



Legislative Assembly of Alberta

The 27th Legislature
Third Session

Standing Committee
on
Resources and Environment

Department of Sustainable Resource Development
Consideration of Main Estimates

Monday, March 8, 2010
6:30 p.m.

Transcript No. 27-3-2

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Third Session**

Standing Committee on Resources and Environment

Prins, Ray, Lacombe-Ponoka (PC), Chair
Blakeman, Laurie, Edmonton-Centre (AL), Deputy Chair
Anderson, Rob, Airdrie-Chestermere (WA)
Berger, Evan, Livingstone-Macleod (PC)
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Jacobs, Bryce, Cardston-Taber-Warner (PC)
Mason, Brian, Edmonton-Highlands-Norwood (ND)
McQueen, Diana, Drayton Valley-Calmar (PC)
Mitzel, Len, Cypress-Medicine Hat (PC)
VanderBurg, George, Whitecourt-Ste. Anne (PC)

Also in Attendance

Notley, Rachel, Edmonton-Strathcona (ND)

Department of Sustainable Resource Development Participant

Hon. Mel Knight Minister

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6:30 p.m.

Monday, March 8, 2010

[Mr. Prins in the chair]

**Department of Sustainable Resource Development
Consideration of Main Estimates**

The Chair: Well, good evening, everyone. I'd like to welcome everyone to the meeting and call the meeting to order. The Standing Committee on Resources and Environment tonight has under consideration the estimates of Department of Sustainable Resource Development for the fiscal year ending March 31, 2011.

Before we start the meeting, we'll just have some introductions here. My name is Ray Prins. I'm the MLA for Lacombe-Ponoka, and I'll be chairing the meeting tonight. I'll go to my right.

Ms Blakeman: Welcome, everyone. My name is Laurie Blakeman, and I'd like to welcome each and every one of you to my fabulous constituency of Edmonton-Centre, where unfortunately there are no grizzly bears. But welcome, everyone.

Mr. Jacobs: I'll get you some if you want.

Ms Blakeman: Thank you.

Mr. VanderBurg: George VanderBurg, MLA.

Mr. Jacobs: Bryce Jacobs, Cardston-Taber-Warner.

Mr. Dallas: Cal Dallas, Red Deer-South.

Mr. Hehr: Kent Hehr, MLA, Calgary-Buffalo.

Ms Ranville: Debra Ranville, Sustainable Resource Development.

Mr. Bass: David Bass, Sustainable Resource Development.

Mr. Knight: Mel Knight, MLA, Grande Prairie-Smoky.

Mr. McGhan: Eric McGhan, deputy minister, SRD.

Mr. Mitzel: Len Mitzel, Cypress-Medicine Hat.

Mrs. McQueen: Good evening. Diana McQueen, Drayton Valley-Calmar.

Ms Rempel: Jody Rempel, committee clerk.

The Chair: Thank you very much.

I would also ask Minister Knight if you have any more guests that you want to introduce behind yourselves there, go ahead, please.

Mr. Knight: Eric, if you don't mind, maybe we can introduce the folks that are here with us, please.

Is that all right?

The Chair: Yes. Go ahead, please.

Mr. McGhan: Okay. Thank you, Mr. Chair.

It's my pleasure to introduce to you Doug Sklar, assistant deputy minister of forestry and also area management; Mr. Craig Quintilio, assistant deputy minister of lands; Warren Singh, executive assistant to Minister Knight; Morris Seiferling, commissioner of the land

secretariat; Deryl Empson, assistant deputy minister, fish and wildlife; Brian Gifford, the chairman of SRB and Land Compensation Board; Vern Hartwell, chairman of the Natural Resources Conservation Board; Carol Chawrun, the director of communications for SRD; Darin Stepaniuk, legal adviser for SRD; Mike Boyle, director of human resources, SRD; and Jeff Reynolds, working out of my office as my assistant.

Thank you.

The Chair: Thank you very much, Mr. McGhan.

I think I'll go over a bit of the process tonight and explain what we're going to do. Then we'll launch right into the presentation. Standing Order 59.01(4) prescribes the sequence as follows:

- (a) the Minister, or the member of the Executive Council acting on the Minister's behalf, may make opening comments not to exceed 10 minutes,
- (b) for the hour that follows, members of the Official Opposition and the Minister, or the member of the Executive Council acting on the Minister's behalf, may speak.

That would be Minister Knight tonight.

- (c) for the next 20 minutes, the members of the third party, if any, and the Minister . . . may speak.

And any member may speak after that.

With the concurrence of the committee the chair will recognize the member of the fourth party, if any, following the members of the third party, and for the next 20 minutes the member of the fourth party and the minister may speak.

Committee members, ministers, and other members who are not committee members may participate. Department officials and members' staff will not be speaking.

We will be taking a five-minute break after the first hour.

I'm not going to read all of the other rules. We've heard them last week, and we've heard them every time for the last year. I'm going to invite the Minister of the Department of Sustainable Resource Development to begin his remarks. You have 10 minutes, and then we'll turn it over, go back and forth for an hour.

Go ahead, please.

Mr. Knight: Well, thank you very much, Chair, and thank you, colleagues. It, of course, as you would realize, is my first opportunity to present a budget and have discussions on that budget as the Minister of Sustainable Resource Development. I think that what we have in front of us this evening is a budget that will most certainly support Alberta's competitiveness, and it does also support our environmental commitment and our commitment to maintain and build strong communities in the province of Alberta.

The ministry business plan has been redesigned. The core business is based on, number one, economics; secondly, conservation; and third, social outcomes relative to what we're doing in the province of Alberta relative to this particular ministry. We manage public lands, forests, fish, and wildlife for long-term health and sustainability and for economic and social benefits of all Albertans.

Our ministry budget supports the government's goal to get back in the black in three years. The voted ministry expense has an 11.6 per cent reduction from the previous year, meaning about \$38 million and change less for programs and services and about 112 fewer staff positions. Most of our staff reduction is through attrition. With fewer seasonal workers and a hiring freeze, that indicates, of course, as other departments, that we won't be able to fill vacancies. We'll have fewer boots on the ground. Less money means that some impact on some services is going to be unavoidable. We expect slower response time to some low-priority wildlife incidents that don't affect public safety and, perhaps, fewer checks on things like fishing licences.

To minimize the impact on services, we're using a risk evaluation that targets funding to higher priorities, and we've started reduction with some cuts to discretionary spending with less travel, some equipment upgrade delays. There's a slower economy out there right now, so it's lowering contract bids that we have for wildfire services equipment. When we look at some of these costs, there's going to be either none or very minimal impact on our services.

We are in the process, of course, as you know, of continuously transferring public lands to municipalities, but that has now been changed from a nominal sum disposal to market value purchases. The move to market value purchase will save the department about \$12 million, almost a third of our ministry reduction.

The land-use framework. Of course, that work continues on the first of two regional plans, one for the lower Athabasca and one for the South Saskatchewan. We've cut about \$1.8 million from that work, and it will slow the pace of development on our other regional plans.

Reduced funding to areas with lower risk would be things like we're going to cut one wildfire standby contract for air tankers. That is a \$2 million reduction. Nine air tanker standby contracts still remain in place.

There is a situation here where the junior and aboriginal junior forest rangers are suspended for this year. A million dollars in that program.

We think that we'll reduce some planning assistance for our grazing leaseholders. More responsibility, then, would be transferred to ranchers to develop their own grazing management plans.

We've made reductions in programs where alternates exist. FireSmart community grants suspended, but another program that will meet those needs will take up that space.

The ministry is working with the Forest Resource Improvement Association of Alberta to access alternate funding. FRIAA administers a federal-provincial fire hazard reduction and forest health program.

We've got about \$2.2 million savings in the ministry grants budget, some of the reduction due to completing previously funded research. For instance, the grizzly DNA study is complete now. Ongoing grant-funded work is targeted to higher priorities, things like the biodiversity monitoring around industrial development. That program, I think all of you would agree, is something that Alberta can be proud of, and it's absolutely critical for us to continue to develop that particular program. In some cases we can provide community development trust funding in place of ministry grants.

We'll also get some efficiencies in the ministry budget. The reduction is a stimulus for us, I think, to work toward additional efficiencies in service delivery. Mobile office technology is going to help us put field staff and access for field staff to data and documents on-site. It increases productivity, and we think that we can get productivity up by as much as 30 per cent in some particular instances. We believe that this will help make better use of our limited field staff. The long-term strategy, of course, is to consolidate services of the one- and two-person field offices into district offices for safety as well as efficiency. Fewer staff and greater distances between field offices, of course, means there is some response time delay, particularly if we're looking at just things that have a lower priority field service.

6:40

Greater reliance on enforcement partnerships will come into play. We'll work with other enforcement agencies such as the RCMP and our provincial sheriffs, particularly in circumstances on long weekends where a lot of Albertans are out and about on the landscape. We think that education of the public will help with respect

to situations like offences in drugs and alcohol, gun-related things, and criminal violations on public lands. We believe that we're getting out with a better message, so the public is better educated. We think that that kind of co-operation will help.

A bit of a summary of these reductions, then. In all, savings of \$38.2 million: \$10 million out of forestry, \$16 million out of lands, \$4.4 million off fish and wildlife, \$1.8 million off the land-use framework, \$2.2 million off grants, \$1.2 million off the three quasi-judicial boards that we're responsible for, \$2.6 million from ministry support, including corporate services and human resources. The savings will help government to get back in the black, and that's just one side of the budget coin.

The other side of the coin, of course, is that we are spending \$291.9 million on renewable resource development, conservation and stewardship, and, most certainly, social benefits that enhance Albertans' quality of life. Forests cover 60 per cent of the province of Alberta, and they take almost half of the department's operating expense, \$138.5 million. Of this, \$91 million prepares us for the wildfire season and \$4.2 million prepares us for the mountain pine beetle season. The cost of fighting wildfires and implementing mountain pine beetle program varies from year to year. They're funded as emergencies from sustainability fund, and the forestry budget includes over \$10 million to retain a skilled workforce that supports forest-dependent communities. The forest is an economic base of about 50 Alberta communities and, of course, very important for us.

The budget invests \$50 million in fish and wildlife programs, including fisheries and wildlife management. We will continue to respond to incidents and run our operations where we have emergency response teams going out. We're working, of course, to respond to bear-human conflict. Two-thirds of the land base, of course, being public land, the public land's budget, \$47.4 million, will manage range land, industrial reclamation, access to public land, and sustain the land base for the future.

There'll be a million dollars in the budget to help to streamline the approval of oil and gas companies accessing public lands. We hope to remove barriers to development by doing this and focus the department on monitoring and compliance with the environmental requirement.

