million budget. Government released a draft lower Athabasca regional plan on the oil sands region, that was prepared for release for the public, stakeholder, and aboriginal consultations in the spring of 2011. The South Saskatchewan Regional Advisory Council's advice to government for a land-use vision for southern Alberta was also released. Department staff worked with the Land Use Secretariat and other ministries to support these initiatives.

As far as the quasi-judicial boards go, the ministry allocated \$9 million for these boards for '10-11. The Natural Resources Conservation Board approved a new limestone quarry and processing facility, with conditions, north of Fort McMurray. With almost 2,000 confined feeding operations in Alberta a new risk-based program helped focus regulatory resources on those with the greatest potential impact on groundwater. The Surface Rights Board held about 760 proceedings to resolve disputes, and the Land Compensation Board also held 55 proceedings last year.

In conclusion, I would just like to say that the department's core businesses made admirable progress in realizing the economic, social, and environmental benefits of Alberta's public lands, fish and wildlife, and forestry resources.

I welcome your questions and your support for the Sustainable Resource Development public accounts for 2010-11. Thank you.

**The Chair:** Thank you very much, Mr. Gilmour. In your comments you indicated that for lands you spent – was it \$64 million or \$74 million? I'm looking at your annual report on page 81, and the actual expenditure is \$73.2 million. Did I hear \$64 million or \$74 million?

**Mr. Gilmour:** It was \$63.8 million, which was the actual on page 51 of the annual report.

**The Chair:** Page 51 of the annual report. Okay. Thank you for that clarification.

Mr. Saher, do you have anything to add at this time?

**Mr. Saher:** Mr. Ryan will make some brief comments. Thank you.

**Mr. Ryan:** Thank you, Mr. Chair. Our comments will focus on the work that we have done on SRD in our November 2011 and April 2011 reports. In our most recent report, starting at page 45 and again at page 135, we present results of follow-up audits that we conducted on prior work that had been done.

In our April 2011 report, starting on page 55, we followed up on prior work on the Natural Resources Conservation Board monitoring of confined feeding operations. The NRCB implemented recommendations about managing complaints and compliance activities relating to groundwater. However, we made a new recommendation in this report about compliance activities relating to surface water. We also found three other prior-year recommendations to have been implemented.

Currently we are actively managing the remaining outstanding recommendations and are planning on doing more follow-up work in the coming months. Those matters will be reported in upcoming reports subsequently. SRD's current list of outstanding recommendations can be found in our most recent report at page 164.

We'd be pleased to answer any questions the committee may have. Thank you, Mr. Chair.

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

We'll proceed now to questions. Mr. Chase, please, followed by Mr. Allred.

**Mr. Chase:** Thank you. My first set has to do with land use. Goal 8 listed on page 41 of the ministry annual report focuses on land-use planning. It states that "the success of the Land-use Framework is founded on regional plans." How, then, can the land-use framework be deemed a success when only 2 of 7 regional plans have gone anywhere since the framework was first introduced?

**Mr. Seiferling:** Thank you for the question. The creation of a regional plan is a complex process that involves intensive collaboration across multiple government ministries, as the deputy mentioned, and with many stakeholders, including the public and First Nations and Métis communities. Recognizing that developing regional plans is multifaceted and requires a great deal of input, time, and analysis, the government opted to ensure a fully robust process in fulfilling regional planning objectives. Our intention is to complete a regional plan every year going forward.

The timelines and targets were extended to basically give organizations like the regional advisory council more time to provide their advice to government and also more time for public stakeholders and aboriginal peoples to participate in the process, to ensure we heard what they wanted government to consider in the development of the regional plans.

**Mr. Chase:** Thank you. My supplementary question: how much of the Land Use Secretariat's total expenses, listed on page 64 as \$13.8 million, was allocated for development of regional plans? How much was for the clarification of legislation, which is also an aspect of goal 8, located on page 41?

**Mr. Seiferling:** Thank you again. Of the total budget, \$2.3 million was allocated to the development of both the lower Athabasca and the South Saskatchewan plans: \$800,000 of that \$2.3 million for the lower Athabasca for that year and \$1.5 million for the South Saskatchewan. The amount of money provided for the Alberta Land Stewardship Act work and other policy work was about \$700,000 of the \$13 million.

**Mr. Chase:** Thank you.

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

Mr. Allred, please, followed by Mr. Kang.

8:50

**Mr. Allred:** Thank you, Mr. Chair. We've talked a lot about trying to reduce the cost of government in recent days and of silos within government, et cetera. Now, I know that in the last number of years, through some recent retirements and some forthcoming retirements, you've had some difficulties in the director of surveys office. Considering the very close alliance between the land titles office and the director of surveys office, have you ever considered combining those two offices? I recognize that it's two different departments – Service Alberta for land titles; the director of surveys office is within your purview – but it seems to me there could be some considerable cost savings by perhaps amalgamating those two.

**Mr. Selland:** The director of surveys exists as a position within SRD by virtue of the Surveys Act. That is actually a singular position within the department. We work very closely with land titles in terms of process, but the director of surveys' role is really to address the accuracy of surveys, to help support, addressing matters where there are disagreements between surveyors or there are errors and to provide counsel.

We have looked at options to ensure that we're able to staff the director of surveys office. It does require a registered Alberta land surveyor. On a go-forward basis the department will look at some options to perhaps provide us with some better flexibility around recruiting to that position, but we believe we're pretty solid in terms of having the director of surveys well equipped. Our ongoing relationship with land titles and the Alberta Land Surveyors' Association, I believe, addresses our ability to ensure that we're providing the appropriate guidance to land surveyors and fulfilling the intent of the Surveys Act.

**Mr. Allred:** Well, thank you for that response. I recognize that the Surveys Act provides for the director of surveys, but the whole basis of the land titles system is a good, accurate survey in Alberta, which is really one of the main reasons, in fact, the primary reason, for the Surveys Act. Certainly, in most other provinces those two functions are combined into one, and I'm sure

there could be some considerable efficiencies in doing so. Perhaps you could just add a little more comment to that, then.

**Mr. Selland:** Sure. In terms of opportunities on a go-forward basis we are exploring what could be potential opportunities to ensure that the director of surveys office remains well funded and, again, to ensure alignment with land titles. For '10-11, you know, we believe we've fully equipped the director of surveys office, but we do recognize there may be some opportunities in future years to look at some different models.

