



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Public Accounts

Environment and Parks

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

Standing Committee on Public Accounts

Cyr, Scott J., Bonnyville-Cold Lake (UCP), Chair
Dach, Lorne, Edmonton-McClung (NDP), Deputy Chair

Barnes, Drew, Cypress-Medicine Hat (UCP)
Carson, Jonathon, Edmonton-Meadowlark (NDP)
Fildebrandt, Derek Gerhard, Strathmore-Brooks (Ind)
Gotfried, Richard, Calgary-Fish Creek (UCP)
Hunter, Grant R., Cardston-Taber-Warner (UCP)
Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)
Luff, Robyn, Calgary-East (NDP)
Malkinson, Brian, Calgary-Currie (NDP)
Miller, Barb, Red Deer-South (NDP)
Nielsen, Christian E., Edmonton-Decore (NDP)
Panda, Prasad, Calgary-Foothills (UCP)
Renaud, Marie F., St. Albert (NDP)
Turner, Dr. A. Robert, Edmonton-Whitemud (NDP)

Also in Attendance

Clark, Greg, Calgary-Elbow (AP)
Loewen, Todd, Grande Prairie-Smoky (UCP)
Swann, Dr. David, Calgary-Mountain View (AL)

Office of the Auditor General Participants

Merwan Saher	Auditor General
Eric Leonty	Assistant Auditor General

Support Staff

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Shannon Dean	Law Clerk and Director of House Services
Stephanie LeBlanc	Senior Parliamentary Counsel
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Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
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Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

Standing Committee on Public Accounts

Participants

Ministry of Environment and Parks

Andre Corbould, Deputy Minister

Tom Davis, Assistant Deputy Minister, Corporate Services

Eric Denhoff, Deputy Minister, Alberta Climate Change Office

Sandra Locke, Assistant Deputy Minister, Implementation and Regulatory

Kevin Quintilio, Regional Approvals Manager; Minister's Representative, Alberta Professional Outfitters Society

Science Advisory Panel

David Hik, Professor, Department of Biological Sciences, University of Alberta

8:30 a.m.

Tuesday, March 20, 2018

[Mr. Cyr in the chair]

The Chair: Good morning, everyone. I would like to call this meeting to order for the Public Accounts Committee and welcome everyone in attendance.

My name is Scott Cyr. I'm the MLA for Bonnyville-Cold Lake, and I am the chair of this committee. I would ask that the members, staff, and guests at the table introduce themselves for the record, starting on my right.

Mr. Dach: Good morning, everyone. Lorne Dach, MLA, Edmonton-McClung, deputy chair.

Mr. Panda: Good morning. This is Prasad Panda, MLA, Calgary-Foothills.

Mr. Hunter: Good morning, Mr. Chair. Grant Hunter, MLA for Cardston-Taber-Warner.

Mr. Loewen: Good morning, everyone. Todd Loewen, MLA, Grande Prairie-Smoky.

Mr. Clark: Good morning. Greg Clark, MLA, Calgary-Elbow.

Dr. Swann: Good morning and welcome. David Swann, Calgary-Mountain View.

Mr. Quintilio: Good morning. Kevin Quintilio, the appointed minister's rep for Alberta Professional Outfitters Society.

Dr. Hik: Good morning. David Hik from the University of Alberta, a member of the Science Advisory Panel for the environmental monitoring and science division of Alberta Environment and Parks.

Mr. Denhoff: I'm Eric Denhoff, the deputy minister of the Alberta climate change office.

Ms Locke: Sandra Locke, assistant deputy minister in the climate change office.

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

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

Mr. Saher: Merwan Saher, Auditor General.

Mr. Leonty: Eric Leonty, Assistant Auditor General.

Ms Renaud: Marie Renaud, St. Albert.

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

Dr. Turner: Bob Turner, Edmonton-Whitemud.

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

Mr. Nielsen: Good morning, everyone. Chris Nielsen, MLA, Edmonton-Decore.

Mrs. Littlewood: Good morning. Jessica Littlewood, MLA for Fort Saskatchewan-Vegreville.

Mr. Malkinson: Good morning, everyone. Brian Malkinson, MLA for Calgary-Currie.

Mr. Carson: Good morning. Jon Carson, MLA, Edmonton-Meadowlark.

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

Mrs. Sawchuk: Good morning. Karen Sawchuk, committee clerk.

The Chair: Mr. Barnes, would you announce yourself for the record?

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

The Chair: Thank you, Mr. Barnes.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard*. Please set your cellphones and other devices to silent for the duration of the meeting. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio and video stream and transcripts of this meeting can be accessed via the Legislative Assembly website.

Let's move on to approval of agenda. Are there any changes to the agenda? Seeing none, would a member move that the agenda for the March 20, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed? Ms Miller. Any discussion on the motion? All in favour? Any opposed? Thank you. The motion has been carried.

The approval of the minutes of March 13, 2018. Do the members have any amendments to the March 13, 2018, minutes? If not, would a member move that the minutes for the March 13, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed? Mr. Hunter.

Mr. Gotfried, would you announce yourself for the record, sir?

Mr. Gotfried: I will indeed. Richard Gotfried, MLA, Calgary-Fish Creek.

The Chair: Sorry about that.

Is there any discussion on the motion? All in favour? Any opposed? Thank you. That motion is carried.

I'd like to welcome our guests who are here on behalf of the Ministry of Environment and Parks, the Science Advisory Panel, and the Alberta Professional Outfitters Society to discuss the outstanding recommendations from the office of the Auditor General and the ministry's 2016-2017 annual report. Members should have the research report prepared by research services, the Auditor General briefing document, as well as the status of the Auditor General recommendations document completed and submitted by the ministry. Members also received a summary document from the outfitters society yesterday.

I'd like to invite Mr. Corbould and/or Mr. Denhoff to provide opening remarks not exceeding 10 minutes.

Mr. Corbould: Thank you, Mr. Chair, and good morning, everyone. I'm pleased to provide an update on the accomplishments of Environment and Parks in 2016-17 and the ongoing implementation of recommendations from the Auditor General. I'll take the first six and a half minutes, and then I'll hand over to DM Denhoff.

Environment and Parks has had several achievements in 2016-17, including work continuing to integrate traditional ecological knowledge and traditional land-use considerations into land management decision-making, which led to the establishment of the Indigenous Wisdom Advisory Panel; the modernization of

regulatory approvals processes to provide regulatory certainty, which is necessary to support a growing and diversified economy; continued work on a leading-edge program to protect Alberta against the spread of aquatic invasive species, including boat inspection stations and our very popular sniffer dogs; significant investment in some of the most treasured spaces in Alberta provincial parks, including the launch of a new online reservation system.

Environment and Parks has also made great progress on recommendations from the Auditor General. Of AEP's 15 outstanding recommendations three are with the OAG for follow-up, three more are undergoing a preaudit, one was identified as ready for preaudit, two should be ready for preaudit by the end of the fiscal year. The six that remain are at various stages of implementation, and some depend on activities outside the control of Environment and Parks. We're ready to respond today to all 15 AEP outstanding recommendations, but I would like to highlight a few for progress.

There are four outstanding recommendations pertaining to flood mitigation. We've made excellent progress on flood mapping with 11 flood hazard studies currently in progress, that will create over 1,100 kilometres of new flood mapping through more than 30 communities across Alberta. The first group of studies is expected to be technically complete within the next few months, with all remaining studies technically complete by the summer of '20, which will lead the way for some consultation on those.