More than \$3 million in capital funding is allocated to fencing and water system improvement for grazing reserves, and I know that that's an important piece of business for the rural parts of the province of Alberta. The improvement projects create short-term employment in rural areas, and there's \$9 million in quasi-judicial decisions on land use and compensation to support development access to privately held land. The department continues with about \$5 million in grants. The grants will support forestry research, as I mentioned, the biodiversity monitoring work, conservation education, and wetland and waterfowl management.

To summarize, I'm asking you to support a budget of \$291.9 million voted department expense. I also ask you to support \$24.2 million in capital investment, including \$5.8 million for equipment and inventory including mobile office technology that I spoke about.

The department receives over \$149 million in revenues from several sources. Most ministry revenue, about \$107 million of that, is from premiums, fees, and licences that relate to activity on the land. This includes industrial and grazing leases, fishing and hunting licences, about \$33 million comes from federal transfers mostly related to the softwood lumber agreement, and the remaining \$9 million is various sources.

To conclude, the department is using risk-based decision-making to accommodate the necessary budget reduction with the least possible impact on ministry services. Many reductions are behind

the scenes in discretionary spending, lower contract bids, market value land transfer, less grant funding. In some cases fewer staff and less funding will affect some public service. Where program changes are made, the priorities are public safety. Ministry core business is economy, conservation, and social benefits. Our long-term goal remains a growing economy, healthy and sustainable natural resources, and the future enjoyment of Alberta for all generations. I welcome our debate and your support for the voted department expenses of Sustainable Resource Development for 2010-11.

Thank you, Mr. Chair.

The Chair: Thank you very much, Minister Knight.

I notice that we had a few more members come in. I wonder if you would like to introduce yourselves.

Mr. Berger: Evan Berger, Livingstone-Macleod.

Mr. Boutilier: Guy Boutilier, Fort McMurray-Wood Buffalo.

Ms Notley: Rachel Notley, Edmonton-Strathcona.

The Chair: Thank you very much.

We'll turn it over to the debate, starting with the Liberal member Mr. Kent Hehr. I think what we'll do is just go back and forth, just ask questions and answers.

Mr. Hehr: That works best for me.

The Chair: Okay. Thank you. You have one hour.

Mr. Hehr: Thank you, hon. minister, for that introduction, and kudos to your deputy minister for remembering everyone's names, first and last, in his department. I was betting dollars to doughnuts that you wouldn't be able to do that, so I was very impressed there, my friend.

Anyway, here we go to what the merits of tonight are about. Some of this stuff I didn't think about until you brought it up in your introduction, so I'll just follow up on that stuff before it goes by the wayside. One thing that caught my interest in your speech was that you're transferring some of the grazing lands back to private operators, or something back to private operators. Could you tell me what those are, those lands or locations, what the ministry used to do with those lands, and what your agreement is now with private operators?

Mr. Knight: Yeah. If I might, Mr. Chairman, the answer to that question, basically, is that what we've had, of course, over a number of years is opportunities where SRD would help individual grazing leaseholders, but particularly people that still have what is considered to be ownership by the public and grazing opportunities in the province of Alberta where we have grazing reserves. There are a number of them across the province, and we did spend some money and some staffing and some amount of time assisting these associations to build their plans relative to the grazing that they were doing, you know: what needed to be kind of repaired, when they needed to rejuvenate grazing areas, replot, reassess the amount of pasture available. We would work with them to do that. They're very competent with this kind of work, so we feel that we can remove ourselves a bit from that and just allow the grazing reserve associations and individual grazing leaseholders to take on more of that responsibility themselves.

Mr. Hehr: Could I get a list – it doesn't have to be now – of where these changes were?

Mr. Knight: Well, they're right across the province. You know, there are grazing reserves across the province. As far as the changes are concerned, they'll occur across the province. Of course, I did mention that we are investing \$3 million. The federal government has come forward with a \$6 million program over the next three years to help to reconstruct some of the infrastructure on grazing reserves, so there'll be impact on all the grazing reserves across the province relative to that program.

Mr. Hehr: How many grazing reserves would there be?

Mr. Knight: I don't know the number offhand. [interjection] Okay. We've got 32 reserves. Grazing leases: I don't know the disposition number, but it would probably be well in the thousands, anyway. There's quite a number of them.

Mr. Hehr: Well, I don't really need the leases, just maybe some information on the grazing reserves. It could be in written format to me.

Mr. Knight: Well, you know, I prefer that we answer the questions for you here. There are 32 grazing reserves. All of them will be affected.

Mr. Hehr: Okay.

Mr. Knight: I don't know that there is more information relative to the budget that's required, but if you require something, we can manage that.

Mr. Hehr: Well, thank you very much.

How many boards would be under SRD's control?

Mr. Knight: Well, we've got two quasi-judicial boards, actually one of them kind of a double responsibility. We have the NRCB under Sustainable Resource Development and the Surface Rights Board and also the Land Compensation Board, that operates in conjunction with them.

Mr. Hehr: Okay. I believe that prior to recent changes your ministry, yourself, was in charge of appointing people to these boards. Is that how this works?

Mr. Knight: Well, you know, the appointments to boards I think you understand very well. I don't know if you want me to go into the history of appointments to boards or not. Of course, we have in recent years gone through, I think, a very solid review of what's being done there, what we call the ABC commission, that looked at appointments to all of our agencies, boards, and commissions in the province of Alberta. When any of these boards require individuals, now it's run through that process.

6:50

Mr. Hehr: Okay. I think we just passed that actually last session, the ABCs. At least, that's what's going through my mind. That's just a question. Thank you very much.

Another thing. There were some monies going, you mentioned, to private access or access to private lands.

Mr. Knight: Oh, yes.

Mr. Hehr: Could you tell me about how much money that was?

Mr. Knight: Yes. Well, the RAMP is a pilot program that was instituted about a year ago. It has \$300,000 a year attached to it. The idea of that program was basically to get the number of younger Albertans involved in recreational opportunities for hunting and fishing and other recreational opportunities on private land. It was run in two wildlife management units in southern Alberta. There is some reporting that's coming back relative to the success of the program, and most certainly what we'll do is assess that information and see the value of the pilot project. But there are about 37 private landholders that are involved in the program. Over the last year there have been a number of opportunities for individuals to access this private land in order to enjoy recreational hunting and fishing.

Another piece of the program and what we're trying to achieve here is to have private landowners understand and involve themselves in opportunities to either create or conserve habitat for wildlife both from the point of view of fishing and hunting. So we've got wild fowl habitat, game habitat, and fishing habitat, and that is part and parcel of the program.

So there is some assessment being done now. The RAMP will most certainly be assessed, and we'll look at the value.

Mr. Hehr: Well, how much money, I guess, was spent on the RAMP?

Mr. Knight: Well, \$300,000 was allocated to it in the last budget, and it's in this budget as well.

Mr. Hehr: And you said that there are 37 of these organizations out there?

Mr. Knight: Not organizations. They're individual landowners in this particular case.

Mr. Hehr: Are they located all over the province?

Mr. Knight: No. In two wildlife management units in southern Alberta.

Mr. Hehr: Okay. Which are those wildlife management units?

Mr. Knight: The numbers are WMU 300 and WMU 108.

Mr. Hehr: Was there a process that people had to apply to get these funds?

Mr. Knight: Yes.

Mr. Hehr: Okay. That's fair enough.

Do they then handle privately who gets on the land? Is there a system in place for who gets to use these?

Mr. Knight: Well, to the best of my ability to answer the question, what would happen is that the landowners register themselves with the program, and then I think most of the people that access our real estate under other circumstances, if they're co-operative and educated about what they're doing, would come and let the landowner know that they want to access the real estate. Normally that situation is handled between the individual that wants access and the landowner.

Mr. Hehr: Does SRD follow up, then, with who gets to use this land?

Mr. Knight: Well, as I say, we've got some assessment that we're doing of the program now, and of course that will include things like the numbers of people that accessed the real estate and which pieces of real estate. We would already have pretty good data. From the point of view of a harvest of any game in these situations we would know the amounts because, of course, they fall under the same regulations as any other fish and wildlife across the province.

Mr. Hehr: Well, I guess, in terms of what these 37 private landholders are doing, could I have you, to the best of SRD's ability, provide me with the names of groups, individuals, amounts of animals being harvested there, that material?

Mr. Knight: Again, I would suggest that for the purposes of our budget, there is \$300,000 in the program. Are you asking me to provide you with information on the individuals that went on this real estate?

Mr. Hehr: Well, I guess, what groups? What concerns me or what maybe doesn't even concern me at all is: how would I go about using this? How is the government keeping track? We're putting government money towards access to these types of things. How, then, is your organization tracking this stuff? How is your organization doing its due diligence in assessing whether this stuff is going to get used by private landholders to have a piss-up and bake sale and say: we're going to go hunting? I guess that's what I'm getting at.

Mr. Knight: Yeah. I don't know if I'd be able to give you information relative to what individual accessed each piece of real estate. I don't know that I could tell you that. I can tell you the people that are registered with the program, and I can tell you the amount of money it cost, and most certainly we would be able to tell you what harvest of animals took place in those WMUs. I think that it would be good if I could just ask you to be a bit patient here and wait for the report that comes relative to the program. The information will be there.

Mr. Hehr: Well, if all that information is going to be contained in the report, fair enough. When do you think you would have that report?

Mr. Knight: Again, in due course. We're just kind of wrapping up from last year's programs here, so we'll see how it works.

Mr. Hehr: Would it be within three months?

Mr. Knight: It would be within the next three months.

Mr. Hehr: Okay. If that information is not contained in the report that I've asked for – I'll be patient for three months – are you willing to provide it then?

Mr. Knight: I'm not presuming that there's any reason why you would not be able to get the information, but some of it relative to the individuals that access that could be private information, and I wouldn't be able to give you that.

Mr. Hehr: I understand. I can wait for three months. Then with your best efforts, as to what I've asked for tonight that's not in that report, please follow up with me. I can be patient for a while. You know, the landscape of Alberta is not going to be fundamentally changed over the course of those three months, so of course I'll be patient, Mr. Minister, and we'll go from there. Does that sound fair?

Mr. Knight: Thank you.

Mr. Hehr: Perfect.

Now, if we go to a little more of what I had sort of written down here, we're looking at the government of Alberta strategic business plan; it's contained more in that document. In some of the priorities listed in that document on page 12 of the government of Alberta strategic business plan SRD has some roles on responsible resourcing and stuff like that. The Premier's mandate: "The Ministry of Energy will lead, and the Ministries of Environment, [SRD] and Treasury Board will support, the long-term streamlining and rationalization of the natural resource regulatory system." That was on, I think, page 8 of that document. Exactly what role will SRD play in this streamlining process, and what will the priorities of this process be?

Mr. Knight: Well, there are a number of opportunities, I think, for us across government to take a look at the regulatory affairs of the government, kind of full stop. Of course, as you know, a number of ministries that work with, particularly, forestry, the energy industry, and agriculture: we have a lot of common ground that we deal with. I would suggest that what we want to do is make sure that we're able to have the regulatory process flow as smoothly as we possibly can without decreasing any of the regulatory oversight that we have. In other words, there are a number of places where we believe there's duplication in the system. In some cases there's triplication in the system.