**Mr. Allred:** Thank you.

**The Chair:** Thank you.

Mr. Kang, please, followed by Mr. Groeneveld.

**Mr. Kang:** Thank you, Mr. Chair. My questions are from the 2010-11 Sustainable Resource Development annual report, pages 46 to 48. The annual report key ministry statistics are referenced. These sections include enforcement actions for fish and wildlife, NRCB, lands, and forestry information related to wildfires and reforestation, but nowhere in the annual report are enforcement actions through the forest management branch referenced. Why not?

**Mr. Mayer:** Thank you. The forest management statistics for compliance under the timber management regulations are being reported now on our website. It was one of the recommendations that the Auditor General had put forward to us to strengthen our reporting process. We've got data for the years 2009 and 2010.

**Mr. Kang:** Thank you. My second question is about timber fees. Timber fees for the year in question were \$36 million as stated on page 76 of the annual report. In 2002 these were worth \$64.2 million, page 92 of the 2002-03 annual report. I'm just wondering why these are so much less now than they were nine years ago. I'm wondering, you know, if we should be getting more.

**Mr. Mayer:** Thank you. With regard to the change in timber fees, essentially, it's in relation to the market. The fee structure we have under the forest management regulations is that where the price is up higher for a product sold on the market, then the government realizes more revenue in fees and dues. The market downturn in the last number of years explains why the revenue is down.

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

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

Mr. Groeneveld, followed by Mr. Mason, please.

**Mr. Groeneveld:** Thank you, Chair. I'm quite surprised to get to ask this question following one of my colleagues when I want to talk a little bit about the Castle region and C5 forest plan, but I'm quite delighted to do so. Of course, page 22 of the report mentions "the new C5 forest management plan for the Crowsnest Pass area, which is designed to manage timber harvesting activities to support forest health, protect water resources and support Alberta's Grizzly Bear Recovery Plan." I'd like to know a little bit more. Maybe explain how this management plan came about, how it was developed, I guess. I certainly would be more interested in whether there are land uses other than timber harvesting in this area.

**Mr. Mayer:** Thanks for the question. With regard to the C5 management unit, for reference, that is an area that's located north of the Waterton national park boundary up to the south end of the Highwood, bounded on the west by the British Columbia border.

There has been industrial activity in that area for the last hundred years from timber harvesting, oil and gas activity, and, of course, grazing. Much of that activity still exists today.

In 2010, as the annual report indicates, we approved a new forest management plan. It was a revision and update of a plan that existed in 1986. The plan underwent considerable public, stakeholder, and First Nation consultation. The plan is based on sustainable forest management standards. It's got criteria from the Canadian Standards Association. As well, some of the reference to the multi-use activities comes from the Castle integrated resource plan and the Old Man River integrated resource plan that's included in the area.

**Mr. Groeneveld:** I would suspect, then, that there are areas that are conserved or protected from industrial activity. Am I right or wrong on that?

**Mr. Mayer:** Thank you. Yes, you are correct. There are some ecological areas that are protected within the C5 area, managed by Tourism, Parks and Recreation. The other protection that is provided is through the forest land-use zone, which is now the public land-use zone. Castle integrated a public land-use zone. Off-highway vehicles are restricted to existing trails or identified trails, and it identifies other activities that can occur.

**Mr. Groeneveld:** Thank you.

**The Chair:** Thank you.

Mr. Mason, please, followed by Mr. Benito.

**Mr. Mason:** Thank you very much, Mr. Chairman. Your annual report talks about the importance of hunting and fishing to Albertans. It suggests that it has a wide range of benefits, including economic, environmental, and social benefits. It's part of our heritage, part of our culture, and so on. Those value statements don't seem to be supported by anything in the report. Given that you have a new minister, would it now be time to review some of these value statements or to justify them?

**Mr. Gilmour:** Thank you for that question. I guess as you look through the annual report and you look at the mission and the vision of the department to always try to meet the multiple uses for public land in Alberta, I think we can strongly say and support that it does represent a lot of the values that are important to Albertans. No doubt, whenever you have change or even without change, as we live in a dynamic environment, as mentioned earlier, we're always looking for opportunities to enhance how we deliver our services, to enhance the deliverables from the department from a social perspective, from an environmental perspective, and from an economic benefit perspective.

So, yes, I think, clearly, as we go forward, we're always going to be looking for opportunities to enhance the role the department plays in access to public lands.

9:00

**Mr. Mason:** Okay. I guess that was about my question, but I'm going to follow up with a supplementary. Do you have evidence that Albertans have an expressed desire for increased hunting and fishing in the province? Do you have evidence as to whether or not yearly increases in hunting and fishing activity will result in natural resources being more or less susceptible to harm or damage? And do you have evidence as to whether or not participation in hunting and fishing activities leads to responsible stewardship of natural resources? All statements that are made as assertions in your report with no evidence.

**Mr. Blackwood:** In terms of hunting and fishing trends our sales of licences over the last five years with the exception of fishing in the 2010 year have shown a small but slowly growing trend upward. So we do certainly see a higher demand for hunting and fishing. We do however manage those trends for hunting and fishing with annual population surveys and inventory work to ensure that the harvests that are taken either from a hunting or fishing perspective are done in a sustainable manner. As an example, if we have an area where we have a preponderance of deer or elk, if you will, our biologists will adjust the number of tags each year in consultation with stakeholders, looking at issues, as an example, with ranchers, if they're having issues with depredation of hay bales and those types of things, and will adjust populations. That's done on an annual basis, and it's done in consultation with local stakeholders, biologists, and other stakeholders in the areas.

**The Chair:** Thank you.

Mr. Benito, please, followed by Mr. Chase.

**Mr. Benito:** Thank you very much, Mr. Chair. My question is with reference to wildlife diversity and managing species at risk. On page 30 of the annual report it indicates that for 2010 3.6 per cent of our vertebrate species were at risk of disappearing from our province. My question is: does this mean that we are at an immediate risk of losing our wildlife diversity? What is the government of Alberta's track record in species-at-risk recovery?