Regarding risk assessment AEP's provincial flood damage assessment tool enables a cost-benefit comparison of proposed mitigation measures. Federal funding through the national disaster mitigation program allowed the completion of three more community damage assessment models, with an additional 10 in progress. The effects of flood mitigation projects are now better addressed by government through AEP's participation in a crossministry working group, development of a project tracking system, and through consolidation of flood mitigation funding with a single government branch.

There are three outstanding recommendations regarding sand and gravel dispositions. As part of an improved inspection process the land management inspection program continues to identify dispositions specific to aggregate operations and prioritize them for field inspection. Alberta Environment and Parks designed a digital inspection form for private and public lands and trained 100 approvals and compliance staff on the use of the form, which will roll out this spring.

The department also continues to review inspection targets and disposition activity data to ensure aggregate holdings are inspected every two to four years. An internal review of the aggregate royalty verification audit program in the fall of 2017 concluded that the department has met the requirements of the OAG recommendations. That's our internal review, and of course the OAG will make their assessment.

An assessment of the sufficiency of security deposits determined that proposed revisions to reclamation security calculations could adequately cover reclamation cost, could decrease the likelihood of reclamation liabilities requiring public funds in the event of operator default, but they could also significantly increase the financial liabilities public land pit operators will face, so we need to be careful. AEP, Treasury Board and Finance, and the surety industry have general agreement regarding the use of a demand forfeiture bond or surety bond as a financial instrument for posting full-cost reclamation security, and stakeholders will be engaged once the use of that surety bond is clarified and finalized so we can get all their views.

We've also made progress on two outstanding recommendations regarding dam safety. I'm pleased to report that dam safety process improvements for authorizations and ongoing monitoring are complete, emergency preparedness and emergency response processes are nearing completion, and we will leverage the rivers.alberta.ca portal so that the public can see those improvements.

On dam regulatory activities the communications, data management, record keeping, and dam safety process improvements in terms of reorganization are complete, manual reports for executive reporting for the last three years have been completed, the system-automated reporting function is complete, and the department has commenced generating preliminary reports. An internal quality assurance-quality control process was completed in December, and automated executive reporting will commence in the 2018-2019 fiscal year.

The Auditor General recommended that we improve the mine financial security program to ensure sufficient financial security for land disturbances from mining. The 2016 program review indicated that implementation of all OAG recommendations related to the asset calculation could significantly lower the value of all oil sands mining assets, so again we have to be careful. The review found no direct evidence of inappropriate extension of mine life, but we will work with the Alberta Energy Regulator to improve company reporting.

The 2018 program review will focus on improving reporting transparency and other initiatives impacting the program. The most significant of these initiatives is using the MFSP as a backstop to manage any tailings treatment that does not meet defined triggers for performance as per the tailings management plan.

8:40

On oil sands reporting we fully implemented the Auditor General's recommendation to work with the government of Canada to ensure that public reporting of the joint plan is timely, accurate, and transparent. The 2016-17 annual report highlighting program accomplishments has been released, and 369 scientific technical documents have been produced since 2013, with 86 completed in 2016 and '17.

A multistakeholder forum was held to share information and discuss progress on oil sands monitoring activities. To address the Auditor General's recommendation to improve oil sands planning and monitoring, Environment and Parks has implemented effective processes for monitoring project status, developed and implemented work plans with roles, responsibilities, and timelines, and implemented all key commitments under the joint plan.

A follow-up to the audit by the office of the Auditor General is currently under way. In addition to addressing the recommendations of the OAG, I'm proud that our work to improve oil sands includes both western science and traditional ecological knowledge from indigenous communities.

As you can see, we've been busy. I'll now hand over to my colleague Eric Denhoff to complete our time.

Mr. Denhoff: Thanks very much, Mr. Chairman. Thanks, Andre. I'll try to be brief. I just did want to say at the beginning, since it's the last Public Accounts session I'll do with our current Auditor General, Merwan Saher, that I want to thank the Auditor General for his professionalism and sage advice as we work through a very difficult, protracted audit together this year, and we all wish you the best in the years ahead. Perhaps we could bring you in to give us some advice in subsequent years.

I just want to highlight some of the findings, Mr. Chair, made by the office of the Auditor General in their recent report on our office. I think it speaks to the progress we've made in ensuring that we

have the right systems and oversights in place and that they're guiding us in the right direction as we implement very important policies for Albertans.

The Auditor General's report did single out the role that the Climate Leadership Policy Committee played in clarifying the funding and program priorities that would be put before cabinet under the auspices of the climate leadership plan. They noted the important role, as well, of the crossministry committee of deputy ministers and a separate crossministry committee of assistant deputy ministers, and they think that innovative structure helped to ensure that the climate change office was effectively co-ordinating and communicating with other areas of government and allowed it to move its policy forward effectively and efficiently.

As well, the Auditor General's report singled out the climate leadership plan progress report, which is online for members, should you choose to read it, which was released in December, and the Auditor General's report described it as a significant step forward in public reporting on climate change efforts. The 113-page document explains the goals we've set, the programs and policies that have been brought forward in 2016 and '17, and also the standards and benchmarks by which we're measuring the progress we make. We continue to report our progress to Albertans as we move forward. As to the recommendations of the report, we're working right now to develop and implement improvements in our processes as were identified by the Auditor General and reporting to ensure that we address the concerns that were raised.

For the previous outstanding recommendations of the Auditor General I'd like to note that three of those recommendations, all dealing with planning, monitoring, and reporting related to the 2007 climate change strategy, have been closed by the Auditor General as this climate leadership plan is the policy framework that we're now implementing.

We're committed to continuous improvement. We've made significant improvements to the assurance systems for the specified gas emitters regulation and associated offset system, provided detailed plans to the Auditor General's office to implement three recommendations related to the greenhouse gas regulatory and offset system, and we expect that we'll be able to demonstrate that we've fully implemented these recommendations when the Auditor General returns – I think it's in the fall – to follow up on these three recommendations.

In addition to work we've taken to address the outstanding recommendations, I want to update you on the additional accomplishments made. The revenue generated from the carbon levy allowed us to immediately lower small-business taxes from 3 per cent to 2 per cent and support rebates for families who would be most negatively affected by the levies, some two-thirds, I think, of Albertans. It allowed us to fund the creation of Energy Efficiency Alberta, it allowed us to invest in innovation and technology through Emissions Reduction Alberta, and it allowed us to make an important financial commitment to the city of Calgary, who needed a new LRT line to be built.

The Chair: Thank you.

Mr. Denhoff: I'm done?

The Chair: Yes. I was going to give you a little bit of time, but I see that you're really going to get into there.

Mr. Denhoff: No problem.

The Chair: I appreciate that.

I will now turn it over to the Auditor General for his comments. Mr. Saher, you have five minutes.

Mr. Saher: Thank you, Mr. Chairman. I won't use the five minutes. I think I will allow the committee to have most of that time. I'm sure there are a lot of questions to be asked. I'll just for the record state that both deputy ministers have spent most of their presentations this morning speaking to outstanding recommendations, and I thank them for that.

Thank you very much.

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

We will follow our usual time allotment format for one-and-a-half-hour meetings for questions from the members. The first rotation will be 10 minutes each for the Official Opposition and government members. The second rotation will be an additional 10 minutes each for the opposition members and the government members, followed by five minutes for an independent committee member. The final rotation is five minutes for any Alberta Party, Liberal, or PC member in attendance wishing to participate. Any time remaining will rotate equally amongst the Official Opposition and government members, with the final few minutes designated for any outstanding questions to be read into the record and to consider our other items of business.

We ask that officials at the table as well as those seated in the gallery provide their names before responding to questions. This is for the benefit of members who may be participating via teleconference, for those listening online, and for the *Hansard* recording staff.