If you look at the departments of Energy with the ERCB, SRD ourselves, and Environment, we're all regulators to some degree, and most certainly with some of these regulations we can look at areas where we can do this thing better. So SRD's role in this: for a number of years we have had opportunity to have ongoing deputy-level meetings relative to the regulatory system and moving these particular three departments in conjunction with one another. We plan on continuing to do that, and SRD through the ministry and the deputy will most certainly continue to have a major role with respect to the streamlining. This leads to, interestingly enough, our competitiveness in the province. That's kind of where we're heading with the whole thing.

Mr. Hehr: On that, is there a deadline for this process to be completed? Has the Premier given you a deadline? Do you guys have an internal deadline as to when we're going to mesh these three departments together and go through the different stuff, or is this just an ongoing thing we're going to be talking about years from now that this organization is doing?

7:00

Mr. Knight: Well, I'll tell you what. If you take a look at the business of the province of Alberta being something around a \$35 billion or \$40 billion a year business, it has some necessity to have regulation, and those regulations are necessarily a bit complicated. To try to say that, you know, we won't be talking about this years from now: I would suggest we probably are.

Maybe I can put it in a bit of a different context for you. If you take a look at what we've done with respect to our competitiveness review, there are a couple of streams, if I could say that, and one of them, of course, is the fiscal aspect of our competitiveness. There's been a lot of work that's been done. There was, I think, a relatively well-received program that was laid out and a way to do it. [interjections] We're doing that piece of work, so when we get that kind of on the table, the next piece of business there is going to necessarily be around our opportunity to streamline the regulatory

business. We'll start working on that, I think, in short order. I believe that some of the background and basic work has been done with respect to that now.

We most certainly will come forward with, you know, a plan laid out. I would suggest that there will be some early wins out of it and some early changes. But I would think that it would likely take a couple of years before we can get through the process.

Mr. Hehr: I understand, you know, that you're new at this department, that you're excited to tell me a lot of this stuff going on, but if we could just try and keep our answers a little bit shorter.

I think I asked if there was a deadline for this project because your deadline is sort of – well, are you guys going to take a couple of years, then? Is there a deadline? I think I need it shorter. There's no deadline?

Mr. Knight: I wasn't aware of the fact that I had to contain my answers. You asked me a question, and I answered it.

Mr. Hehr: Okay. Well, I guess, that's fair enough.

The Chair: You have one hour to discuss it, and you can each take turns up to 10 minutes at a time.

Mr. Hehr: Fair enough. I guess that's fine.

Well, let's move on to the environmental management practices. It says: "Use leading edge conservation and stewardship practices in partnership with industry to alleviate the ramifications of growth and economic development on the landscape." That's on page 20. How exactly will this be achieved, and what leading-edge conservation and stewardship practices are being referred to here?

Mr. Knight: Well, I think initially what I'll kind of discuss here relative to that is the biodiversity monitoring program that we've put in place in the province of Alberta. It's using a third-party group of individuals that is a scientifically based group. They've started a program that's actually unique. Speaking about leading edge, this really is. Their program eventually would lead to us having an ability to track the biodiversity in any area in the province of Alberta within a decade, and we're hoping to get it even down from that. They go into an area, take the biodiversity of a piece of real estate, and run through the whole biodiversity of that piece of real estate and log it.

Mr. Hehr: Perfect. That's good.

Mr. Knight: It's not been done anyplace else. I've got 10 minutes, and I'm going to answer the question.

What we've done there is stepped out and invested some of Alberta's money, put it into this program. It is leading edge. It's very good work that they're doing there, and we're going to continue with that.

Another thing that we're doing is that we're going out now, looking at the opportunities that we have with respect to the fibre business. We've had a lot of input, probably recently and, I would suggest, within the last year or so, both on the energy side and in SRD on the forestry side, taking a look at what we can do with fibre.

We know that historically in Alberta this has been a kind of dimensional lumber business in the province of Alberta. We've gone from there to a lot of structural lumber and manufactured lumber, modular building, and all these kinds of things. We're now moving into another area where we're working very diligently, with industry really involved in this, to take a look at the possibilities of

pharmaceuticals, petrochemicals, lignite fuel. There are all sorts of different things that we're doing in working with industry with respect to diversifying this industry and moving ahead with what we think are leading-edge and cutting-edge opportunities for Alberta.

Mr. Hehr: Okay. Thank you. Could you tell me how much money from your department will then be devoted to the first thing you're talking about, the BDM program? How much money will be coming out of this budget, and how much came out of last year's?

Mr. Knight: Well, what we've got is that in '09-10 it was about \$2 million, and this year in the 2010 estimates it's about \$1.9 million. The actual number that's in there is \$1.85 million.

Mr. Hehr: Thank you. Now, you referenced the technology regarding the fibre industry. How much of your ministry is devoted now to the stuff you were talking about in the fibre industry?

Mr. Knight: Well, I would have to suggest to you that that's a bit difficult to answer because a lot of that is going to be taken up by just time that we put in, right? Some of the departments will dedicate some of our resources, some of our people and time, to work with individuals. Most of this work that we see coming forward now is actually coming out of industry, so we're trying to work with them and help to assess which ones of these programs are usable for Albertans, which ones probably have the best opportunity to succeed, working with areas where we may be able to help and address some of these situations by altering our timber allocation, taking a look at situations where we can get different individual FMA holders to share their wood and responsibilities. So I don't know if I could put a concrete number on it, but a lot of that work is done through support.

Mr. Hehr: You made a pretty good point of schooling me that this is your time to tell me about budget estimates, okay? You talked to me about a fibre program for roughly about seven minutes of our debates that your department is now funding. You can't tell me how much the funding is. Is that essentially what this is about going about doing right now?

Mr. Knight: Well, what I indicated to you, of course, is that what we have in front of us here is an opportunity for tremendous changes with respect to where we see the fibre industry heading, and a lot of those changes are not led by the government. We have not stepped out and said: okay, SRD is going to invest whatever, X number of dollars, in a program that will take a look at lignite fuel. Industry is coming to us with those things, so we're working with them, but I don't have a budget number that would indicate how much time that's going to require.

Mr. Hehr: At some point in time in the future if your ministry can find what money you've allocated to the fibre program, that would be nice – okay? – if that ever develops. But thank you.

Now, you also talked about some really neat things here, the fuel. How much of your budget last year was provided towards this research and funding, and how much from this year's budget are you again putting into these things that you mentioned so eloquently in your synopsis to me three questions ago? How much will be provided?

Mr. Knight: Well, I think, you know, as I've indicated, when you look at any of the kind of leading-edge technologies that are coming forward, we haven't gone in there and said: okay, we're going to

have a program for this one and a program for this one and a program for this one.

Mr. Hehr: So you were wasting my time, our time here. Were you wasting our time here by that story?

Mr. Knight: I don't know. Am I wasting your time? I'm answering your question.

Mr. Hehr: Well, that's fair enough. Really, I came here on good faith to ask a few questions, and I think that's where we're going, so let's just do our best. I'm getting antagonistic because you got antagonistic first. I will tell you that.

Mr. Knight: Oh, I certainly hope I didn't, sir.

Mr. Hehr: Let's try to keep it to what I'm asking.

Mr. Knight: There was absolutely nothing in my tone of voice or anything that I've done that would be antagonistic, I don't believe.

Mr. Hehr: Let's just try to answer the question.

Mr. Knight: Maybe you're not used to old guys.

Mr. Hehr: Well, I've heard about three wonderful programs that your organization isn't funding. You know, I guess I'm a little frustrated by that, but I understand. I'll continue on.

Here we go. Significant opportunities and challenges: many of those are the land-use framework. Under the strategic priorities of the ministry business plan it says "improving competitiveness." How much money is your ministry receiving from the competitiveness review, or the new Competitiveness Act? Are you guys getting money directed? How much are you guys putting towards that principal, or is that enveloped through?

Mr. Knight: That's the Department of Energy who is actually taking care of the competitiveness review.

Mr. Hehr: Okay. Does your ministry receive an exact budget amount for competitiveness?

Mr. Knight: Not that I'm aware of.

Mr. Hehr: How much has the ministry budgeted for streamlining the regulatory framework?

7:10

Mr. Knight: Well, again, what we have in front of us at the moment, as I had indicated to you, is a situation where we've got a number of ministries working together, and we're starting to lay out terms of reference and a process. Again I'm going to have to suggest to you that there isn't a line item in my budget that would indicate what's going to happen there. That may come down the road a bit, but we don't have a line item to look at a competitiveness study. There's no line item in my budget that takes care of that. What we're doing right now is the preliminary work relative to it.

Mr. Hehr: Okay. I guess in the process of enhancing area operating agreements, what particular mechanisms will be included to enhance the requirement for reclamation?

Mr. Knight: Again, please. What was the question?

Mr. Hehr: In the process of enhancing area operating agreements, what particular mechanisms – I mentioned those in the report – will be included to enhance the requirement for reclamation?

Mr. Knight: Well, it's something like, you know, the companies and municipalities that work on the ground, particularly in areas where we've got new and innovative reclamation practices that are taking place. What we want to do is allow some of these newer technologies – let's take an example. I think gravel pits might be one that would be good. We can allow some different kinds of technologies to be deployed relative to reclamation in those kinds of areas under this program. What we used to do, of course, is ask for the reclamation to be done. You remove aggregate and then kind of put the surface material back in place and reseed and that sort of thing. I think there's now some opportunity for us perhaps to create some wetland, maybe some waterfowl opportunities, maybe even some recreation opportunities relative to these kinds of sites. So we're looking at doing that, where we could have, you know, fish ponds, maybe hiking trails, campsites, and other types of activities. Those are the kinds of things that we would like to try.

Mr. Hehr: Just on regional land-use planning, the Land Use Secretariat leads the development of the regional plans. Is the process for improving competitiveness being done within the development of the land-use framework as well?

Mr. Knight: Well, actually, that's an excellent question. At some point in time all of those things will end up impacting – most certainly the land-use framework will – competitiveness. There is opportunity, of course, for the secretariat to be in communication with the other ministries that are working and moving forward with respect to competitiveness. Let's again get back to the fact that what we're doing is on the regulatory side. It has nothing to do with the fiscal business. But there is impact from the land-use framework on our competitiveness, and most certainly there'll be a necessity for us to work together to make sure we end up with the best product.

Mr. Hehr: Now, in your opening remarks you mentioned that you're going to have to make do with less boots on the ground. Where in particular were you referencing? Those cuts in service: are they in one particular area? Can you tell us where those boots on the ground are being cut?