**Mr. Blackwood:** Alberta has a strong record in species-at-risk recovery programming. We have a number of recovery programs in place not just for the terrestrial vertebrates that you mentioned but also for certain plant species and other forms of wildlife or biodiversity in the province. Our system is science based; it's based on clearly established criteria. We also have an advisory committee that is made up of a broad range of stakeholders and interests along with a scientific advisory committee that provides them with scientific guidance and foundation for their work to help us to make either delegations or designations in regard to a species' status and to also, then, help us to move forward with the concept of preparing recovery plans, if needed, for any species that are deemed to be threatened or at risk.

**Mr. Benito:** My follow-up question, Mr. Chair. I realize that management of wildlife diversity costs money. I just want to find out how much money was actually spent on the species at risk in 2010-2011.

**Mr. Blackwood:** For species at risk in Alberta last year we spent just over \$405,000 directly. In addition, we also provided a grant of \$415,000 to a group called Multisar, which works in the southeastern corner of the province, where the preponderance of our species at risk currently reside. The work done by Multisar is very much directly involved with recovery efforts and working with various stakeholders who have some influence on those particular species; as an example, a rancher who may have a particular plant on his public land or private land disposition, how we could work with him to try to sustain that species over time.

**Mr. Benito:** Is that organization a nonprofit organization? I'm just curious.

**Mr. Blackwood:** Pardon me?

**Mr. Benito:** Is that a nonprofit organization?

**Mr. Blackwood:** Multisar is a not-for-profit and also has a

number of ties to groups like the Alberta Conservation Association and other groups such as that.

**Mr. Benito:** Thank you.

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

Mr. Chase, please, followed by Mr. Rodney.

**Mr. Chase:** Thank you. My forestry experience is primarily related to southwestern Alberta, most specifically the lower Kananaskis where Cataract Creek is located. This area has been heavily logged, first by Spray Lakes and then by Bell Pole. My question to both SRD and the Auditor General: has either SRD or the Auditor General's office conducted a value-for-money audit on the environmental sustainability and the economic viability of clear-cutting, now called block cutting, versus selective logging?

**Mr. Mayer:** Thanks for the question. A specific audit on the value for dollars: no. Any of the audits that we do is an audit on sustainability, ensuring that there is compliance to the legislation from a company perspective and any subsequent reforestation requirements. Reforestation is a law in Alberta, and we ensure that companies follow up and do the reforestation. As well, through our monitoring activities we do audits on those activities.

**Mr. Chase:** Thank you. Again, my experience in Cataract Creek, very specifically, was that the reforestation efforts were not very successful.

Have any value-for-money studies been done regarding the replanting of a monoculture such as replanting lodgepole pine, which are highly susceptible to the pine beetle after a clear, or block, cut has taken place? Is this practice, rather than deterring pine beetle infestation, actually laying out a future feast?

**Mr. Mayer:** Thank you. As to value for dollar, again not specifically on that. Any of our operations, as indicated, are for sustainability. One of the approaches we do to minimize mountain pine beetle infestations in the province is to create a more uneven age stand. Down the eastern slopes it's a fire-origin stand from the late 1800s to the early 1900s. It's all one age class. It's all even. It's very susceptible to mountain pine beetle. Some of our harvesting activities help reduce – and I'll use an analogy similar to firefighting. We try and remove the fuel in front of a fire. In front of mountain pine beetle our intent is to try and remove some of the food sources. The mountain pine beetle does not like young stands. They prefer stands that are in the 80- to 120-year-old range.

**Mr. Chase:** Thank you.

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

Mr. Rodney, please, followed by Mr. Kang.

**Mr. Rodney:** Thank you, Mr. Chair. With reference to page 66, the third line under Revenues, I'm looking at the transfers from the government of Canada. The budget, schedule 4, is less than \$30 million, but we actually received more than 150 per cent of that, so I'm just wondering if you can comment on why the actual transfers were so much higher than the budget.

**Mr. Gilmour:** Yes. Thanks for that. The budgeted amount for transfers, of course, varied, as you mentioned, substantially. A large percentage of the funding from the government of Canada comes, as mentioned earlier by Bruce, from the softwood lumber export tax. When timber companies export to the United States, they're required to pay an export tax, which varies with the product's market price. When demand in the U.S. is high for

softwood lumber and timber companies are able to ship over the maximum quota volume, a surge of export tax is triggered according to the agreement. Sixteen million dollars of variance was mostly related to this surge export tax from delivering above-quota amounts to the States.

**Mr. Rodney:** Okay. Is there anything else you can tell us about the \$46 million? Is it exclusively related to what you just mentioned, or is there more involved? When I see transfers, I would have thought it would just say transfer and, in brackets maybe, softwood lumber. Are there other areas that are affected by that \$46 million?

9:10

**Mr. Gilmour:** Yeah. The federal funds also support various agreements and commitments with the province, including, of course, the softwood lumber agreement. There's also the Indian reserves fire control agreement, the Cold Lake air weapons range management agreement, and mountain pine beetle infestation commitments.

**Mr. Rodney:** Okay. Great. Thank you.

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

Mr. Kang, please, followed by Mr. Elniski.

**Mr. Kang:** Thank you, Mr. Chair. Page 82 of the ministry's annual report placed the wildlife management budget at \$4.5 million over budget for a total of \$19.669 million, line 5.0.2. My first question is: what accounted for this overspending? More specifically, how much of this overage was as a result of increased spending to protect endangered species such as grizzly bear and caribou, and what portion was for wildlife control activities?

**Ms Boje:** Thank you for the question. The difference in that expenditure item was related to grants that we give out to the Alberta Biodiversity Monitoring Institute, an arm's-length institute that does a number of monitoring activities on behalf of government and industry, as well as some work that we had done on chronic wasting disease.

**Mr. Kang:** Okay.

My supplemental is: how much of the wildlife management budget was spent on wolf cull in an attempt to protect the caribou?

**Mr. Gilmour:** Approximately \$250,000 of the wildlife budget was actually spent in support of wolf or predator management.

**Mr. Kang:** Thank you.

Thank you, Mr. Chair.

**The Chair:** The Oilers were pretty good at that last night.

Mr. Elniski, please, followed by Mr. Mason.