I will now open the floor to questions from the members. Mr. Loewen.

Mr. Loewen: Thank you very much. Thank you to the ministry for being here today. I appreciate your attendance. As I go through the questions here, if I feel that we're getting off track or maybe continuing on a little long winded, I may interrupt, but there would be no offence there. It's something I may choose to do.

I'll just start off, then, with page 17 of the annual report. It is stated that spending on the climate leadership plan was up nearly a hundred million dollars from the previous year due to increasing costs "for regulatory operations and renewables/bioenergy." Is this the beginning of a trend of rising costs?

Mr. Denhoff: I'm sorry. I missed the first part of the question, Mr. Chair, on bioenergy reduction.

Mr. Loewen: It's regarding the increase in spending, the hundred million dollars from the previous year. It says in the report on page 17 that it's due to "regulatory operations and renewables/bioenergy."

Mr. Denhoff: On the renewables/bioenergy the funds are not increased from year to year. The program started many years ago, and I think previous administrations poured about \$500 million in subsidies into the bioenergy industry. Over the last year and a half, at my recommendation, cabinet reduced the subsidy, from getting close to a hundred million dollars a year to under \$50 million, without losing any jobs or plants closing down. I'm not sure how it would . . .

Mr. Loewen: Excuse me. It did increase. So what I'm wondering is: is this a trend of rising costs?

Mr. Denhoff: Oh, I think it's just because it used to be in the Department of Energy, and they're showing the movement from Energy over to our department, I guess.

Ms Locke: That's correct.

Mr. Loewen: Okay. Thank you very much.

On page 25 of the annual report the government's commitment to the pan-Canadian framework on climate change as well as the United Nations Framework Convention on Climate Change is reiterated. Given the emissions targets set by these respective frameworks and given the consensus among economists that a carbon tax of more than \$200 a tonne will be required to achieve them, has the ministry discussed plans to raise this tax, the carbon tax, beyond the \$50 per tonne threshold currently set to be implemented?

Mr. Denhoff: No. And I think the concept of consensus among economists is somewhat amusing. I mean, the usual joke is that if you put 100 economists in a room, you get 200 opinions. I don't actually understand why they would take that position. But, no, there is certainly no plan to do so.

Mr. Loewen: There's been no discussion on that?

Mr. Denhoff: No. No.

Mr. Loewen: Within the ministry?

Mr. Denhoff: Not within the ministry, that I'm aware of. No.

Mr. Loewen: On page 38 of the annual report in reference to the climate leadership plan it states that the Alberta climate change office is "developing plans, monitoring initiatives, developing metrics to evaluate performance." This seems to indicate that the plans, monitoring tools, and metrics necessary for the evaluation of outcomes were not set up and in place upon commencement of the carbon tax and other climate leadership plan measures. Would not a fact-driven, science-based approach to climate change have the tools to collect the necessary data on the effects of the policy measures prior to implementation of the policies themselves?

8:50

Mr. Denhoff: I think there may have been some areas where we wanted to have additional metrics and measurements in place. I think a lot of the work in this area has been done for many, many years. In fact, the carbon pricing was put in place by the previous administration at \$15 a tonne for large emitters, and then there was a 4 cents a litre carbon tax put on gasoline by the previous administration. The federal government proposed a \$15 carbon levy many, many years ago, in 2007. All of these concepts have been well canvassed and discussed for many, many years.

So I'm not sure what that refers to, but we do have targets. The hundred-megatonne limit is a clear and easily measurable target. The methane reduction of 45 per cent is clear and easily measurable, the renewables target of 30 per cent, and the reduction in the coal power. You know, I think that if you're looking at an individual project, you have to develop metrics and implement those, and we did so as a part of the progress report, which you can see online. It's laid out quite clearly in there, I think.

Mr. Loewen: Okay. So you're saying that the plans were in place before?

Mr. Denhoff: I think so, in general terms. There may have been some individual program where they were developed as we developed the programs. For these larger ones the metrics for the hundred-megatonne limit are pretty clear and the methane reduction, renewables, and that sort of thing. Yeah.

Mr. Loewen: Okay. Again on page 38 of the annual report it states that the climate leadership plan along with the pan-Canadian

framework will help "to ensure Canadian businesses are competitive in the global low-carbon economy." Again, in the spirit of an evidence-based approach has the ministry accounted for the cost to Alberta in terms of displacing carbon-producing activity to other jurisdictions due to the competitive disadvantage created by the carbon tax?

Mr. Denhoff: The premise of the carbon competitiveness incentive regulation is that we take into account, through our analysis of the sectors and the companies, what the impacts of carbon pricing will be on them to ensure they do retain competitiveness. In the event that a company or a sector is able to work with us to identify a competitive issue, then we've undertaken to initiate measures to ameliorate that. For example, with some of the companies we've identified innovation funds that would be available to them to ensure that they retain competitiveness. In other cases, it's a simple implementation of an energy efficiency tool. We have a company where if they implement a particular piece of technology, their carbon compliance costs go to zero. We're working with them toward the implementation of that. So we do have a series of mechanisms to address competitiveness, yes.

Mr. Loewen: Okay. What are some of the companies that you've had to work with on this issue?

Mr. Denhoff: Well, you know, I'm just reluctant because we had nondisclosure agreements with them because they are competitive and they're in a commercial situation. If I had their permission, I'd be happy to identify them to you. They're generally in two or three sectors, predominantly the oil and gas sector, but one or two others as well, food processing.

Mr. Loewen: What other sectors besides oil and gas?

Mr. Denhoff: Food processing.

Mr. Loewen: Food processing.

Mr. Denhoff: And forestry. Those are the ones I remember off the top of my head.

Mr. Loewen: So you said in the oil and gas sector . . .

Mr. Denhoff: Forestry.

Mr. Loewen: . . . forestry.

Mr. Denhoff: Food processing.

Mr. Loewen: And food processing. Those are all groups that have come forward and are at a competitive disadvantage because of the carbon tax?

Mr. Denhoff: Either as an individual company or a small subset of companies, not necessarily the whole sector.

Mr. Loewen: Okay. So how do you plan to offset these losses with these companies?

Mr. Denhoff: We have a process by which we address the cost containment issues to the companies where we sit down with them, we identify with them what their costs per unit will be as a result of the carbon competitiveness incentive regulation, and then we have a suite of tools ranging from adjusting their benchmark to providing industrial energy efficiency funds to greater use of offset mechanisms. That program has been around for a long time. So we've already identified, for example, \$440 million of innovation

funding for oil sands companies to help them reduce emissions while adjusting to the new rules. We have \$225 million in innovation projects across sectors to support research and commercialization, another \$240 million for industrial energy efficiency, \$63 million in transition funds for bioenergy, and then we have a \$400 million loan guarantee program to support investments in efficiency and renewable energies.

Mr. Loewen: How has the resolving of these issues been received by the industry and the companies?

Mr. Denhoff: So far I think we're doing fine. I mean, we're in the middle of discussions with those companies and with those sectors. We expect by, I would say, the end of April or the end of May to have resolved them. Some will resolve in the next week or so, and some are much more complex and will take another month or so to resolve, but so far it seems to be going okay.

Mr. Loewen: What kind of volume of companies and industries have been . . .

Mr. Denhoff: Oh, gosh. I'd have to get that for you. I don't have that in front of me.

Mr. Loewen: Yeah. If you could undertake to do that, that'd be great. Thanks.