Mr. Knight: When you look at a ministry like SRD, you know, the biggest percentage of what we do is people. As you notice there, we do have some indication that there'll be a number of FTEs that we won't carry forward. That will necessitate, as I indicated, some attrition, some places where people leave of their own free will, and so on, and we wouldn't be able to replace them. So we'll end up with a situation where there could be, perhaps, fish and wildlife officers that reach retirement age that for a period of time here would not be replaced. That could be a similar situation that would happen with forest wardens. Those are the boots on the ground. I am absolutely convinced that the best work and the best bang for the buck for Albertans relative to a number of these ministries, and SRD would be one of them, are those front-line people. It would be my commitment to make sure that, you know, to the largest degree possible, we maintain all of those people, but less boots on the ground means that there could be situations where it's going to be difficult to replace some of the individuals.

Mr. Hehr: Do you have estimates right now of where those cuts will be?

Mr. Knight: Well, yeah, estimates. There are about 14 single- and two-person stations across the province now with SRD, and we think that there may be some opportunity there for us. I had mentioned earlier that for reasons of safety and reasons of expediency to perhaps pare some of those things down and then move that into consolidated services.

Mr. Hehr: Well, could I get a list, to your ministry's best efforts, of the estimates of where those cuts are or where those employee numbers will be pared down and from what jurisdiction, whether it's from forestry or from fish and wildlife, to the best of your ability, where those boots on the streets won't be or numbers won't be as high as we'd like?

Mr. Knight: Okay. We'll provide it to you later.

Mr. Hehr: Thank you.

Mr. Knight: I have it. I can quote you the numbers.

Mr. Hehr: I'm sure I'll forget by that time.

Mr. Knight: Well, that would be unfortunate.

Mr. Hehr: It would.

Just moving over to the land-use framework, how much in total has been spent on implementing the land-use framework to this point?

Mr. Knight: How much currently has been spent?

Mr. Hehr: Do we have that information from the last year?

Mr. Knight: Well, it's not part of this budget, but I could tell you what was in the last budget. The number is going to be, round numbers, \$22 million that has been allocated up to this point.

Mr. Hehr: Okay. How much, I guess, will be spent in the 2010-11 fiscal year?

Mr. Knight: The number that we have we've pared down a little bit, of course, like a number of other things, but \$13.8 million.

Mr. Hehr: Okay. Was some of this paid for with transfers from other ministries?

Mr. Knight: No.

Mr. Hehr: Is your goal at the end of the year to have these two regional advisory committees up and running? Is that your goal?

Mr. Knight: Well, again, if I might – and I hope that this isn't going to be too long of an answer for you. I think there's a requirement here for me to explain a bit.

Mr. Hehr: The relevance might be more important than you think.

Mr. Knight: Well, first of all, you mentioned a regional advisory committee. They're up and running now and have been for some time. As a matter of fact, the regional advisory committee for the lower Athabasca region held their last meeting last week. The regional advisory committees for those two regions have been going for some time. One of them is finished, and the other one continues

to work. From the regional advisory committee report that will be developed and delivered to us, we will start to work toward getting the lower Athabasca regional plan in place. That's the second phase of this.

Mr. Hehr: Okay. How much of your budget in total will go to the regional advisory councils? How much specifically will go to the lower Athabasca regional plan?

Mr. Knight: Well, with the lower Athabasca regional, you're talking about the RAC? It's finished, so that's in last year's budget.

Mr. Hehr: Okay. So it's done.

Mr. Knight: To go forward, what we've got with the lower Athabasca regional plan, we think that we will be investing \$1.5 million in the lower Athabasca and \$2.2 million in the South Saskatchewan.

Mr. Hehr: Can you tell me what that would be used for? That's just more for my knowledge than anything. What will that money be used for?

7:20

Mr. Knight: Well, okay. Project management, a million dollars in the lower Athabasca; modelling work that needs to be done relative to how you lay the plan in place, \$190,000; consultation and the tidying up and the report from RAC, \$350,000. So on the lower Athabasca you were correct to make a question relative to the RAC. There still is a bit of an overlap with respect to that.

On the South Saskatchewan plan, project management there, \$1.1 million. The modelling there is more extensive. It'll be \$500,000, and consultation with respect to ongoing work that will be done to develop the plan is \$600,000.

Mr. Hehr: Okay. Of the five nonpriority regions, how much will be devoted to them in this year's budget?

Mr. Knight: Of the nonpriority?

Mr. Hehr: The five nonpriority. You're doing two right now.

Mr. Knight: Well, I guess whatever the difference would be. I'm going to suggest to you it's about \$10 million in the rest of them totally. There's some aboriginal consultation. That's involved in that as well.

Mr. Hehr: How much is that? That's where I'm getting to next. How much for the aboriginal consultation?

Mr. Knight: It's \$1.9 million.

Mr. Hehr: Okay. Other stakeholders. Is that included in the \$1.9 million, or are there other stakeholders you're looking at?

Mr. Knight: No. The other stakeholders are in the consultation money that we had talked about previously. Those consultations are like the RAC. So for the regional advisory commissions, that is a consultation process.

Mr. Hehr: Okay. Thank you.

Are there any extra studies that need to be done or need to be completed?

Mr. Knight: Yes. Actually, a number of different things. You know, we're looking at conservation and stewardship, \$475,000; efficiency of land use, \$154,000; agricultural fragmentation that you need to look at, \$250,000; recreational and public lands issues, \$350,000; cumulative effect, \$40,000 from us and more, of course, from the Department of Environment; and legal support system, about \$300,000.

Mr. Hehr: Are you guys doing those internally, or are you sending those out?

Mr. Knight: Some of it would be done internally, and some of it would be external consultants.

Mr. Hehr: Okay. Have you guys already decided on the external consultants?

Mr. Knight: They haven't been hired. I won't presume that I could tell you that now.

Mr. Hehr: Okay. Well, if they had been hired and if you could tell me, could you tell me that?

Mr. Knight: So you want us to give you a report when we hire somebody?

Mr. Hehr: Sure, man. Why not? Live it up. If we can do that.

Mr. Knight: I don't think that's going to be all that efficient, but we can see what we can do.

Mr. Hehr: I thought I'd ask. Why not?

I guess we're talking about GeoDiscover Alberta here now. How much has been spent on GeoDiscover Alberta to this point?

Mr. Knight: To this point, in the last budget, in '09-10, about \$1.6 million, and I think that this budget is \$1.4 million.

Mr. Hehr: Thank you. When do you think this system will be fully completed?

Mr. Knight: You know, I'll tell you, that's a good question. I would suggest there's a possibility that it won't be completed, maybe, in our lifetimes because the kind of work that they do is ongoing. Of course, with the more that technology increases our ability to collect this kind of data, share it, and use it to everybody's best advantage, I'm going to suggest that it could go on for some time. What we feel is that with the initial program that we've started, we'll have a good handle on what we're going to do going forward by the time we get done with this budget cycle, but I would suggest that it's going to have to return. It's a very good program. It can be very well used by industry and Albertans, generally speaking, so there is some opportunity for that to be helpful.

Mr. Hehr: Well, thank you. You're probably right; those plans may have to continue on for a long time.

If we could just go on. The timelines have changed for the development of the two regional plans. The new timeline is to have them completed in 2010 and the remaining plans completed in 2013. Are those still the parameters?

Mr. Knight: Yes. Those would be the timelines that we've got in front of us now. You know, again, just for the sake of this conversa-

tion, I think that when you look at an area like the South Saskatchewan, we've got a long ways to go there to get to a point where what we've got at the end of the day is a product that works for Albertans and works for everybody. So we've set a timeline on it. We certainly are going to work toward that timeline, but for me, I would suggest that I would prefer to have it right rather than have it rushed.

Mr. Hehr: Fair enough. Are you planning on having draft plans made available to the public before they're finalized?

Mr. Knight: The situation with respect to the regional plans, like the lower Athabasca regional plan, that will be developed with each of these is that there is some consultation that will take place. There will be public consultation, consultation with interested groups, municipalities, and so on. I would suggest that, you know, it will be out and about. There will be an opportunity for people to comment relative to the issue.

Mr. Hehr: Okay. Thank you.

The other five, you think, are going to be done by 2013?

Mr. Knight: Well, that certainly is the goal that we have in front of us now, and we would expect to have that completed by that time.

Mr. Hehr: Yeah. I guess that last year – and I know that was a different minister – we were talking about the North Saskatchewan plan being the third regional plan that he, at least, was directing the ministry to follow. Has that work been started?

Mr. Knight: Very preliminary. Actually, there are a number of the regions where there's been some work kind of initiated relative to things like who would join membership of the regional advisory committees and that kind of thing. You know, people have been interested in the projects and in the programs, so we've been receiving some information relative to that. I'm going to suggest to you that I would not be bound at this point in time by decisions that have been made relative to who comes next in the process. I'm kind of a bit interested and concerned about our situation across Canada with respect to the boreal forest. So, you know, there are opportunities when we finish the lower Athabasca. The majority of the boreal forest in Alberta that's not in the lower Athabasca is probably not in the Saskatchewan, so there may be some opportunity for us to look.

Mr. Hehr: Okay. Has the ministry been involved in drafting any cumulative effects legislation, that at one time, I think, was supposed to be expected this year?

Mr. Knight: Well, no. You know, there may be discussions that take place internally, but the drafting of the legislation will be done by the Department of Environment.

Mr. Hehr: Okay. That's fair. Then if there is no legislation in place, is there any internal criteria you guys look to, I guess, for cumulative effects in particular regions?

Mr. Knight: Well, you make a good point. You know, as I said, when you start to look at the development of these plans, I think that cumulative effect is one of the things that we have to have a very good handle on before we can give you a plan that's really workable and meaningful. We've got to look at things like availability and the allocation of water, so there are some necessary ties with us and the Department of Environment. There are necessary ties with us and the Department of Energy and, particularly, with ERCB relative to

things like tenure. We want to make sure that we're all moving forward on this thing and that we're in sync. There could be some of these issues that take a bit longer, and you've probably put your finger on one.

Mr. Hehr: Okay. Obviously, you mentioned that you were using \$1.9 million to, I guess, implement strategy 8.7 on page 262 of the ministry business plan to encourage the participation of aboriginal people in the different regional plans. Is that money, that \$1.9 million, just for certain jurisdictions, or is that \$1.9 million spread around to various jurisdictions?

Mr. Knight: Yeah. What we've allocated is for 19 aboriginal First Nations groups. Of course, that's not all of the ones that are in the province of Alberta, but for those 19 we feel that our portion of that would be estimated to be around \$100,000 per First Nation, so we got to a number of \$1.9 million. Of course, as you very well know, Aboriginal Relations has a much larger role to play in this, and we will support them and work with them in any way we can relative to these issues. That opportunity, I think, for aboriginal engagement and our consultation with them is important. It's important for the land-use frameworks in order to have them recognized in any way, and we'll continue to work with them relative to that.