**Mr. Elniski:** Thank you very much, Mr. Chairman. Good morning, ladies and gentleman. My forestry background is perhaps a little broader than many at the table here and spans work with major forest products companies in Alberta, British Columbia, and Saskatchewan. I'd like to start with an editorial comment by saying right off the hammer that there is, in fact, no better jurisdiction in Canada in which to be in the forest products industry. We have a remarkably robust industry here with a remarkably well-organized infrastructure.

My first question this morning has to do with biodiversity monitoring. I noticed that you have a new performance metric with respect to forest regrowth. I'm interested in knowing if that

kicks in at the free-to-grow stage. When does that actually kick in?

**Mr. Mayer:** Thank you for the question. On the new measure that's put in, the initial piece is calculated at the first eight-year survey period and then followed up at essentially the free-to-grow or the 14-year period.

**Mr. Elniski:** The 14-year period. Okay. So a forest management company still has responsibility at the first metric point, then.

**Mr. Mayer:** Correct. They do.

**Mr. Elniski:** Okay. Good.

My second question has to do with the forest products road map, and particularly I'm interested in some of the biofuels projects that are out there and that all-controversial topic, down woody debris. Everybody knows that you can take as much white fibre as you want and leave very, very little in the bush, which will impact biodiversity. So what's your stand or your practice with respect to some of these new biofuel projects?

**Mr. Mayer:** Thank you for the question. On the downed woody debris – for clarification, I guess, it would be tops, branches, and when it comes into the mills, some of the bark residues. We encourage the use of all of those materials in the bioeconomy field. We're not a jurisdiction that will harvest timber specifically to put it into the bioregeneration; we'll use the waste product or the waste stream to do that.

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

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

Mr. Mason, please, followed by Mr. Xiao.

**Mr. Mason:** Thank you, Mr. Chairman. I'd like to follow up on an earlier question about reforestation requirements. I'm wondering what the department does by way of requirements in order to ensure long-term protection against things like the mountain pine beetle. It seems to me that when we're reforesting, now is the time to do it so that we don't have, you know, a monoculture all of the same age, that makes us susceptible.

**Mr. Mayer:** Okay. Thank you. The mountain pine beetle likes pine trees. In Alberta it's specifically lodgepole pine, and most recently the Canadian Forest Service validated Jack pine. We're trying to reduce the even-aged stand that we have out there, the fire-origin pine. We have a healthy pine strategy where the work that we're doing with the forest industry is to reduce the amount of susceptible pine that is on the landscape with the intent to grow new forests that aren't as susceptible to the mountain pine beetle itself.

**Mr. Mason:** I wonder if you could provide me with a little more detail. Do you require them to do replantings over a period of time so that not all are planted in a given area at a certain time? And do you require them to use a variety of species when they replant, or do you permit them just to plant one species alone?

**Mr. Mayer:** Thank you. Under Alberta legislation all forest industries are required to reforest within two years of harvest. In many cases we will try and work on changing the stand type, but pine grows where pine grows, spruce grows where spruce grows. There's not a lot of value to put dollars in if the trees aren't going to survive. Our success has been more or less trying to change the stand composition and the continuity of susceptible pine out there, and we've been successful at it.

**Mr. Mason:** Thank you.

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

Mr. Xiao, please, followed by Mr. Chase.

**Mr. Xiao:** Yeah. My question is related to the protection of the threatened species, in particular the grizzly bear and the woodland caribou. On pages 30 and 31 of your annual report you talk about managing the grizzly bear and managing the caribou. Can you talk about, you know, specific measures that are being taken and how much we have to spend in these areas?

**Mr. Blackwood:** Thanks for the question. In Alberta for grizzly bears, in particular, approximately \$900,000 was expended last year in support of grizzly bear effort. About \$368,000 of that went particularly to a number of areas that deal with trying to keep bears out of trouble, if you will – BearSmart programs, bear aversion, bear relocation, population and habitat monitoring – so trying to avoid conflict with bears so that we didn't lose any through unnecessary mortality. We continue to do work as well on grizzly bears with other organizations such as the Foothills Research Institute and have a number of other partner groups, industry, very much involved in helping us implement elements of the grizzly bear recovery plan.

From a caribou perspective last year the department spent just over a million dollars on caribou recovery, with about a quarter of that, \$250,000, on wolf or predator management and the balance on population monitoring and analysis and habitat monitoring. Last year a lot of effort went into the development and the creation of Alberta's new caribou policy, which was actually announced in June of 2011. That exercise involved significant consultation with members of the Alberta Caribou Committee in addition to First Nations consultation to try to ensure that we were developing a policy that would work for the broad range of stakeholders in Alberta and also help to support the recovery of caribou.

9:20

**Mr. Xiao:** I guess my supplementary question is: do we know exactly what the population of the grizzly bear and the woodland caribou is? Do you have some specific plan, you know, in place to make sure of the recovery of the grizzly bear and the caribou population?

**Mr. Blackwood:** From a grizzly bear perspective there are approximately 700 grizzly bears in Alberta at this time outside of the Banff and Jasper national parks. That information was developed and that number was generated based on a state-of-the-art DNA population census program that took place over a number of years and wrapped up a couple of years ago. We have measurement criteria, or metrics if you will, for mortality of grizzly bears that we have defined in the recovery plan that help us to describe what we feel is an acceptable level of mortality that doesn't threaten the population numbers. To date we've been very successful at keeping those mortality numbers within that range.

From a caribou perspective by nature their habitat use is very broad and very dispersed, so they're quite difficult to count. Our efforts have been focused in the last number of years on developing population trend and survival models, so we spent a lot of time looking at calf survival each spring to ensure that we've got recruitment back into the population or if we're seeing the populations potentially decline because we're not seeing that recruitment. Right now the estimate of caribou in Alberta is somewhat up for debate. We estimate about 2,500 animals, but they're scattered in a number of herds throughout the province.

**Mr. Xiao:** Okay. Thanks.

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

Mr. Chase, please, followed by Mr. Allred.