Okay. Further on the economic impacts of the carbon tax and the climate leadership plan, we know that these policies have wide-ranging effects on the economic situation in Alberta such as those referenced on page 38 in regard to business competitiveness. Can the ministry also share information that it has on the current annual costs of the carbon tax to Albertans, the total increase in operating costs that it has caused for the operation of the government of Alberta, and the effects it has had on foreign investment in Alberta's economy? We'll just start off with the current annual costs of the carbon tax to Albertans.

Mr. Denhoff: Well, that's contained, hon. member, in the budget documents each year, so you can see in the budget documents the revenues from the carbon levy, which is the gas tank and the price on natural gas and that sort of thing. Then you can see the revenues from compliance levies. Of course, as I mentioned, the compliance levy has been in place for a decade or something. It was called SGER under the previous administration – it was \$15 a tonne – and it's now called the CCI. The levy funds are in the budget as well. For '17-18 if you combine the two of them . . .

The Chair: Thank you, sir.

Mr. Denhoff: Okay. Yeah.

Mr. Loewen: Thank you very much.

The Chair: Mrs. Littlewood.

Mrs. Littlewood: Thank you very much, Chair. I just want to thank the Auditor General for all of his work with us so far. Thank you very much for all of the support that you've given to our committee.

I was just wondering in terms of the hunting and sport fishing part of the economy in the province. Would you be able to talk to us about the revenue that's generated from licence sales specifically? I'm just wondering if you could detail for us a bit of the economic benefits, both direct and indirect, in that part of our economy, please.

Mr. Corbould: Yeah, certainly. With the province's growing population and the high demand for unique hunting opportunities, wildlife management goals need to be sustainable. Hunting laws and regulations are to ensure that wildlife populations are healthy and sustainable. Over 130,000 Albertans purchase hunting licences annually, and over 10,000 hunters visit Alberta from outside the province. The hunting licence activity generates over \$18 million in licensing revenue and is collected annually, contributing directly to the conservation programs through the Alberta Conservation Association and through Alberta Environment and Parks. So 50 per cent of the revenue goes to the ACA, the Alberta Conservation Association; 25 per cent is cost recovery for licence allocation and administration; 23 per cent is distributed to government, to the general revenue fund; and 2 per cent supports the Alberta Professional Outfitters Society.

Mrs. Littlewood: Thank you very much.

On behalf of the Alberta Fish and Game Association I want to thank you for – I think I heard there was a hundred thousand dollars that was granted to that association because, of course, they do incredible conservation work and a lot of work in communities, making sure that the sport and the education remain viable in a lot of small communities. I know that was something that used to happen, that hadn't happened for a number of years. The president, Doug Butler, had communicated that to me and was very thankful for that support, so thank you.

Mr. Corbould: Yeah. Thank you.

Mrs. Littlewood: Speaking about hunters and anglers in Alberta, there was discussion in our briefing documents about the social well-being that's contributed to in the province in communities. I was just wondering if you would be able to talk to us a bit about the performance measures that you have to indicate that in your annual report.

9:00

Mr. Corbould: Yes. I mean, we definitely see hunting as under social well-being. It's one of the things Albertans like to do. So we do have a reporting measure for it. It's under Hunting and Sportfishing Licence Sales. One of the things we do track is the actual sales of the fishing licences and the hunting licences. The measure counts the total number of resident sport-fishing licence sales and wildlife certificate sales in each fiscal year period. This represents a percentage change from the previous fiscal year. We are generally seeing an increase in Albertans wanting to hunt and fish and get out into the outdoors.

We also manage hunting and sport-fishing demands. We make sure we're tracking the impact on wildlife populations, and we are obviously watching for things like disease. You'll recall that whirling disease was detected in Alberta a couple of years ago largely because of how closely we're tracking. Now we've got a management plan for that in place. That's just an example.

Mrs. Littlewood: Thanks. Actually, on that issue of whirling disease, there was a program that was set up in the Vegreville AITF location to do research and monitoring for the province for that. What was the investment that happened there, and what has happened with that since the opening of the program with the researchers in that facility?

Mr. Corbould: The total investment on whirling disease and prevention of it in Budget 2017 was \$9.3 million. I think you're referring to the lab that was set up in Vegreville, which is part of that program. I can get the specific numbers of the lab. I think, more

importantly, that lab allows us to really get a good grip on detecting where the disease may be in Alberta. It's a long turnaround time, as we discovered when this first happened, to get federal CFIA testing because their priority, quite rightly, is on human health. So we've set up essentially our own lab in the province so we can get immediate results. The major effect that it's having is that we know immediately when it's detected somewhere in the province.

Mrs. Littlewood: Being that not everyone knows what whirling disease is, would you be able to just give us a quick rundown of what that is and if it has any known impacts on human health?

Mr. Corbould: Yes. Certainly, first of all, there is no known impact on human health. It is a disease that affects the nervous system of fish, thus the whirling, because they do tend to swim in circles once they're affected. You'll see some deformations in fish. It's usually in either a very old fish or a very young fish, so it's pretty easy to detect in the population. It affects salmonoids. That's really the summary. I've referred to it in some instances as kind of a nervous system disease that affects fish.

Mrs. Littlewood: Thank you very much.

Just moving over to safe and quality drinking water in the province, what role does the Department of Environment and Parks have in ensuring that there is reliable and safe drinking water in the province? I mean, I know that we have a number of water and waste-water programs, but in terms of monitoring and other roles that you might have, would you be able to tell us what your responsibilities are there?

Mr. Corbould: Certainly. In terms of both water and waste-water systems funding our responsibility is quality drinking water, reliable waste-water treatment systems. It's essential to the health of Albertan communities and the environment. We are the regulator of drinking water and waste-water quality in Alberta Environment and Parks, and we continue to make health and safety a top priority for the province. The department is regulating roughly 607 drinking water and 600 waste-water facilities, serving approximately 85 per cent of the population of Alberta. We facilitate upgrades to drinking water facilities and waste-water facilities to meet standards and, where possible, integrate with regional systems. We work in close co-operation with Alberta Transportation because they do some of the work and granting as well for this program. The funding is provided to small municipalities: towns, villages, summer villages, regional commissions, and eligible hamlets with rural municipalities.

The last thing I would say is that we're also doing quite a lot of work making sure that indigenous communities are getting access to drinking water. There's been some very good collaboration with Indigenous Relations, ourselves, Transportation, Municipal Affairs. While it is a federal jurisdiction, we're doing everything we can to facilitate tie-ins to the provincial system and collaborate with First Nations to make sure we're enhancing their drinking water as well.

Mrs. Littlewood: Does any of the funding for the water and waste-water systems, anything like water for life – is there funding that comes out of Environment and Parks for that, or is it just in Transportation?

Mr. Corbould: The actual funding mechanism comes out of Transportation, as I recall, because we are the water regulator. It's important that somebody else do the actual funding and granting of funds because we regulate as well. There has to be a separation there. Having said that, we work with Transportation on priorities and making sure we impact the communities most in need.

Mrs. Littlewood: Okay. Thank you very much.

I think that's all of the questions that I have on hunting and angling at the moment. I think I'll wait for the next go-round. Thank you.

The Chair: Thank you.

We'll move on to the next one, which would be Mr. Panda.

Mr. Panda: Thank you, Mr. Chair. Thank you to the ministry officials for taking time to come and talk to us. We have lots to cover. I'll be brief, and I'll request you to be brief in your answers.

Following on my colleague's questions, he was asking you about the impacts of the government's operations and also the effects they had on foreign investment on Alberta's economy. Can you comment on that?