7:30

Mr. Hehr: Thank you. I guess we could just move quickly to species at risk funding, and I'll rattle off a couple of quick ones. How much was actually spent on the species at risk program last year, and how much is budgeted for the current year? I guess you could even break it down further: how much was spent on protection of habitat?

Mr. Knight: Okay. So the species at risk under wildlife management last year was \$1.1 million, and in the budget this year it's a million. Again, as I'd indicated to you earlier, there are other things in here that don't show up in a hard number. For instance, we've got some of the front-line workers that are on the ground. We don't necessarily clock every hour of the time that they might spend doing that kind of thing, but that's the hard number relative to species at risk.

Mr. Hehr: Okay. You may not have these, but you might. Do you have a number within that of how much is spent on the protection of habitat? Does this come from species at risk funding, or does it come from funding for the land-use framework?

Mr. Knight: Well, at the level that the secretariat is working in the land-use framework, we're not into rehabilitation at the moment, so it wouldn't come from there. I'll have to defer that and give you a written answer because I don't know what that number would be at this particular junction.

Mr. Hehr: Okay. Well, then, basically, from your ministry I'd look for how much will be spent directly on the protection of species at risk outside of the land-use framework. Like you said, there's probably going to be nothing in the land-use framework anyway to do with that.

Mr. Knight: Not at this point.

Mr. Hehr: Okay. Well, thank you.

I'll move on to everybody's favourite topic, the grizzly bear. How much was spent on the DNA studies in the 2009-10 fiscal year?

Mr. Knight: In the '09-10 year?

Mr. Hehr: Yeah.

Mr. Knight: It was about \$900,000.

Mr. Hehr: Okay. I guess let's talk about this: are you guys going to commit to suspending the grizzly bear hunt?

Mr. Knight: No.

Mr. Hehr: No? Okay. You just don't think there's a need for it?

Mr. Knight: Well, again, do you want the short answer or a longer one? I could give it to you either way. I think that everyone would agree that a harvest is part of a good wildlife management program. There will be and, even indicated in the most recent study that we have, there are some areas in the province of Alberta in some wildlife management units where there are sufficient numbers and populations seem to be quite stable, where some harvest of the species could take place.

You will know that at the moment there is a suspension, but we do have a recovery program in place. It's been in place since 2007. A number of the things that are in there have been worked on, and we're working vigorously going forward with that recovery plan. There are some criteria in the recovery plan that set out what you would need to have in place in order to have a successful opportunity to harvest. I'm going to suggest to you that if and when those criteria would be met in any particular WMUs, then we would take a look at the opportunity to have a harvest.

Mr. Hehr: Will you be listing the grizzly bear as a threatened species?

Mr. Knight: That is not at this point something that I am able to comment on. There has been a study done. It's completed, and what will happen, of course, is that it will go to the committee. The committee meets on the 12th of March. They will review the information put in front of them and some other information, and at that point they'll develop a report, and they will make some suggestions to the ministry with respect to what should happen relative to grizzly bears. At that point we'll assess that information.

Mr. Hehr: Okay. I'm trying to break down how much in this budget is for grizzly bear specific programs. If you could almost provide me with a list.

Mr. Knight: I think it's \$0.9 million in this particular budget.

Mr. Hehr: It's \$0.9 million for this particular budget. Then how much of this budget is for, say, a carnivore specialist? Is there anything in that?

Mr. Knight: Yes. We've hired one carnivore specialist. I'm going to suggest – I don't have the number right in my head here – that it would probably be about \$120,000.

Mr. Hehr: Okay. Thank you. How much for, I guess, BearSmart is budgeted in this year's budget?

Mr. Knight: How much is budgeted for BearSmart? The program that we've got in place – by the way, I don't want to, you know, belabour this answer either, but I think it's an excellent program. It's shown some really good results. I think \$340,000, give or take.

Mr. Hehr: Okay. There have been many people who talked to me about the recovery of the grizzly bear. Would you actually deem a grizzly bear recovery team necessary? Are there any plans to implement one of those in this year's budget?

Mr. Knight: Implement . . .

Mr. Hehr: What's called a grizzly bear recovery team.

Mr. Knight: I don't know if I quite understand what you're getting at.

Mr. Hehr: A team that recovers grizzly bears, tries to bring up their numbers and their fruition and their happiness in this great province of ours.

Mr. Knight: I've got to tell you that I don't know of any such team existing.

Mr. Hehr: Okay. I'm sure, then, some of the organizations who contacted me will be talking to you about a grizzly bear recovery team.

Mr. Knight: Well, we have a recovery program for bears, and we most certainly have a team that responds to emergencies relative to any kind of bears, grizzly bears included. We do have that. As far as people going around and petting grizzly bears and making them feel comfortable, I don't know that we're going to be doing that.

Mr. Hehr: That's not what I was suggesting. I was having a little fun here.

Then on your grizzly bear recovery plan – I guess I've already asked this – can you give me sort of the detailed breakdown of whatever monies, where it's spent, whether it's BearSmart, whether it's any other program, where that money goes in regard to grizzly bears? That would help me out in my communication with people.

Mr. Knight: Okay. You know, the ongoing management, including BearSmart and intercept feeding and stuff like that, is \$335,000. We've got a research grant to the Foothills institute for \$100,000; staff secondment salary and operational costs, \$120,000; carnivore specialist, \$120,000; data management, \$80,000; and an access management project of \$120,000 for a total of \$875,000.

Mr. Hehr: Could you tell me about the access management program?

Mr. Knight: How can I explain access management? There's an access point right over there. If you close that door, there isn't one.

Mr. Hehr: I hear you.

Mr. Knight: There you go.

Mr. Hehr: Okay. I guess if that's what it is, then that's what it is.

Mr. Knight: Well, that's what it is. It's access to an area where there might be grizzly bears. We're going to try to have some form of an intercept there that would help, number one, educate people and, secondly, get co-operation from individuals so perhaps the opportunity for accidental mortality of bears and opportunities for, you know, not very friendly encounters with bears would be minimized.

Mr. Hehr: Thank you. Have you considered, like, putting a line item for grizzly bear recovery in your budgets in future years? I know certain groups have suggested it.

Mr. Knight: No. You know, what we have here is a situation where we know that we need to manage a number of species in the province of Alberta. We've got a committee that's diversified, that helps us deal with these issues. We know the numbers of both the species at risk and species that are threatened in the province. We continue to work with all of them. I think that they are all equally as important. The grizzly bear happens to be an icon that attracts a lot of attention along with caribou. Nevertheless, my concern is that all of these species are important and we would continue to look at all of them and do the work that's necessary to maintain habitat.

7:40

Mr. Hehr: I couldn't agree with you more. The ministry needs to look after all of Alberta's animals, so I agree with that. Nonetheless, you're right on the iconic animals.

Speaking of that, let's go to the caribou. How many of this year's resources will be devoted to caribou protection?

Mr. Knight: This year I think the budget item is \$4 million that we'll have relative to caribou.

Mr. Hehr: Is some of this for habitat protection?

Mr. Knight: Well, again, you know, we've got some plans in place now looking at habitat protection. I would have to say that that will be ongoing. As you know, we do a lot of work relative to access to caribou areas, particularly when they're breeding and calving; well, not so much breeding, I suppose, but calving. The opportunity, then, for us to limit access to those areas, I think, is one of the things that provides for opportunity, again, to help maintain or help herd sizes recover. So we will continue to invest in those programs.

Mr. Hehr: This may be a silly question, but I'll ask anyway. In its budgeting does SRD have different line items for caribou protection and habitat protection, or are they all one in a total devoted to that species?

Mr. Knight: To my knowledge they'd be together.

Mr. Hehr: Okay. That's fair enough. Do we have a number? Did you already give that to me?

Mr. Knight: Well, I think the total budget that we have relative to the issue for this year if you look at wildlife management, all the wildlife management issue, is \$8.6 million.

Mr. Hehr: Okay. So there's no breakdown within there.

Mr. Knight: Not really. I don't know that we could. I would suggest not because what we do, of course, is go to work and use that budget money where the priorities, you know, show themselves.

Mr. Hehr: No doubt if we broke it down species by species all the way along, it would get pretty redundant. I'm aware of that. Nonetheless, I thought I would ask.

Chronic wasting disease, if we could go on to talk a little about that. Could we talk about what resources will be provided for a chronic wasting disease program this year?

Mr. Knight: Okay. We spent last year about half a million dollars on chronic wasting. We'll do the same this year. I think that what we had last year, of course, was a pretty good result with respect to that program. I believe we had about 40,000 heads that were turned in for testing. Or 4,000. I'm sorry. Actually, it's 4,100. Out of that number there were 11 positives, so the percentage of positives is about .27 per cent, so about a quarter of 1 per cent. We think that the program, considering what the investment is and what the possible risks are, is a good program, works well. Of course, we count on Alberta's hunters to assist us with this program, and they've been very forthright in doing that.

Mr. Hehr: So approximately 40,000 animals were tested.

Mr. Knight: No, 4,100. I said 40,000; it was 4,000.

Mr. Hehr: Oh, sorry about that. Okay. That's fine.

I don't know if they're different. Are there any other examples of hunt farms besides those ones we discussed earlier that are being contemplated by the province right now in your department?

Mr. Knight: No.

Mr. Hehr: Okay. If we could go on to forestry. One part of your goal 1 in Alberta's strategic plan is having a prosperous economy. I guess one of those things that would be there would be a sustainable forestry industry. What steps have been taken to ensure that?

Mr. Knight: Well, there are a number of them. Of course, the first thing that we can probably point to is our opportunity to export . . .

The Chair: Thank you very much, Minister. That concludes this first hour of debate. We had about 140 back-and-forth exchanges, so that was pretty good.

An Hon. Member: Was that all?

The Chair: Yeah, that's all we had, 140 exchanges. The longest was about three minutes.

We're going to take a five-minute break, and then we'll be right back. Thank you very much.

[The committee adjourned from 7:45 p.m. to 7:51 p.m.]

The Chair: I would like to call the meeting to order. I think I'll give the floor next to Ms Notley. Will you share your time back and forth, or do you want to go straight through? Just indicate what you want to do, and the minister will work with you.

Ms Notley: Okay.

Mr. Knight: Mr. Chairman, may I just have half a second here? There's something that I've got to get on the record here.

The Chair: Okay. Go ahead, please.

Mr. Knight: There was an inference that I did not hear. As you know, my friend, at times I have a difficult situation relative to hearing. There was a suggestion here that there are hunt farms in the province of Alberta. There are none. There have not been any, and there are none.

The Chair: Go ahead, please.

Ms Notley: That's great. Thank you for that.

I think that what I will do is probably take 10 minutes and ask my questions because I have a lot of questions that I want to get on the record. Hopefully, the people with you can sort of take notes as I'm asking. Then when I'm finished – and who knows? I may get done before the 10 minutes are up – if you could then just answer them. If you are unable to answer them all within your 10 minutes, I'm hoping that I can just get answers in writing after the fact and before we get to the point of debating the budget at the end of the budget debates.