**Mr. Chase:** Thank you. Again on the topic of forestry, my reference is the Auditor General's report, April 2011, outstanding recommendations, pages 112 through 113. The Auditor General flagged two issues with the reforestation process. The first key recommendation, that has been outstanding for over three years, calls for the department to "strengthen its monitoring of reforestation activities." The second recommendation, that has also been outstanding for over three years, calls for the department to publicly report "reforestation performance information to confirm the effectiveness of its regulatory systems." What steps have been taken to ensure that instances of noncompliance are both identified and corrected in a timely fashion?

**Mr. Mayer:** Thank you. With regard to the recommendation on page 112 the ministry has taken a considerable amount of steps to address the recommendation. We've developed what's called our forest operations monitoring program. It's an internationally recognized program. We've got ISO certification on that program. We have completed field audits within all of our area offices and as part of that are strengthening the monitoring enforcement with the field audits. We've followed up with compliance through the timber management regulations with all of the forest industry operators. We have advised the Auditor General that we feel we have completed this recommendation, and they are working on a work plan to come and audit the data that we've collected over the last two years.

With regard to the recommendation on page 113, again, we've advised the Auditor General that we've completed this outstanding recommendation, and we've done that in two ways. We've introduced two new performance measures within the current business plan, and we've been tracking data on that. The Auditor General will review those. We've also in the last two years been posting on our website various statistics on reforestation activities, whether it be silviculture activities, planting activities, rate of regrowth type of activities, and 2009-2010 data is available for public consumption.

**Mr. Chase:** Thank you. My supplementary: is self-reporting still a central feature of the department's forest management compliance and enforcement practices? As we've seen in other departments, this has proven to be quite ineffective, especially when it is a key mechanism upon which the government relies; for example, water monitoring and the electricity market.

**Mr. Mayer:** Thank you. Self-reporting is one of the activities; however, it is not the be-all and end-all. That's why we have our forest operations monitoring protocol. We do field audits on all industrial operations to ensure that they're in compliance with the plans that they've set out and any legislation in the province.

**Mr. Chase:** Thank you.

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

Mr. Allred, please, followed by Mrs. Forsyth.

**Mr. Allred:** Thank you, Mr. Chair. Just to follow up on my previous questions, then – don't get me wrong. I don't have a vendetta against sustainable resources. I've had a close relationship with both sustainable resources and land titles for over forty years, and I really appreciate all the work you're doing.

I'm trying to find some potential efficiencies. That's really what I am concerned about.

Given your broad mandate in sustainable resources, what I'm talking about is small potatoes, really. Public lands has a registry system which is very similar to the land titles registry system. I recognize that there are some very distinct differences: patented lands versus nonpatented lands. Again, is there any possibility of combining the two to make one larger system that covers the whole province? Has that ever been looked at?

**Mr. Selland:** Thanks for the question. In terms of the registry you're correct. We operate a registry of public land. It was the land status automated system, which has now been converted to a new system carrying forward much of the same data and information. The primary use of our system is to maintain a registry of what's available on the public land base, and as I'm certain you're aware, land titles is dealing with the patented land base.

As far as looking at combining the systems – have we looked at it in the past? – there's been general discussion. There haven't been serious business cases on that. They are two very different systems. The land titles system: we obviously interface with them extensively in that we will move land to land titles and do registry with that, so we actually have quite an interface.

Are there efficiencies to be gained? There may very well be, but I think that would require a pretty substantive look at business cases. These are electronic systems. They would require, I would suggest, some substantive re-engineering. There is a cost with that as well.

On a go-forward basis could we look at that? Yes, but I think we'd have to evaluate what the cost of creating that singular system would be relative to the gains that private landowners would realize along with public land disposition holders.

**Mr. Allred:** Certainly, I don't dispute that you need a very solid business case to go forward, but I think it's something that needs to be looked at.

I know you had the geo information system, and one of the intents of that is to eliminate some of the silos because land information goes across many, many departments, almost every department. Plus it'd be a first step in moving towards the sharing of those systems. I guess my question is – and I don't remember the new name for the geo information system – how is that proceeding? I understood it was just aimed at three departments initially.

**Ms Boje:** Thank you for the question. I think you're talking about GeoDiscover Alberta. Is that what you're talking about, sir?

**Mr. Allred:** Yes, that's right.

**Ms Boje:** What we are doing with that. Yes, it did start out with SRD, Alberta Environment and Water, and Alberta Energy. We are expanding our partnerships with ministries such as Tourism, Parks and Recreation, Culture and Community Services, Municipal Affairs, Transportation, and Infrastructure, looking at a number of efficiencies such as the road network, as an example.

Right now what we have on that portal, which was launched in January, I believe, of 2011, is about 150 layers that are available to the public and then about another 300 information layers that are available within the public service right now. We certainly are using the GeoDiscover Alberta program to look at exactly your point: how do we get efficiencies on information sharing, one area of purchasing of data, etc.

**Mr. Allred:** Well, thank you very much for that. I really applaud the moves although I'm disappointed that it's taken so long. I was on a committee in 1977 that started to do that.

**Ms Boje:** I can't comment to there.

9:30

**The Chair:** Mrs. Forsyth, please, followed by Mr. Benito.

**Mrs. Forsyth:** Thank you, Mr. Chair, and thank you for coming before the Public Accounts Committee. I want to reference page 60, if I may, please, in the report and I guess maybe just ask because I'm not quite understanding. You talk about that as of March 31, 2011, you're a defendant in 27 legal claims, and 18 of these claims have specific amounts, totalling X, and the remaining have no specific amounts. I read that with interest to try and get an understanding of what exactly that is, what you mean. Then you go on to say that you're more involved in legal claims to recover amounts spent on forest fires, but you think it's going to be potentially significant. So if somebody could explain that.

**Ms Boje:** I will attempt to explain that. Thank you for the question. With respect to note 8, which I believe is what you're referring to, we have a number of claims. The translation on this is that a lot of those are related to the First Nations file with respect to the First Nations having concerns with how the Alberta government, various ministries, SRD being one of them, has been potentially perceived to have infringed treaty rights and such. So that's what the bulk of these claims are about.

I do not have the details with me today on the specifics of each of those various claims. If you do wish to get that, there is a report that our colleagues in Alberta Justice do that can provide greater detail. But in a nutshell, that's the bulk of what those are about.