Mr. Denhoff: Yes, hon. member. We just haven't seen effects on foreign investment in Alberta related to climate pricing. When I meet with companies in the oil and gas sector in particular, the number one concern is the lack of pipeline access, getting things to market. If you think about that, the differential reduction from \$25 or \$30 to, you know, \$15 or \$10 or whatever it might be per barrel is much, much more dramatic than any impact of the carbon pricing system. So we haven't seen so far any real evidence of foreign investment being affected by carbon pricing.

Mr. Panda: Thank you.

I used to work in the sector, so I saw companies like Shell, Statoil, Chevron, ConocoPhillips, Total, and so on; the list goes on. They all disinvested, and they all left. Since 2015 there was a \$25 billion disinvestment, and they went to other jurisdictions. As a result of that, downtown Calgary has a 20 per cent vacancy rate in those buildings, in office towers. Many people lost jobs. I don't know if you and I are talking about the same thing. I understand a \$30 differential is very important, but people are not finding work.

Mr. Denhoff: Well, hon. member, I think that when the oil price collapses from \$100 to \$20, it's inevitable. And Calgary has been through – I lived there for a long time and suffered through cycles when oil prices collapsed and a lot of people got laid off. I just don't see a connection to the carbon levy. In terms of companies selling out, there's no doubt. They did exit the oil sands, and immediately Canadian and Alberta firms moved in and bought those assets. Then we had people like the Koch brothers from the United States, who attempted to blame the carbon regulations for not proceeding with a project and two months later quietly filed for a brand new project themselves up, I think, in the Bonnyville area. Then it became apparent that it was actually the price of oil and lack of infrastructure in the original project that were their reasons for withdrawing.

So, you know, people will tell a lot of stories out there for one purpose or another.

Mr. Panda: Sorry. With all due respect, sir, Suncor's CEO actually said that they're not going to invest in Alberta because of all these regulatory overburdens. He's on the public record, right? I don't know if you're talking about Koch, but there are so many of them saying that.

9:10

Mr. Denhoff: Other companies are investing.

Mr. Panda: I don't think we can agree on that point.

Mr. Denhoff: No, I don't think so. Other companies are investing, hon. member, and we see the announcements.

Mr. Panda: As a result, when they consolidate the jobs – Mr. Chair, can you . . .

The Chair: Through the chair, sir.

Mr. Panda: Can you make sure there is no distraction coming from the other side, please.

The Chair: Okay. But please go through the chair moving forward.

Mr. Panda: Yeah. On the other hand, as a result of the consolidation by Canadian companies – they’re consolidating departments like HR, human resources, or finance and procurement, and most jobs were lost. I don’t think we can agree on that, but I’ll move on to another topic.

Mr. Denhoff: If I could, Mr. Chair, we’re losing a lot of jobs through automation, too. When Suncor invests in 400 automated trucks or when a company goes from 15 people on the well pad to two, that’s not the fault of the carbon levy or climate change policies or regulation; that’s the inevitable, inexorable movement of automation. We see a lot of that.

Mr. Panda: Mr. Chair, we have a Suncor president’s statement.

Anyway, we’ll move on. I’m talking about page 17 of the annual report. It states that the “ministry’s budget and expenditures reflects the resources being directed to priority initiatives.” Then it details a decrease of spending in the order of \$21.3 million on 2013 flood initiatives and further goes on to say that the project “deferrals were made to future years.” Given this and given that there are four outstanding recommendations from the Auditor General on the matter of flood mitigation, what does this say to the residents of Calgary and southern Alberta who were impacted by 2013 floods, and what is the ministry’s plan to address this critical issue in a timely manner?

Mr. Corbould: Thank you. Mr. Chair, there has been a ton of work since 2013 on flood mitigation. Some of the movement of those projects is not at all a lack of commitment to continuing with flood mitigation. I’ve been involved in this since the recovery in 2013. Sometimes it’s project delays, not necessarily our projects that we’re funding but some of the municipality projects as well. There is a commitment to the long-term funding of flood mitigation programs throughout the province. So I think there has been just an amazing commitment since 2013, in particular in southern Alberta, but we’re also doing flood mitigation projects now in northern Alberta and throughout the province. There is an ongoing commitment to supporting everybody in the province in terms of flood mitigation.

Mr. Panda: Thank you.

On page 37 the report says that you’re doing a sand and gravel program review. The Auditor General indicated that you have three outstanding recommendations on gravel that have not been dealt with since 2008. Mr. Chair, it is 10 years those recommendations were not dealt with. Are those going to be dealt with this year? Yes or no?

Mr. Corbould: I think I’ll just refer to my opening remarks again, where I provided an update on the sand and gravel in terms of what has been going on.

Mr. Panda: All I’m asking is: will they be dealt with this year or not?

Mr. Corbould: Well, a lot of them have already been dealt with, and we’ll continue to work on the sand and gravel. I can’t speak to whether the Auditor General will close them out because that’s up to him, but I know that we’re doing a ton of work on this, and we’re making a lot of progress in terms of the programs I talked about earlier and responding to the recommendations.

Mr. Panda: Okay. With respect to gravel will the permits for the Coffey Lake pit north of Fort Mac be issued so the pit is open by the end of April this year? Otherwise, you know, Fort Mac residents will experience a 30 per cent cost increase to truck the gravel.

Mr. Corbould: We’re working very closely with the Fort McMurray aggregate association and other vendors. We do have a pit that is due to open up that is being operated based on a competitive bid to Mikisew North. We’re working in close collaboration. We’re very confident that we’ll get the permits. We want to do this right. We want to make sure that it opens properly and is able to produce gravel in a proper, environmentally sustainable way. We’re also working on backup options to continue the use of Susan Lake. We’re also working on other options such as exploring the use of Transportation-owned gravel pits. We’re keenly aware of the issue and the timing, and we’re not only following one option to resolve it, but we’re looking at about four or five options to resolve it in the event that everything doesn’t quite get done in time for April. Again, we’re meeting on a weekly basis with the Fort McMurray aggregate users, and we’ve had very positive discussions.

Mr. Panda: Do they know those four or five alternate options?

Mr. Corbould: Pardon me?

Mr. Panda: Are they aware of those four or five alternate options?

Mr. Corbould: They are, yes. We spoke to them, and we’re having another meeting, I believe, this week. I spoke to a couple of them myself about five days ago.

Mr. Panda: You also mentioned about the Susan Lake extension. Will it be open till June ends so they can transfer the borrowed materials?

Mr. Corbould: Well, it’s one of the options we’re pursuing. There are several. I’ve also mentioned that, you know, we’re looking at Alberta-owned gravel pits, that Transportation runs, as another possible venue in the area to make sure that we have enough supply of gravel for everybody’s use.

Mr. Panda: Okay. Thank you.

Given the aforementioned areas of concern, does the ministry have a broader strategy to address the total of 19 outstanding recommendations from the Auditor General?

Mr. Corbould: With respect to the recommendations we do have a plan. We’re tracking all of them. I think it’s also important to note that, you know, from time to time, it looks like we have 19 or 20 recommendations by the Auditor General, but we also close out a lot of these recommendations, and they’re not the same 19 to 20 that started a while back. We have a very dedicated plan for each of these. We’re working through every one. We’ve got detailed updates, and we track it on a monthly basis. I’ve instituted the need to address these issues in the performance management plans of our executive team, and we check up on a monthly basis. I think we’re having great collaboration with the OAG in terms of determining where we are.

The Chair: Thank you very much.

That is the end of your time.

If we could move on to Ms Luff.