Mr. Knight: So I understand that you're interested in employment.

Ms Notley: Employment? Your staff's employment? Of course.

The Chair: Any written answers will be delivered to the clerk, please.

Ms Notley: That's great. Basically, I have about nine general areas that I want to ask about, so I'll see if I can get through them quickly enough.

Let's just start on the issue of the Land Use Secretariat. There's already been a fairly good discussion about that, but on just a couple of specific questions if I could get a bit more information. My understanding is that the actual plan for the lower Athabasca and the South Saskatchewan was originally supposed to be completed by the end of 2009. My understanding from the website is that at this point we are basically just looking at having the terms of reference and the regional profiles completed, and that's about as far as we've gone. My question on this one is: when exactly this year will we expect to see those completed plans for those two?

Then, going on from that, we of course have the other regional plans. I know you did state that there would be delay, but I'm wondering if I could get a specific timeline for the completion of those other plans since they will be delayed. On that same topic, looking at page 263 of your business plan, the primary performance measure for the Land Use Secretariat will be the completion of the regional plans. Given that we have none completed yet, notwithstanding that two were supposed to have been done, and we see some delays, I'm just wondering: what other performance measures might be put in place for that secretariat? I appreciate that they're labouring under fewer resources, but clearly we need some different performance measures if we're going to keep track of what's happening in that area.

As well, the land-use framework website talks about additional plans for 2010, and I don't know if this has been revised since the cut to the secretariat. They talk about the strategy to reduce fragmentation in conversion of agricultural lands, they talk about a strategy to identify components and general locations of transportation and utility corridors, and they talk about a strategy to manage recreational use of public lands. So those are three strategies in addition to the regional plans. My question is, again, on those three strategies: when can we expect to see those completed and presented to the public?

Then the final one: the development of a policy to minimize exposure of developments and settlements due to flood risk. Again, when do we expect to see that policy completed and shared with the public?

Mr. Knight: Would you repeat that, please?

Ms Notley: The framework also promises to develop policy to minimize exposure of development and new settlement to flood risk. That is my series of questions.

I guess the final thing with the Land Use Secretariat is specifically in terms of the FTEs there. Are we looking at seeing a loss of FTEs within that secretariat in terms of what's there now, and what will come if this budget moves forward?

Then if I could move on quickly to the area of supplementary supply. Basically, just an observation and almost a rhetorical question but, nonetheless, not entirely rhetorical. Of course, we have this long-standing process of going to some supplementary supply for forest fire fighting and pine beetle funding. However, if you look through the last five years, the average that the ministry has had to call on for forest fires has been \$130 million, and the very lowest has been \$72 million. Then the same thing again for pine beetle: the average was around \$20 million, and the very lowest was \$5 million. Would it not make sense in the interests of budgeting wisdom to perhaps at least put into your budget a \$75 million forest fire fighting line item and a \$5 million or \$10 million pine beetle line item? With pine beetle I realize it's a little bit more. You know, it's a newer thing. It's more variable. But fires have been happening kind of forever, so I'm just wondering why it is we can't plan more consistently. Again, I'm not suggesting that you go to the high level but that in terms of budgeting honesty, shall we say, we lowball some of it. So that's a question.

In terms of the junior ranger program I understand that the \$1 million has been suspended there, and my understanding is that this results in a loss of employment for about 120 young people in the summer. I'm wondering what the minister's plans are for ensuring that the reforestation and trail reclamation, often done by these junior rangers, will get done in their absence.

Switching areas again to the Land Compensation Board and the Surface Rights Board. In last year's budget estimates we talked about the fact that there was quite a backlog there. At the time I believe there was \$1 million dedicated to I think it was the SRB to try and deal with that backlog. I'm looking at your business plan right now, in particular at page 264. The performance measures under the SRB are vague, and we have these percentage numbers. I'm wondering, first of all, if we can get an explanation. We have that the last actual increase in the number of files heard annually was 47 per cent, and then the target is to increase it 5 per cent every year. Are we saying that there was a 47 per cent increase in the number of files heard last year? I'm seeing a nod yes. Okay. Then what I would like to know in slightly more detail is: how many files are opened each year, and what is the length of time between them being opened and a decision being rendered?

Mr. Knight: It's 65 days, I think, according to the legislation that they work under.

Ms Notley: Okay. If I can just find that because I think there was a backlog last year. Whether that has been completely eliminated and how that has changed over the course of the last two years would be helpful because that's not in the budget plan right now. That would be helpful. Is that \$1 million still in there, or was it a one-time funding boost? That was my other question. How was it used to deal with the backlog?

Mr. Knight: In this budget?

Ms Notley: No. In last year's. Last year a million dollars went to deal with the backlog.

8:00

Mr. Knight: Did you ask that question last year?

Ms Notley: Well, I did, but last year it was just coming. What I want to know is how effective it was and whether it needs to be built in or whether it's been taken out and whether we can look to see an accruing backlog again.

Mr. Knight: Okay. Well, I can answer your question with respect to this year's budget.

Ms Notley: Are we timing my 10 minutes right now?

The Chair: You have one minute and 50 seconds.

Ms Notley: Oh, okay. I've got to go fast.

The last thing that I'd like to talk about, then, very quickly is the Auditor General's recommendations. In March '09 the ministry hired consultants to review files related to land disturbance fees. They found 9 and a half million dollars for land disturbance fees for prior years and \$2.9 million for '08. The ministry was asked to invoice by April '09 for these disturbance fees, and my question is whether that has happened and whether it's continuing to happen and what the revenue from that was. I see nodding. That's good.

Mr. Knight: That question is answered, yes? Right.

Ms Notley: You can put it in writing still.

Mr. Knight: Fair enough.

Ms Notley: That would be helpful just to clarify that. Nodding, probably not so much.

Mr. Knight: I just did. I just clarified it.

Ms Notley: Okay. Then are there processes in place to ensure that the Auditor General's recommendation will continue forward?

Mr. Knight: Yes.

Ms Notley: Okay. Thank you. That's good.

Final thing. On page 259 of the business plan, strategy 4.4 talks about reclamation. Last year during estimates we discussed that there had only been one reclamation certificate issued to that point. Where are we now for the number of reclamation certificates issued, and what efforts are being made to proactively get to the point where we can have more reclamation certificates issued? Where is the funding for those efforts, if there are any, found?

I think I'm probably about two seconds away from being finished.

The Chair: Yeah, you're pretty close.

Ms Notley: Okay. So I'll leave it at that.

Mr. Knight: You're quite a good reader.

The Chair: Okay. Thank you very much.
Go ahead, please.

Mr. Knight: We'll just go back and do what we can with respect to the questions. First of all, you asked about the land-use framework and the time frame to completion. As you very well pointed out there, we would hope to have the lower Athabasca regional plan and the South Saskatchewan plan completed by 2010. I cannot sit here and be bound by any specific time because, as you very well know,

we have a number of engagements with outside parties, and some of that we cannot control.

Part of it would of course necessitate our being able to have the information from Aboriginal Relations relative to aboriginal consultation, whether or not they're satisfied with it. We need to know – and I mentioned this before – the issues around cumulative effect: what levels are going to be set in different areas of the province and how they will affect our plan at the end of the day. We don't know where we are yet with respect to water allocation in certain areas in the province; that will make some difference.

So I'm not going to say, you know, that on December 15, 2010, you'll have everything on the table because I don't know that that's a true statement. We're working towards that timeline, and we will continue to be diligent and work towards that timeline. If that happens, we'll all be happy about that. If it takes a bit longer, it takes a bit longer. Again, I said it before and will say it again. I would rather do it so that it's right at the end of the day and works for Albertans rather than cram it into some particular time frame that somebody has set.

You mentioned something about the performance measures relative to the secretariat, and I'm going to suggest to you that the performance measures remain valid. The time frame is not necessarily an issue around the performance measures. The performance measures remain valid. If we have to adjust time frames relative to getting the work done, I think the performance measures are still good.

You looked at a number of things. You were talking about recreational use, fragmentation, flood risk, and wondered when we'll get separate reports relative to that. What I'm going to suggest to you is that when we get to the point where we have a land-use plan in place, all of those situations that have been discussed up to and including the formation of the plan would be included in the plan. I don't expect that we're going to have a whole bunch of separate reports for different areas of work being done, so I'm going to suggest to you that that would be embedded in the plans at the end of the day.

FTEs that are assigned. There's going to be, of course, some stress on people, but there's no reduction in FTEs. Because we've got a number of other projects that are ongoing as well, it stretches things out a little bit. There's a circumstance here where, you know, they take a bit longer, perhaps, but we're going to continue to have those people at work. Oh, I'm sorry. I think I made a bit of a mistake when I said that the FTEs are going to remain constant there. I think that there is some reduction in FTEs relative to the whole business of the land-use framework, maybe not necessarily in the area we were talking about.

The firefighting. You skipped into firefighting and asked me why we wouldn't give kind of an average. Why don't we go with an average? Actually, you know, we used to attempt to do that, and it's never been successful. Part of the problem that you have with that is that it's one of these things where, you know, it doesn't matter which way you guess on the thing. You're never right, and you're in an equal amount of trouble if you're over or under. If you're under, you've got to go for a supplement in any event, and if you're over, you have a situation where the department has some excess money that needs to be returned to treasury at the end of the year.

What's been determined, I think, is the best way to go forward with this. So what we do is take a look at what we need to do to get ready to fight fires, and that's in our budget. Then we draw on the sustainability fund in order to take up whatever additional money is required. So there are some additional funds that are available. At the end of the day when we report that in the supplementals, we can give you the exact amount of money that it costs. We don't need to

guess at it anymore. That's why we do it, and I think that we're going to continue to do that. I believe it's the best way forward.

The junior ranger program: what are we going to do about the reforestation projects they were doing and the trail management projects they were doing? We're going to continue, of course, to do whatever we can with respect to using trail network associations and so on that are in the province to continue to do that work. Reforestation, of course, is a project that's continued and worked on by the operators on the land, and they will continue to do that as well. I would have to tell you that the program has been in place for a number of years. It's decades, actually, that this program has been in place. I'm very concerned that this move needed to take place. You will find that I will be watching this very closely with respect to being sure that we're able to resurrect this at the earliest possible time.

The Surface Rights Board backlog. There was a bit of a change in what they actually included in hearings. The backlog actually wasn't things that would necessarily have created a hearing previously, but they've kind of changed a bit of the structure of how they're managing those things, so they caught up on a lot of stuff that perhaps would not have necessarily reached a hearing stage before. The number of open files: I don't know that I have that information here, but we can certainly get it for you. I know it's been given to me, but I have to tell you that I'm not sure of that number. We may have it here in a minute.