**Mrs. Forsyth:** May I, Chair?

**The Chair:** Sure.

**Mrs. Forsyth:** My understanding – and please, Wendy, correct me if I'm wrong – is that a lot of the claims that you're talking about from the year 2011 are claims that have been ongoing for some time. So this could have been a claim in 2010 or it could have been a claim in 2009 because these, as you said, are a lot to do with First Nations. So can you give an update on what's been settled, what hasn't been settled, you know, how much money we're talking about, where they are in the legal process of these claims?

**Ms Boje:** I was looking back at our esteemed colleague from our justice area.

In a report that I could produce for that, Mrs. Forsyth, I could articulate it there. I do not have that information with me here today.

**Mrs. Forsyth:** Okay. That's fine. I'm okay with that. I'm relatively new to this committee – I'm old, but I'm new again – but I guess it would go through the chair.

**The Chair:** If that information could be provided, please, through the clerk to all members, it would be appreciated.

**Mr. Saher:** Mr. Chairman, if I can just supplement. In the middle of note 8 there is a one-sentence paragraph, which, from an accounting point of view and from my responsibilities as the Auditor General giving an opinion on these financial statements, is very important: "The resulting loss, if any, from these claims

cannot be determined.” Essentially the note is designed to provide information, and the assertion that there is no measurable loss or indication that loss has occurred is the added value that we bring to this note. So that is an important sentence.

**Mrs. Forsyth:** I’m not sure if I’m following exactly what you’re saying.

**Mr. Saher:** Okay. Well, if I may be permitted very briefly. The first paragraph in that note, which the SFO, the senior financial officer, of the ministry has just talked about, is information on claims that have been made against the government. That is factually correct. From an accountant’s point of view no loss has occurred. The claims are subject to legal processes.

So I’m just trying to emphasize that although there are very big numbers there and data on claims, I think it’s important for those who use the financial statements to know that any loss that could arise from these claims has not been determined. If it had been determined, if the government was liable in the sense that it had an obligation to pay money, that would have been booked in the financial statements as an expense and a liability.

**Mrs. Forsyth:** Just so I understand, there have been claims against the government, but these claims haven’t been settled. So you don’t know if the government has paid out \$6 million or \$3 million because it’s still in the courts – I’m seeing Wendy nodding yes – correct?

**Mr. Saher:** Yes. But I can tell you with absolute certainty that at March 31, 2011, no amounts would have been paid with respect to the information in the first paragraph.

**The Chair:** Yes, and we realize that.

**Mr. Saher:** Okay. Thank you.

**The Chair:** We’re going to move on now. Mr. Benito, please, followed by Mr. Kang.

**Mr. Benito:** Thank you very much again, Mr. Chair. My question is about the mountain pine beetle infestation. Can you explain to us how we are managing it and what costs we are incurring to make sure that we have a good program to control the mountain pine beetle infestation? Are there any subcontracting companies who do it for your ministry?

**Mr. Mayer:** Thank you for the questions. With regard to mountain pine beetle the ministry, the government take this very seriously as a threat to Alberta’s forests. For the last five or six years we’ve had a very aggressive survey and control program. For the year 2010 we were approved, or spent, \$28 million on the program. We had an additional \$10 million provided to us by the federal government in support of the mountain pine beetle program.

One thing as a point of note is that if you see a red tree out there, the mountain pine beetle has already gone. The tree is dead. So we’ll go out and do aerial surveys, identify the red trees. Then we’ll go in on the ground and identify any of the green trees around that red tree that may have mountain pine beetle evidence. There’ll be pitch tubes, where the trees try and spit them out. We will then go in and control those trees. We will cut them down and burn them to reduce the threat of mountain pine beetle flying out the next summer. The mountain pine beetle burrows under the bark so survives very well in most winter conditions.

Where we’re at for the 2010-11 year is that we did not receive another beetle in-flight from B.C., but we do have populations in Alberta that are growing. In southern Alberta our aggressive

action has shown that we’ve got a good handle on it right now, but there’s still risk of an in-flight from B.C. Where we have our major problems are the west-central and northwest parts of Alberta, where the beetle population is still growing and spreading within that localized area.

We also partner with municipalities where they have mountain pine beetle within their jurisdiction that can be a risk of spread to Alberta’s forests, and we work with the forest industry and focus them on their harvesting plans in those areas that are highly susceptible to mountain pine beetle.

**Mr. Benito:** My follow-up question, Mr. Chair. The way to manage it: are we using some chemicals or anything which relates to not being environmentally friendly, you know, a substance or chemical?

**Mr. Mayer:** The only chemicals that are available that are approved: you have to inject each tree individually, and it’s cost prohibitive to do that. Because the mountain pine beetle burrows under the bark of the tree, any aerial application of chemical wouldn’t do anything anyhow. Controlling mountain pine beetle is a very manual job. Over the last few years we’ve been fairly successful at trying to contain it. We’re not controlling it. We’ll always have a mountain pine beetle population, but we’ve been very good at trying to contain the spread.

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

9:40

**The Chair:** Thank you.

Mr. Kang, please, followed by Mr. Groeneveld.

**Mr. Kang:** Thank you, Mr. Chair. On page 80 of the annual report 2010-11, schedule 4, supplementary estimates were approved on March 10, 2011, for \$110 million for firefighting costs, \$30 million for mountain pine beetle infestation, \$2.7 million for a program to control eastern spruce budworm infestation, and 13 and a half million dollars for a nominal sum disposal. Can you please provide a breakdown on how this money was spent? How much was spent on equipment, and how much was spent on the manpower, et cetera, et cetera?

**Mr. Mayer:** I’ll look at these. Specific to the firefighting, the \$110 million would have been spent all on forest firefighting itself. I don’t have a breakdown on what would have been equipment or manpower, but as a general rule 40 per cent of our firefighting costs are aircraft related. So those would be contracts. The other contracts we have are equipment: dozers. We have contracts with aboriginal communities to supply firefighters. We have service contracts with other companies for camps to house our firefighters and food services for that.

Mountain pine beetle. I would confidently say that a majority of that is all through contractors, but it’s manpower doing the surveys and control activities.

The \$2.7 million for spruce budworm: we did not expend all of those dollars, but the intent there was to – in the northeast and northwest parts of the province within the spruce stands we have a spruce budworm that after about seven or 10 years kills the spruce trees, and we do aerial applications. It’s a biological insecticide that’s environmentally safe, and we wound up purchasing some of that and did some spray in the year of 2011-12 up in the northeast part of the province.