Ms Luff: Thanks very much, Mr. Chair. Thanks very much for being here. I just have a few questions around flood mitigation in particular. I'm from Calgary, and obviously folks in Calgary are wanting to make sure that we're as prepared as possible in the event that floods happen again. We know, certainly, that with climate change and other things happening, the likelihood of floods is possibly, likely to increase in the coming years. There were four outstanding recommendations in this particular area in the Auditor General's report, largely sort of around the idea of risk management and making sure that we're prepared should something happen.

My first question is just about the mapping. One of the outstanding recommendations was about ensuring that there were adequate flood maps. It states that as of the 2015 report there were 770 kilometres of river mapping that had yet to be done. So I'm just curious if you could speak to how many flood hazard maps have been updated, how many new maps have been created, and just where you're at on the mapping project.

Mr. Corbould: Yeah. Specifically on flood hazard mapping, I think that, as I mentioned earlier, we're currently working on 11 provincial river hazard studies throughout the province, that will eventually deliver another 1,100 kilometres of new mapping in more than 30 communities across Alberta. That's in addition to about 1,500 kilometres since 2013 throughout the province. We've invested approximately \$7 million a year in flood mapping. Compared to sort of pre-2013 floods, we weren't investing even a million a year in flood mapping. So there's been a dedicated commitment to doing these assessments throughout the province. We have had both direct support from the provincial government in terms of funding; as well, we've been drawing on the federal fund, that gives us about \$3 million a year in flood hazard mapping.

I think I talked about the 60 provincial hazards. We've got studies on the upper Bow, the Bow and Elbow, Highwood, Sheep, and Peace rivers, hazard studies; another one on Fort McMurray, a river hazard study. And we've got five studies that started in 2017, more recently, on the upper Red Deer, the Red Deer, the Priddis, the Bow in the Siksika area; and the Medicine Hat river hazard study. I can go on, but quite a lot of work has been happening, and that's still dedicated and committed.

The next stage that we have to do on some of these flood maps is that once you get the technical review complete, it's very important that we go out and do some consultation with folks who would be affected by those studies and new mapping, so that will likely proceed this year.

9:20

Ms Luff: Thanks very much.

Just a quick follow-up: do you have, like, an overall strategy for determining which areas are highest priority in requiring new flood mapping? I imagine that this is a process that sort of needs to be done on a continuing basis as rivers change over time.

Mr. Corbould: Yes. I think there are a lot of things that change, as you mentioned, the conditions, the environmental conditions, some of them caused by climate change. Of course, what we have done a lot of work on recently is determining a probable cost of future flood events and measuring that compared to the mitigation we're doing. We've done some great work in terms of a provincial flood damage assessment tool, which enables us to compare the proposed mitigation to determine which measure or combination of measures provides the best benefit for the cost.

The important philosophy or planning behind flood mitigation is that it's a system-of-systems approach. We have seven essential elements of that system. You really need to look at it from the headwaters all the way to where the water leaves the province, in some cases, and make sure that you're dealing with all the impacts. It's not just about looking at Calgary. It's about: what do you do in Calgary, and how does that affect the irrigation districts downstream of Calgary and places like Medicine Hat? We analyze everything from headwaters to water end use in Alberta as we do those things. In terms of priorities, you know, it is really focused on the high-risk areas. We focus on places that will save lives, in particular, and then property damage second.

There are other things we've done as a government. We made sure that, where necessary, we've actually gotten out of the way of the water because in those flood plains, where we know water is going to go, it's a high-risk area. So we've done some good measures, I think, to get people out of the way of the water as well.

Ms Luff: Yeah. Well, that's a good segue into sort of my next question. It does state in the Auditor General's report in 2015 that the province has had sort of a piecemeal approach to development in floodways, depending on which municipality. I know you've been working with Municipal Affairs on this to sort of come up with some regulatory requirements on how to get development out of floodways as much as possible. I'm just wondering if you could update a little bit. I know there's some cabinet review ongoing and some proposed legislative changes to the Water Act as well as floodway development regulations. Just curious what the impact of these changes will be in controlling development in flood hazard areas.

Mr. Corbould: Yeah. I think the first thing I'd say is that what's important is, again, that we deal with the municipalities, who have to deal with the brunt of these things when they happen, both of our mitigation, both of our policies. Some municipalities since 2013 have done their own very responsible bylaws to work on development. There are communities like Drumheller who've been very active on this since before 2013 in terms of understanding the risks and implementing some of their own bylaws. We've been working for a long time now with Municipal Affairs and all the municipalities in the province to work on other things that would allow other policies that would help to protect Albertans. I think it's fair to say that this year we'll be consulting on those policies with municipalities and the people of Alberta because, again, we need to know what the second-, third-, and fourth-order impacts of any policies are and to see how they affect humans and families in Alberta.

Ms Luff: Thanks.

Now for sort of something completely different. I chair Alberta's PNWER delegation, and on that there's been a lot of involvement in the issue of aquatic invasive species and invasive quagga and zebra mussels particularly. I liked seeing that there was a lot of information about that and our aquatic invasive species strategy in general in the annual report under section 4.1. You know, we've had a really forward-thinking program, and it's nice to see. We are a leader in this area. We've done a really good job of keeping mussels out. My question, I suppose, is around the idea of – prevention is obviously the best-case scenario, but do we have sort of a plan in place if we were to detect an aquatic invasive mussel in any of our waterways here in Alberta?

Mr. Corbould: The short answer is, yes, we do, but we also think we need to improve that program, especially with our neighbours to the north, south, east, and west of Alberta. We in the department have

what's called an environmental response team. They're really focused on doing things like spills and those kinds of things, but they're also prepared, as a contingency, to get activated and help deal with detection and support the expert scientists in the aquatic invasive species program, who are really focused on education and detection, as you mentioned. But we also have a team that can support them in terms of isolating. I think this played out well when whirling disease was first discovered in Alberta, in Banff national park. There was a team that was able to dispatch, start testing. We would follow the same procedure, essentially, for aquatic invasive species.

Having said that, we have been working for a couple years now and will continue to work this year on working and collaborating with other jurisdictions because these things, obviously, cross lines, and if they come in, they're going to come in from somewhere. We constantly analyze, every year, the best use of inspectors and detectors and response teams across the entire Pacific Northwest area, and we've got some really close ties. We have been asked and deployed to Montana to support the Montana government in terms of detection in dealing with some of their mussels that they've discovered, and there's been some great collaboration on that part. I think we've really paid it forward with our jurisdictional partners, so if ever we needed help, I'm sure we could get more assistance as well.

But so far we've managed to do – I think we had the most extensive program in the entire Pacific Northwest, and, you know, I think we were one of the first jurisdictions to use dogs as detectors, which, of course, are much better than humans, especially at nighttime. Some of these mussels are almost microscopic, so they can be smelled by dogs but not necessarily detected by humans.

Ms Luff: Yeah. I know that that has been a super popular program, for sure. People love those dogs.

Just really quickly, if you could touch on it, it notes in the annual report that there was a grant to InnoTech to support pursuing registration of an invasive mussel control agent with the federal government. I'm just wondering if you have any information about that.

Mr. Corbould: I think I'll have to get back to you on that, I'm afraid. Sorry.

Ms Luff: Okay. Thanks.

The Chair: That is actually perfect timing.

Okay. We have a five-minute rotation for the Alberta Party and the Liberals. It's two and a half minutes each. Could you please start the questioning, Mr. Clark.

Mr. Clark: Thank you. I'll go very quickly. First off, Mr. Saher, thank you very much for your service to our province.

Mr. Corbould, very good to see you again. I'm going to ask, not surprisingly, about flood mapping and mitigation. I just want to start with the process for mapping. Do the maps ultimately consider mitigation structures or other structures, like dams, where the water will flow, or do the maps do it sort of completely natural, as if there were no structure assessment?