The Auditor General. We're working with the Auditor General. We have a couple of outstanding items relative to the Auditor General, but most of what he's asked us to do we have most certainly complied with and continue to have a good working relationship there. We continue to work with him on any of the outstanding issues that he has with the department.

I think those were all of the questions.

Oh, you asked about reclamation certificates. You wanted to know how many reclamation certificates would be issued. Again, that's a subjective thing, I suppose. It depends on how many people apply for a reclamation certificate in the first place, and we don't know how many that would be.

Ms Notley: How many this year?

Mr. Knight: How many last year?

Ms Notley: Yeah. Since the last report.

Mr. Knight: How many last year? I don't know. We got the applications, but I don't know how many certificates were issued last year. I'll get you that number. That won't be too hard to find. Okay. Give or take 500.

The Chair: You've still got another couple of minutes, so go ahead, please.

8:10

Ms Notley: Okay. Going back to the land-use plan, I understand that as specific as you can get is a year, sometime in the 12-month period of 2010. I actually also asked for the timeline with respect to the other regions, and unless you're telling me that all the regions are going to be completed in 2010, which I assume from what you're saying they won't, what I was also looking for was what our timelines were with the other regions.

Mr. Knight: Well, actually, unless I misunderstood what you said, you told me that they were going to be done in 2013, so that, as I

indicated to you, is a time frame that's in there, and we'll work towards that time frame. I think the question came earlier that there was an initial kind of 2011 endpoint relative to the land-use framework and regional plans being put in place, and that has been extended to 2013.

Ms Notley: Okay. Well, the first one was 2009, not 2011.

Mr. Knight: There never was 2009 for completion of a land-use plan. Never. I'm sorry, but that's not correct.

Ms Notley: So now we're at 2013 for all of the land-use plans?

Mr. Knight: Our plan is that the lower Athabasca and South Saskatchewan regional plans, to the best of our ability, will be complete in 2010 and the remaining plans by the end of 2013.

Ms Notley: Okay. I had asked you about the FTE cuts in there, and you said that there were FTE cuts, but I'd asked how many there were.

Mr. Knight: There are some cuts in the Land Use Secretariat. I had initially indicated that there were no FTE reductions there, but in fact I believe there are about five.

Ms Notley: About five. Okay. About five, then?

Mr. Knight: Oh, I'm sorry. I misread the thing. I'm reading an answer like – you're a better reader than me.

The Chair: Thank you very much. Go ahead and finish.

Mr. Knight: There were six FTEs in the Land Use Secretariat. There are now 19. In fact, there wasn't a decrease at all in the Land Use Secretariat.

Ms Notley: With the cut in funding it remains the same?

Mr. Knight: Indeed.

Ms Notley: Okay.

The Chair: Thank you very much.

We'll go on to the next questioner. That's Mr. Broyce Jacobs.

Mr. Jacobs: Thank you, Mr. Chairman. Minister, I'd like to talk for a few moments about two or three different issues, and I'll start with use of public lands. Public lands are an integral part of many ranching operations in Alberta and have been used for a long time by ranchers to produce livestock. In the late 1990s or early 2000 there was a countervail done by the U.S. Department of Agriculture against the rates paid by ranchers on public lands, which suggested that they were being subsidized in the production of livestock. We lost the countervail. There were no really serious mitigating effects from that, but there's always the fear in the ranching industry that we may at some point face some more countervail issues, and this could be another one.

The grazing associations have done a study to try to improve the way they pay the province for the use of public lands. One of the problems in the study is to deal with the different regions of Alberta. You know, depending on where you're located, northern or southern or central Alberta, there can be arguments made that there are different costs to raising livestock. The grazing associations have

actually come up with a study, and their study suggests that a level playing field be established and that in the future ranchers pay rates based more on a market value approach; for example, based on the price of cattle. Minister, my question to you is: is your department thinking of moving ahead and giving permission for this to go forward? What comments would you have on this subject?

I'd just like to go back and forth if I may, Mr. Chairman.

The Chair: Very well. Thank you.

Mr. Knight: Well, thank you. Mr. Chairman, the situation that the member brings up, of course, is something that we're engaged in at the moment. Most certainly, we have been working with grazing associations, with a number of different livestock associations in the province of Alberta relative to this particular issue. We understand and agree that there is opportunity here for countervail, and we would prefer to get a system in place that would prevent anything like that from recurring.

There has been some, I would suggest, opposition to the change because what we had looked at – and you alluded to this – was a base rate that would be market adjusted across the province. Of course, in the situation that we run into in the northern parts of the province, I don't know if there's really anything in it other than, you know, perhaps some of us feeling that different kinds of grass that you grow make it either easier or harder to put pounds on cattle. Most certainly, what we see in northern Alberta is soft grass, that we have a lot of volume, sometimes not a lot of power. The opportunity for us to have some adjustment, I think, relative to areas would be welcomed by some of the community that are dealing with this relative to the issue.

We continue to work with it. You are asking me if we're going to allow for this program to go forward. At this point in time I would have to tell you that it is in front of me as we speak, and most certainly part of the work that you'll see being done here in this budget year will help to address that situation. I would hope to have a conclusion to that for you in the short term. We certainly would prefer to deal with the issue and have something on the table that precludes us from getting into any sort of countervail.

Mr. Jacobs: Thank you. I think everyone would be disappointed, Minister, if I didn't talk a little bit about grizzly bears and wolves, so I will proceed on that one at this point. First of all, I would inform the committee and thank you as minister for coming into grizzly country last week in Mountain View and unveiling probably the only stuffed grizzly in a school in Alberta or maybe even Canada, which was a bear that was taken down south of Mountain View a couple years ago. He was killing a lot of cattle and didn't have any teeth, 25 years old, so he was put down and eventually ended up as a stuffed bear in the Mountain View school. Thank you for your efforts there.

First of all, I need to say that my people probably don't agree with the official counts that your department comes up with on the numbers of grizzly bears. Some of them think there are that many grizzly bears in southwestern Alberta. Of course, I can't substantiate that. But the ranchers' concern is, you know, if we have to coexist with grizzly bears – I don't think most of them have a problem with that. What their problem is is losing cattle to grizzly bears and wolves and not being compensated fairly for their contribution to the sustainability of grizzly bears and wolves. In other words, they help feed them, so they can't understand why they should have to stand all the costs of that.

The main problem comes when an animal is taken down and one of your wardens comes out and does an investigation to ascertain

whether it was a kill or not, whether it be wolves or grizzly bears. Invariably the decision rendered by your people is that it is not a kill. Is it possible that we can have a look at the protocol for establishing even probable kills based on more of a common-sense model, which would allow the ranchers to maybe be more fairly compensated for what they believe are kills by predators such as bears and wolves?

Mr. Knight: Well, Mr. Chairman, you know, the situation that we have and particularly in the member's area is a real-life situation. I'm going to first address the concern about bear counts. What we have, I think, now to work with – and, again, none of these things are going to be 100 per cent accurate – is a scientific count that was done using DNA analysis of samples in grid areas in the bear country. We feel – this is actually internationally recognized as the best possible way that we could count grizzly bears – that we have, you know, a reasonable base number there now to work with.

8:20

The problem in southern Alberta is that we think – well, some people think, and I suppose I might be one of them – that we have grizzly bears that are coming in from Montana, and they're not actually going through the border crossing, so we don't get an opportunity to count them. I think that at certain times of the year that may add to numbers. They have quite a range, so depending on how these animals are moving around, that could be part of the issue.

Most certainly you have heard me say – and it was mentioned here earlier – that I am not in a position to put a moratorium on harvesting bears in Alberta. I believe that when we get through a little more work with respect to our opportunity here to stabilize bear populations, we do want to be sure that there is opportunity for harvest where it's indicated that that is sustainable.

The issue relative, you know, to a tax and relative to compensation for ranchers after the fact: you raise a very good point. I know that our protocol around when we would consider compensation leaves a number of people, obviously yourself included and others that I've spoken to, with some questions around how it is that we arrive at those protocols and if, in fact, it can be revisited. It's not really relative to the budget discussion, but what I would indicate to you is that I'll take that question back, and with the members of the team at SRD we most certainly will address your question and get a written answer to you.

Mr. Jacobs: Thank you very much. To pursue this subject a little bit further, I was impressed by the presentation made by your wardens at the event you and I attended last week. You witnessed the guard dog demonstration where they're training and using the dogs to help with frightening away the bears and protecting people and teaching people about being bear smart. Is there any money in your budget to accelerate or to enhance this type of program? Because it seems to me that, you know, if you can train sheep not to cross a highway with these dogs, maybe we can train bears not to eat cows. You know, I'd just like your comments on whether or not you see any future in, maybe, these kinds of programs. I don't think we have very many of these dogs now in Alberta, but it seems to me that we could probably use more if we had the money to do it.

Mr. Knight: Okay. I don't want to be facetious about this, but, Mr. Chairman, I do have to say that I believe that all of the bears were actually invited to the program, and none showed up. That was their first opportunity for education, and they didn't arrive. However, I think that the education that was received by the general public relative to contact with bears – and if you see the community there

and particularly the youngsters involved, I mean, it is a stellar program.

I believe that the use of bear dogs will go a long ways with respect to helping us through this problem. We have three of these dogs that we actually are using now. I do have to report to you that in this particular budget cycle, unfortunately, the budget remains stationary. There isn't an increase in the budget.

Again, I will take your comments seriously with respect to your thought on being able to open this thing up a little bit and have a lot better opportunity to prevent the circumstance where bears are attacking cattle and perhaps the mitigation after the fact.

Mr. Jacobs: Thank you, Mr. Chairman. I would like to point out to the minister that relative to the invitation to the bears to attend the event, they are still in hibernation and consequently probably didn't get the invitation.

The Chair: Maybe the food wasn't good enough.

Mr. Jacobs: Well, maybe so.

Leaving bears and wolves for my final area of concern, I'd like to talk for a moment about tax recovery lands. I think that in your introduction you referred to a change in policy and the way that the province is going to handle the tax recovery lands. These lands, of course, are lands that have been recovered because of nonpayment of taxes over the years. We have for a few years as a province been turning these lands back to municipalities to dispose of to people who had an interest in these lands. The program has worked reasonably well.

Then I think it was last year or recently we put a moratorium on turning tax recovery lands back to municipalities. This has placed a hardship on some of the people who had made arrangements and actually made investments to proceed with development of some of these tax recovery lands after they acquired them from the municipality or county. So when the moratorium was placed on the transfer, it has created a problem for many of my landowners in southern Alberta. Could you just perhaps elaborate a little bit more on how this process is going to work and why we put the moratorium on and what we're going to do, when it's going to come off?

Mr. Knight: Yes, Mr. Chairman, I certainly will. What the member is talking about, of course, is nominal sum disposition of public land. The situation that existed in the past, as has been explained, is that in certain circumstances, depending on the land and the use for it, some of these pieces of real estate were turned over to the municipalities for a nominal sum. In other words, they were turned over for a dollar. There has been a decision made by this government that nominal sum disposition would be suspended. That is the situation that we find ourselves in. I think in this particular year it's about \$12 million worth of nominal sum dispositions that we kind of had on the books that won't go forward as we might have thought they would.