**Mr. Kang:** Okay. My supplemental. Is SRD not responsible for any maintenance costs of those aircraft or anything? It’s just private contractors that do all the work?

**Mr. Mayer:** SRD actually owns four skimmer airtankers, the tankers that skim off lakes. We received those as part of a national firefighting initiative where we can share aircraft across Canada. In the mid-80s the federal government had a two-for-one deal, and many of the jurisdictions purchased aircraft. Alberta purchased two and got two for minimal dollars, so we own four. But all the other aircraft, the helicopters, the airtankers, are contracted out to service providers.

**Mr. Kang:** Are those costs comparable with our neighbours like B.C., or are they more?

**Mr. Mayer:** No, they're very competitive. They're all publicly tendered contracts, and the costs are very competitive in the market. Yes.

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

**Mr. Kang:** Thank you, sir.

**The Chair:** Mr. Groeneveld, please, followed by Mr. Chase.

**Mr. Groeneveld:** Thank you, Chair. At the risk of being called by the chair, I'm going to try and get a little creative here. We're supposed to talk about last year, and we're supposed to talk about numbers. What I would like to talk about from last year's numbers is that in the Highwood district particularly we have a herd of elk, that I'm sure you people are quite aware of, between Okotoks and Millarville, in that area, that keeps growing. To my own dismay, they've now crossed the Highwood River, and they're on my side of the river. They're moving downstream along the Bow River. I'm not sure why they're doing this because we have too many fat elk and deer there for the food that's there, probably. How are we going to get some control of the problem here? Because it is indeed a problem.

**Mr. Blackwood:** Thank you very much for the question. I'm intimately aware of the herd of which you speak. In past years we have actually tried, as I've mentioned in an earlier response, to issue supplementary tags to allow for additional harvest. What we also did one year – I believe in 2009 – was that we actually introduced a supplementary hunt. You could dial in to get a supplementary tag to try to remove some of the animals from that herd. All of the tags were immediately subscribed, in less than a day, but unfortunately, as you've alluded to, it's a very wary and a very smart herd. The second the first shot was fired, they all crossed the road and went someplace else where they couldn't be hunted. We will continue our efforts. As I said, every year when we do our tag allocation, we're trying to come up with different ways to try to help deal with that particular population.

One of the challenges as well, as you're well aware, in that particular area is that having a large-scale hunt in an area that has a lot of acreage development and what have you is a real challenge, especially with such large numbers of elk. We even talked about bringing in more bow hunters and whatever to try to bring the numbers down but in a responsible way that respects the surrounding circumstance.

**Mr. Groeneveld:** Thank you for that answer. I know you're aware that maybe one of the hunting parts isn't working well for the reasons you've stated. The bow hunters: maybe we should give them lessons. God Almighty. They're not doing a very good job. I'll just put it that way.

Thank you, Chair.

**The Chair:** There are no William Tells living in your constituency?

**Mr. Groeneveld:** Pardon me?

**The Chair:** William Tell does not live in your constituency?

Mr. Chase, please, followed by Mr. Elniski.

**Mr. Chase:** I was going to say: where's Robin Hood and his merry men when you need them?

In his opening remarks Mr. Gilmour indicated a significant reduction in SRD staff in 2010-2011, which, whether by attrition or layoff, directly impacts the ministry's ability to carry out its front-line duties. Referencing my experience in southwestern Alberta working from 2002 through 2004 at Cataract Creek, operating the park there, and our continuing recreating by choice in the Castle-Crown, I have noted first-hand a decline in both the number of SRD and conservation enforcement officers. Other than the May long weekend combined show of force with RCMP and sheriffs, how are your front-line workers, given their large geographic enforcement areas, able to effectively carry out their protection duties?

**Mr. Blackwood:** It was already mentioned and you've already mentioned, Mr. Chase, that certainly on the May long weekend we combine our resources with a variety of other enforcement groups because the May long weekend, as you're well aware, is an anomaly. We get an enormous number of people recreating in the backcountry. For us to build an enforcement force that would be at that level throughout the year is impractical. We have kept numbers and statistics in terms of users, and we typically see two substantial peaks. May, most certainly, which is, again, driven by weather – if we get a snowy or wet weekend, then it usually isn't a big deal – and sometimes in September but nowhere near as big as May.

Certainly, down in the southern east slopes we do collaborate with Tourism, Parks and Recreation. We actually have a memorandum of understanding with them to support each other's efforts for enforcement. What we will also do is move officers in and out or additional staff in and out, much like they do with fire for import and export, if we see that we've got extraordinary need. In addition, with the provision of mobile office technology we have been able to keep our enforcement officers, particularly in enforcement field services, in the field more and away from the office because, essentially, their workstation is now in their truck. In many instances we have seen them be able to cover greater territory and spend more time in the field because of that technology.

**Mr. Chase:** Thank you. I am a great fan of both SRD and conservation officers, and I'm worried about their own protection when they are alone in a vehicle covering large areas. I know some of the difficulties I ran into in enforcement within the campground.

Again in his opening remarks Mr. Gilmour indicated crossministry co-operation, and I would like to know which ministry has the key responsibility for patrolling the trails, two-thirds of which have been illegally cut or expanded in the Castle-Crown region.

9:50

**Mr. Blackwood:** The trail patrol in the Castle area, in particular, is again done in combination with our enforcement field services office. Also, our lands and forestry staff as a part of their regular duties, it was mentioned earlier, do reforestation audits, timber audits, and lands inspections. When our staff are out there, we try to maximize their ability, and they will actually not only travel from A to B to visit a particular application, but they will look at

the trail and look at any issues that they see on the trail. In the summer we augment in the Castle and the Ghost, in particular in the far south, with seasonal guardians who patrol the trail. That's their sole duty, to carry out trail patrol related to trail use.

**Mr. Chase:** Thank you.

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

Mr. Elniski, please, in the time permitted.