Mr. Corbould: It's an interesting question because there is the current policy, and there's a lot of debate about this. Do you consider mitigation as an effective measure and therefore change your maps? Generally we don't like to consider too much mitigation, and the reason behind it is that often mitigation efforts get torn down over time when memories fade in terms of flood experiences. Having said that, now that we've got a lot more sophisticated mitigation happening, when you look at concepts like

Springbank and some of the great work that Calgary has done and Drumheller and others over the last few years, it is a live question of: what do you consider in terms of adjusting your flood map and what you don't consider? I think it's fair to say that there'll be lots of discussion about that this year.

I think it's going to be, in the end, a balance. I think that very sophisticated mitigation measures should probably be considered given that you spend so much money putting them in place. It makes sense, and it's part of our sort of cost-benefit analysis. But there are some mitigation measures that are less sophisticated, and those you probably don't want to necessarily consider, especially if they're vulnerable, in large flood areas. It is a bit of a balance, I think, and each mitigation effort needs to be analyzed in terms of how successful it will be, what the cost structure is, and what the cost of dealing without it can be. That's going to go into the flood mapping pieces.

Lastly, I'd just say that we're open to that discussion. We're getting lots of input from people in municipalities on things that should be changed in terms of our policy, and we're open to that discussion and getting some consultation on that.

Mr. Clark: Good. Thank you. That's very encouraging because I think that if we're going to be developing things like floodway development regulations, which are important where you have substantial existing development – we're not likely to move to downtown Calgary; I would not encourage it – we need appropriate policy that recognizes that.

I've run out of time. I'm going to hand it over to Dr. Swann. Thank you.

9:30

Dr. Swann: Thanks very much. Thanks to all of you. I want to address a couple of issues, both related to liability, the MFSP and the oil sands, and an area that the Auditor General has identified with sand and gravel.

The first one, then, on sand and gravel. The department has not been able to deliver on a security deposit commensurate with reclamation costs and risks. Does the department know the cost to Albertans from operators failing to reclaim sites?

Mr. Corbould: I think we know some of the costs. I don't think we know all of the costs yet. I think we will as we develop that program.

Dr. Swann: What progress are we making on establishing those deposits?

Mr. Corbould: Well, we've certainly done a lot of work in terms of preparing the details for that. I think one of the concerns I mentioned in my opening remarks was, of course, the concern about, you know, the second- and third-order impacts on costs and things like that. We're being very careful. We're moving forward in a deliberate way. We want to be very careful, though, by ensuring we don't do something that would, for example, raise the cost of gravel by 30 or 35 per cent to operators because that would have a huge impact on Alberta's construction system. We're at the point now where we're working with others to determine those impacts and analyze those systems to make sure we know what the impact will be from an economic perspective so that we don't have an unintended consequence.

Dr. Swann: Are you considering requiring them to get insurance?

Mr. Corbould: One of the things that is being considered – I mentioned it in my opening remarks – is the concept of a bond,

essentially a surety bond, on operators. We're looking at that. It's one of the considerations, and we need to consult with them on what that would mean to them from a business perspective. So, yes.

Dr. Swann: And the same with the mine financial – what kind of progress are we making on the tailings ponds in the oil sands?

Mr. Corbould: Again, I think it's a very complex issue. In my mind we've resolved part of the Auditor General's recommendations in terms of tackling some of the issues, but we haven't yet figured out the surety program or the financial sort of piece to that. So there's more work that's being done on that.

Dr. Swann: Are there not other jurisdictions we could learn from? And why not require them to have insurance and pay premiums so that their liabilities are covered as any other company would?

The Chair: If you wouldn't mind submitting your response to the question in writing.

Mr. Corbould: Sure.

Dr. Swann: Thanks very much.

The Chair: Then we can receive the response.

Mr. Hunter.

Mr. Hunter: Thank you, Mr. Chair.

The Chair: You have five minutes, sir.

Mr. Hunter: Thank you, sir. On page 49 of the annual report it talks about some of the ministry initiatives. I'm looking at APOS. I just wondered if the ministry was actually thinking about raising the fees and licensing fee for that?

Mr. Corbould: Sorry?

Mr. Hunter: Is the ministry looking at raising fees for the licensing for APOS?

Mr. Corbould: For the licensing for APOS? I don't believe so. We have raised some fees for things like fishing licences commensurate with other jurisdictions. So last year there was an increase sort of in fisheries licensing.

Mr. Hunter: Is this increase in fees – you talk about the social well-being of this industry – affecting the social well-being of that industry?

Mr. Corbould: We don't believe so. Any of the fee increases we've done recently have been welcomed by most folks. They were really catching up with jurisdictional scans of others. In some cases we've really focused on the increased fees, not so much on Albertans but on visitors to Alberta, who pay a lot less than any other jurisdiction. So that adjusted some of the fishing fees, and we're continuing to review those.

Mr. Hunter: Okay. Thank you.

In terms of review, when was the last time there was an efficiency audit done?

Mr. Corbould: Sorry? On APOS?

Mr. Hunter: Sorry?

Mr. Corbould: An efficiency audit done on what?

Mr. Hunter: On the costs of the management of this department.

Mr. Corbould: Sorry, Chair. I want to make sure I understand the question. So an efficiency audit on . . .

Mr. Hunter: APOS.

Mr. Corbould: Just APOS or the department? I don't know. If I could defer to Kevin, who's representing APOS today. Do you know if that's been done?

Mr. Quintilio: I'm not aware of an efficiency review aside from the agency, board, commission review that was completed in 2016.

Mr. Hunter: Okay. Because of time I'll just move on here to the Science Advisory Panel. It's one of the newer public agencies under your ministry. Do you believe that as a public agency the Science Advisory Panel will be able to exercise an appropriate measure of independence in order to keep it free from political interference? Are there safeguards to ensure its noble goal of objectivity will prevent it from being a tool used for blindly supporting government policies?

Mr. Corbould: Do you want to start, David?

Dr. Hik: Sure. David Hik, Science Advisory Panel. I think that our mandate and roles have been clearly defined to allow for that independence. The advice that we provide to the minister through the chief scientist and the division, I think – we meet every six months, and we provide our best advice based on the goal of a world-class monitoring system in Alberta that allows for evidence-based decision-making using both western science and indigenous knowledge approaches. When we return six months later, that advice generally has resulted in some advances in the program.

I can give you one example around the integrated environmental analytics and predictions branch that's been established within the division now. That was a response to the earlier conversations we had around data management and quality assurance. So I think our independence has – there's been no evidence that that's been compromised.

Mr. Hunter: But are there safeguards put in place, I guess, to facilitate that independence?

Mr. Corbould: I can perhaps speak to that. The safeguards for that independence are enshrined in the legislation that was passed in the House to establish the Science Advisory Panel, where it says specifically that the independence of the panel and the chief scientist is enshrined in that legislation. That's where the safeguard is, in the law that established both the chief scientist and the panel.

Mr. Hunter: Okay. I'll go back to talking a little bit about APOS. On page 48 of the annual report it connects hunting and sport fishing in the context of social well-being. I'd like to talk a bit about this again. In your planning of being able to try to figure out, you know, how to help facilitate that social well-being . . .

The Chair: Okay. We'll move on to Dr. Turner.

Dr. Turner: Thank you, Chair, and thank you to the ministry as well as to the Auditor General. I want to add my commendations and my appreciation for the long service of Mr. Saher.

I'm actually referring to the Auditor General's results analysis overview. I have a question related to outcome 1, which is environment and ecosystem health and integrity; as well as outcome 3, social well-being; and outcome 4, protected public health and

safety from environmental conditions and events. My questions actually relate to the provincial recycling programs.

I have to say that I've lived in Edmonton for over 40 years, and one of the things that I'm really proud of as an Edmontonian is that we've had a very successful curbside recycling system. We've also had the ability to recycle hazardous materials in the eco centres and batteries at work. But it's also disturbing, if you follow the news, that there's been some disquiet in the city by the municipality, that these programs may no longer be financially sustainable. What is the ministry doing on this file? I'm particularly interested to know what types of containers, for instance, would be added to the designated materials. Would automotive fluid containers be done? And what about agricultural recycling?

9:40

Mr. Corbould: First, I would say that we are very aware of the financial challenges facing some of the current recycling programs, and we acknowledge this is causing communities to lose collection sites and opportunities for Albertans to take responsible actions to reduce waste in our landfills. So we're definitely examining options to enhance the provincial framework for recycling designated materials.

One of the changes being considered is to expand the used oil and electronics recycling program to include new products to recycle. Another change is taking a look at agricultural plastics, and other jurisdictions across the country are looking at it as well. We're considering enhancing the environmental fee setting approach by removing maximum environmental fees from regulation, which saves time and gives recycling program managers flexibility. So that is being discussed.

We're working hard on this matter right now. Some of the things that are being considered in terms of bringing into scope are things like antifreeze containers, VCRs, and some of the other products listed. There's a whole list of products that are being considered. We're working very closely, and I'm confident that we'll have some more progress on this in this year.

Dr. Turner: Thank you very much. Before I turn it over to my colleague MLA Carson, I just want to commend the comments you made about dam safety earlier in the meeting. This actually goes back to our very first PAC meeting, and I'm very pleased to hear that we're going to have safer dams in this province.

Mr. Corbould: Yeah. For sure.

Mr. Carson: How much time, Chair?

The Chair: You have one minute and 25 seconds.

Mr. Carson: Okay. Thank you very much, and thank you to the ministry for being here today. Quickly, can you explain why in the 2016-17 budget summary the oil sands monitoring program commitments between AEP and AEMERA are approximately \$6.6 million under budget?

Mr. Corbould: Yes, I can. There has been a lot of work in this year in resetting the joint oil sands monitoring program. As a result, there were some delays in terms of laying out the full program. The other delay was a result of moving what was AEMERA back into the department.

Having said that, we have now a consolidated plan that we've worked on with industry, ourselves, Canada. We've got the new joint oil sands monitoring agreement signed in December by the feds and Minister Phillips, and we're moving on a plan to catch up on that. Treasury Board is allowing us to use those funds in future

years, and we have about a three to four year catch-up plan so that everything will be done as per the agreement and as per the requirements of people.

The last thing that I would add is that as part of that go-forward plan we now have dedicated funding from both the federal government and the provincial government to the tune of \$4 million total for dedicated indigenous monitoring so that indigenous people would monitor in their communities.

Mr. Carson: Thank you.

The Chair: Thank you, Mr. Carson.

Because of time constraints we only have time for two questions to be read into the record for opposition and the government, rotating back and forth.

Mr. Loewen.

Mr. Loewen: Okay. According to a 2016 employee engagement survey 36 per cent of staff in your department do not feel that information flows effectively from senior leadership to staff and less than half of the employees at Environment and Parks have confidence in senior leadership and staff. Is there a human resources or leadership problem in the upper ranks of public service at Environment and Parks? Is it in the minister's office, the deputy minister's office, or is it in both?

The Chair: Thank you, Mr. Loewen.

For the government?

Mr. Carson: Can you share with us the ministry's effort to address the recommendations of the expert science integrity review panel and the Auditor General of Alberta with respect to oil sands monitoring, and what is the schedule for implementing the remaining recommendations?

Mr. Loewen: On the climate leadership plan how many new jobs are directly attributed to that program, and how do those break down between permanent and temporary positions? Given the anticipated job losses from measures such as the early shutdown of coal, can the ministry provide figures on its current expectations on the net change in employment due to the climate leadership plan?

The Chair: Thank you.

Mr. Carson: One issue identified by the expert panel review is the need for comprehensive analysis of data collected between 2012 and 2015, comparing this data to before the joint oil sands monitoring program was implemented. Are these initiatives under way, and what is being found as a result of the analysis?

Thank you.

The Chair: Thank you, Mr. Carson.

I would like to thank the ministry officials, the officials from the Science Advisory Panel and the Professional Outfitters Society who attended today and responded to members' questions. We would ask that the responses to any outstanding questions from today's meeting be provided in writing and forwarded to the committee clerk within 30 days.

Moving on to the next item, committee reports, draft committee reports for 2016 and 2017 were posted last week for members' review. Are there any questions or comments with respect to these reports? Yes, Mr. Malkinson.

Mr. Malkinson: Thank you very much, Mr. Chair. Those reports: I didn't have any issues with them. I mean, reporting the business

of Public Accounts to the Assembly on an annual basis I think is a good idea and allows people to consider our focus so that the Assembly can see the good work that we're doing here with the Auditor General and, of course, the ministries that come before us. I'm happy to see these annual reports come forward, and I'm fine with moving forward with them.

The Chair: Thank you, Mr. Malkinson.

Okay. Would a member be prepared to move that the committee reports be adopted? Mr. Malkinson. The suggested draft motion, sir, would be that

the Standing Committee on Public Accounts approve the 2016 and 2017 annual reports on the committee's activities as distributed.

Does that sound like it accurately reflects your . . .

Mr. Malkinson: That sounds like it accurately reflects my intentions. Thank you, Mr. Chair.

The Chair: All right. Any discussion on the motion?

All in favour? Any opposed? Thank you.

The motion is carried.

For members' information I will be tabling the committee's reports in the Assembly.

Moving on to other business, as chair and on behalf of the Public Accounts Committee I would like to thank the Auditor General, Mr. Merwan Saher, for his years of service and for his promotion of the best practices of this Public Accounts Committee. Mr. Saher has been a valued resource to our Public Accounts Committee and will be missed when he retires on April 28. The committee wishes Mr. Saher all the best as he embarks on the next chapter of his life.

Mr. Saher, would you like to take a moment to address the committee?

Mr. Saher: Well, thank you, everyone who has offered their comments this morning. What I'm about to say is not the thing that everyone says when they're the head of an organization and sort of commended for their work. But I must stress, because it is absolutely true in my case, that the work of the audit office – certainly, I have been the leader for a number of years – is the work of an office, and I think the Public Accounts Committee will have seen that when we brief you. Certainly, I'm at the table, but it's my colleagues who have prepared the briefings. They are the ones who are able to speak to those briefings.

In summary, thank you for your commendations and kind words this morning, but I must stress that to the extent that our office has been able to help this Public Accounts Committee improve its effectiveness over the years, that is the sum total of every member of my office working together with that goal in mind.

Thank you. [applause]

The Chair: You will be missed, sir.

Mr. Saher: Thank you.

The Chair: Are there any other items for discussion in other business?

If not, the date of the next meeting. The committee will meet next on Tuesday, April 3, with the Ministry of Indigenous Relations. The committee meeting is scheduled from 8:30 to 10 a.m., and the premeeting briefing will begin at 8 a.m.

Would a member move that the meeting be adjourned?

Mr. Barnes: I do.

The Chair: Oh, Mr. Barnes is jumping up and down. All in favour? Any opposed? That is carried. Thank you.

[The committee adjourned at 9:49 a.m.]