**Mr. Elniski:** Thank you very much, sir. A very quick question for you. I noticed in your report that there is no reference this year to one of my favourite forest pests, and that, of course, is dwarf mistletoe. Are we measuring this as an indicator? We're all hung up on mountain pine beetle, which is all really nice, but I think we all know, or perhaps we don't all know that long term the dwarf mistletoe, due to some of its unique characteristics, has the ability to do even more damage to the forest. So are we monitoring this specifically? Where are we at with it, please?

**Mr. Mayer:** Thanks for the question. Dwarf mistletoe affects Jack pine. The majority of the Jack pine that we have is in the northeast part of the province. We do monitor. We don't do any control activities per se. What we will do is work with the forest industry to do some harvesting activities to reduce the Jack pine stands.

We've also done some partnerships when we had some funding from the federal government. We did a FireSmart forest health partnership over in the Lac La Biche area, where we harvested quite a bit of area to reduce the dwarf mistletoe.

**Mr. Elniski:** Okay. Good. Thank you very much.

**The Chair:** Thank you.

We have time now for members, if they would like, to read any questions into the record and get a written response from the department through the clerk to all members. We will start with Mr. Allred, please.

**Mr. Allred:** Yes. I would just like to read one in on behalf of Mrs. Forsyth, the hon. Member for Calgary-Fish Creek. It's with regard to page 61 of the annual report regarding benefit plans. It indicates that "at December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087." I guess the question is to elaborate, to give us an understanding. My assumption and I think Mrs. Forsyth's assumption is that all pension plans were consolidated in the total government as opposed to departmentalized. So perhaps you could expand on that in a written report if you wouldn't mind, please.

**The Chair:** Thank you.

Mr. Benito, please.

**Mr. Benito:** Thank you, Mr. Chair. My written question is about the land stewardship fund. On page 98 of the annual report there are statements for the land stewardship fund. There are no budget numbers for this year or actuals for the prior year, so I'm assuming that this is something new. What is the purpose of the land stewardship fund? The supplemental question is: where does the funding come from?

Thank you, Mr. Chair.

**The Chair:** Mr. Chase.

**Mr. Chase:** Thank you. My questions have to do with wildlife management and their contradictory goals. Goal 1 of the ministry's annual report reads: "Alberta's public lands are

managed to provide economic benefits." That comes from page 17. Goal 6 reads: "Alberta's fish and wildlife resources and their habitats are healthy, productive and sustainable," page 29. Unfortunately, these two goals are inherently contradictory. Habitat protection is key to the survival of species such as the woodland caribou, currently listed as a threatened species. Unfortunately, the caribou's habitat is greatly impacted by oil and gas development, which, rather than wolves, is the major cause of their current threatened status.

My questions. How does the ministry square this circle and suggest that it can achieve success in both of these goals? Secondly, what tangible steps have been taken in the last year to actually improve the ability of the woodland population to grow?

**The Chair:** Thank you.

I have a question as well as a result of this morning's meeting. If I could get some answers, I would appreciate it. On page 47 of your 2010-11 annual report, public land sales, there were 26 public land sales with over 61,000 hectares sold for an amount, if I'm reading this correctly, of \$7.7 million. That's a napkin calculation of \$125 per hectare. If I could have a breakdown, please, of who purchased this land, the 26 parties, and where this land is located. Thank you very much.

Any other questions?

Well, on behalf of the committee, Mr. Gilmour, I would like to thank you and your staff for your detailed answers and explanations to all members today. We really appreciate it. We wish you the very best in this year. Good luck. While we finish our other business that's on the agenda, you and your staff are free to leave. Thank you very much.

**Mr. Gilmour:** Thank you.

**The Chair:** Is there any other business that committee members would like to bring up at this time?

**Mr. Rodney:** I think you're doing a great job, especially the deputy chair. He was stellar today.

**The Chair:** Okay.

Now, the date of our next meeting is on November 30 with the Alberta Gaming and Liquor Commission. If any members have any questions or research that they would like done by the staff, just let them know.

**Mr. Allred:** The research report: is that routinely circulated to the department?

**The Chair:** Not necessarily, no.

**Mr. Allred:** Is there any reason why it isn't? I quite often like to ask questions out of the research report, which I think is excellent. I really commend you, Philip. I think it would be nice if they had it in hand as well unless there's a reason they shouldn't.

**Dr. Massolin:** Mr. Chair, I think the committee's practice, as you know, is to attach the report to the minutes which are approved in the subsequent meeting. But it's up to the committee to decide, you know, how to deal with that report, whether to release it to the department at the meeting so that they have it to reference or not.

**Mr. Goudreau:** There'd be no reason why not unless there are objections from the committee.

**The Chair:** I see no objections from the committee, and I think it's a good idea.

**Mr. Benito:** So which ministry is it?

**The Chair:** The Alberta Gaming and Liquor Commission. It's in the Solicitor General's annual report. It's in Finance now, but it's specifically the annual report for 2010-11. I'm sure every hon. member has received a copy.

**Mr. Benito:** It was under the Solicitor General up to now.

**The Chair:** It was under the Solicitor General, but with the government reorganization it has now moved. It doesn't matter to us. We're looking at 2010-11.

**Mr. Benito:** The minister in charge is who now? Is it Finance now?

**The Chair:** It used to be under the Solicitor General, which at that time was Mr. Oberle, who is now, oddly enough, the Sustainable Resource Development minister.

So that's fine. We can certainly provide a copy of his fine research to the department prior to the meeting.

**Ms Rempel:** Just to clarify if it is the will of the committee. Normally this research report is distributed to committee members on the Friday prior to the meeting. We could distribute it to the department at the same time.

*10:00*

**The Chair:** Yes. Okay. That's great.

**Mr. Allred:** I think we should have a thank you to our dear friend Jody, who is going to be leaving us. We wish her well.

**The Chair:** Yes.

**Mr. Xiao:** Just a short bit of time, right?

**Ms Rempel:** I'll be back.

**Mr. Allred :** You'll be back. Okay. Good.

**The Chair:** Maybe an hon. member could ask the question, with the renovations that are going on just north of us out the window, if there would be a daycare in that facility for LAO staff. That would be progress.

**Mr. Goudreau:** Mr. Chair, I'll move adjournment of the meeting.

**The Chair:** Moved by Mr. Goudreau that the meeting be adjourned. All in favour? Thank you very much.

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