The land in question. A lot of it, as it turns out, ends up being a piece of real estate that perhaps is not terribly valuable from the standpoint of agriculture, even in a lot of cases not terribly valuable as grazing land, some of it valuable for residential purposes; however, a lot of it extremely valuable to the province and the people of Alberta relative to habitat. There's a lot of this real estate that can be recovered as good wildlife habitat areas, so it has a real value to Albertans.

The process going forward, I think, is a temporary one. The land that we're looking at now, particularly the land in areas in southern Alberta that were tax recovery real estate, those transfers will for the

time being be held in abeyance. If there's something that can be done relative to working with municipalities either to have some of this real estate assessed and transferred for assessed value, if that is something that they choose to do, or to find other ways that we can perhaps get the government's value out of the land, then we're very open to discussing those situations with the different municipalities affected.

Mr. Jacobs: Thank you, Mr. Chairman. That concludes my questions.

The Chair: Thank you very much.

Our next speaker is Mr. Guy Boutilier.

Mr. Boutilier: Thank you. To the minister. Under the issue of revenue, looking at your budget, it demonstrates that premiums, fees, and licences are going to be going, forecasted this year at \$99 million, to \$114 million, which is about a 15 per cent increase. Consequently, my question would be: where are Albertans going to be paying more for that increase of about 15 per cent?

Mr. Knight: Well, I think that the answer to that, if I could, Mr. Chairman, probably lies in the fact that we believe, number one, that there will be a lot more access. There will be more people that are interested, so the numbers, I think, will go up. There's been some adjustment relative to the fees that are charged for some of the licences, fishing licences for instance. There has been some adjustment to the fees. So the difference that you see there, the \$15 million difference, will be taken up in those two areas, with increases in the fees in some certain circumstances and, we believe, more people that would access the programs.

8:30

Mr. Boutilier: Okay. Thank you. Does that mean Albertans are going to be paying more for their licences, or are there any fees that are perhaps not going to go up?

Mr. Knight: Well, if you're looking at fishing licences, I would suggest that fishing licences are going up, so that's kind of full stop. Some of the other fees that we might charge: I would have to get you a written answer to that, my friend, because I have to tell you that I am not aware of which ones are stable and which ones would increase. I'm presuming that most of them are increasing.

Mr. Boutilier: I don't require any written answers to my questions tonight. I see your deputy is breathing a sigh of relief at that comment.

Let me ask you this question. Under goal 3.2 it talks about the development of "enforcement programs focused on mitigating the consequences of human-wildlife interactions such as property damage and threats to human safety." First of all, I'll start with a positive. I was chased by a bear, and the fish and wildlife folks . . .

Mr. Knight: Some of them are unsuccessful.

Mr. Boutilier: Fortunately, in this case they were very successful in catching the bear and listening to a bear grind its teeth. It wasn't a grizzly, over to the Member for Cardston-Taber-Warner, but it still was a bear, and it was a lot bigger than me. So I compliment them for catching the bear and putting it out at Mariana Lake.

Having said that, though, I'm going to relay questions that have been asked of me while I was in Conklin this summer relative to the budget and your dollars for enforcement. Specifically, I spoke to

your predecessor, and he described it as simply not a good day. I'm specifically talking about where officials shot and killed 12 bears. I think it was about a dozen. It was viewed as not a good day. It was in my constituency, and of course I was out in the Conklin area and getting a lot of questions, and I thought valid questions – I'm sure you would agree – relative to the strategies being employed. My question on your budget this year: what has been learned from that relative to, you know, what I guess was a program or lack of a program, and what can we do to ensure that that's avoided in the future?

Mr. Knight: The BearSmart program, as you know, is in place, actually, to take care of those types of issues that happened there. I believe that the background to that particular circumstance, very unfortunate, was that there had been a lot of refuse that was just deposited without being properly covered. There was no maintenance in this particular situation, and they ended up, unfortunately, in the proximity of a number of people and residences, and the circumstance, of course, got to the point where the bears were absolutely fearless. They had no consideration whatsoever for the people. I think that, you know, that circumstance necessitated the removal of those particular bears.

With the BearSmart program what we have in place, of course, is a system where communities like that are asked to engage in the program so that they can learn what the best way is to manage your municipality so that you don't attract bears in the first place. We've done that there, I believe. It was before my time, but I believe that they've had an opportunity there to tidy that up. You would probably know that better than I do.

In general terms, though, across the province we do have to remove about 500 black bears annually for similar circumstances. They do get to the point where they intersect with people, some of them on a regular basis, which makes it a bit uncomfortable, so some of them do have to be removed. When you get into a circumstance where you do 12 at once, of course that creates an issue. But we do have a program in place to do that.

As I mentioned earlier, we also have an emergency response team, a bear response team that goes anywhere in the province of Alberta to respond to these issues. They manage that in the best way they can, you know, first of all, to remove and reposition the bears someplace else, relocate, and if that's not successful, then of course the only other mitigation that you have, unfortunately, is to put them down.

Mr. Boutilier: Okay. Thank you. I want to be clear. You said that we have a program but not to get the 12 bears and shoot them. The program is the BearSmart program, just to be clear. I didn't want anyone to be confused thinking that you have a plan to shoot 12 bears at a time.

Mr. Knight: Number one is the safety of humans, you know, the safety of the population. Of course, secondly, we try to mitigate the circumstances where they come in contact with people.

Mr. Boutilier: Okay. That's helpful.

Under goal 7.4 you talk about hunting day. There's no way, shape, or form that the day the bears were shot was Provincial Hunting Day in Alberta?

Mr. Knight: My memory wouldn't allow me to recollect that.

Mr. Boutilier: Is there a day for Provincial Hunting Day? It's goal 7.4. I'm wondering what day that is.

Mr. Knight: I'm sorry. I'll have to get you an answer for that because I don't know what day Provincial Hunting Day is.

Mr. Boutilier: Does anyone have an answer? [interjections] It is in September. Okay. I wasn't sure. Someone asked me at a gas station in Conklin if it was Provincial Hunting Day.

Mr. Knight: We have a couple of fishing days, but I'm not sure about Provincial Hunting Day. I don't know what day it is. You probably know.

Mr. Boutilier: I don't know. It was not a rhetorical question.

I have to ask you this. My son and I this summer – he's two and a half years old – were fishing, and he didn't have a fishing licence. Was I breaking the law? He had a wooden stick with a string on it in the lake. Was he breaking the law?

Mr. Knight: No.

Mr. Boutilier: At what age is it required?

Mr. Knight: Did you have a fishing licence?

Mr. Boutilier: Yes.

Mr. Knight: Then I would suggest that he can fish with you.

Mr. Boutilier: Okay. I really wasn't sure.

Mr. Knight: I won't send anybody after you anyway.

Mr. Boutilier: Okay. At what age are you required to have a licence to go fishing as a youngster?

Mr. Knight: It used to be 16. I think that's what it used to be. I don't think we've changed it. You have to have a licence at 16 as far as I know. It used to be.

Mr. Boutilier: But up to that point he can fish for free with his dad.

Mr. Knight: I got to be 66 without one.

Mr. Boutilier: I know you're only kidding on that issue for sure.

Okay. That answers my questions, Mr. Chair. Thank you to the minister.

The Chair: Okay. Thank you very much.

Mr. VanderBurg: Minister, the bioenergy program and the use of renewable energy or fuel derived from biological sources along with agriculture products or livestock waste: there are sources of woody materials for bioenergy in Alberta, you know, including construction debris, forestry waste, or trees killed by disease or the mountain pine beetle. I've talked to you about this previously. I'm still concerned for our communities that are forest-based communities and wanting to know how you are turning the mountain pine beetle into an opportunity for the forest industry. I believe there are some opportunities that will come about because of the infestation of the pine beetle.

Mr. Knight: Right. Well, the opportunities I don't think are misunderstood. You know very well of one of the things that happened relative to taking beetle kill wood and running it through

a process enabling us to get newsprint value out of that wood. There was, of course, some assistance by the provincial government relative to having that happen. I think that is one of the types of things that we know that we can do.

There is a lot more that can be done, and of course, as I had alluded to earlier, it runs all the way from fuelling electrical generation units with fibre to cellulosic fuel, lignite-based fuels into pharmaceuticals, petrochemicals. You know, there are a whole range of things that we continue to work with, and most certainly there is a very interested community out there relative to the operators. They're all wanting to get involved in this thing.

8:40

We have two or three, I think, opportunities now in the province where we are really looking forward to some later technology use of fibre to produce electrical energy and then have that crossed over into the hydrocarbon business, and it really starts to make a lot of sense. It's a very good use of fibre, particularly fibre that is either residue and waste fibre from forestry operations or in certain circumstances could be beetle-damaged wood that ends up not being used or useful for something else.

You know, we want to continue to engage with industry relative to those issues. There are lots of opportunities and new ones seem to come up every day.

Mr. VanderBurg: Well, the bioenergy file, you know, falls under your old ministry, Alberta Energy, but since you are now the Minister of Sustainable Resource Development, I would like to see you champion this cause. There is cross-ministry interest, but you have a very good grasp of both the Energy side and the SRD side of it. I'm just wondering what improvements could be made, given your expertise and given your background, with the processes in place. It seems to be cumbersome. I guess there are more questions than there are answers out there for those in the public and in industry, so I guess two questions on that. The strategy that you may use going forward: I'd like to know what that may be. I'd also like to know if there are some cost sharings between your ministry and Alberta Energy in the budget.

Mr. Knight: I'll address the second part first. To my knowledge at this point in time there isn't a cost share. The Department of Energy, of course, is managing the bioenergy file and will continue to do that. But I thank you for, you know, the comment and the compliment relative to our ability in SRD to be useful in trying to move forward with these projects.

A lot more questions than answers. Part of that, if I could, Chairman, is simply because when you look at the program, there are two facets to the program. Without clearly understanding the length of time and the quantity of producer credits available, many of the operators that had some idea that they might like to move forward were left with economic concerns that they couldn't address. Without an answer from us, it's not possible for them to address those questions that they have. Of course, I believe that there is ongoing discussion relative to that program, and at some point in time I think there will be a decision made, and we'll see where that falls.

The initial allocation of dollars to projects I think went very well. You know, the people that came forward with well-presented cases, that had a business case to them and showed that there was value and they could continue to move: I think there are two or three of them, very valid ones that I'm sure we're going to see positive results from. There will still be questions remaining about the producer credit program to see how long in the future that will sustain

because, of course, there is high front-end capital to these projects, and in order to get over that, there needs to be some involvement with public dollars.

Mr. VanderBurg: I see a program out there by the concrete and gravel industry wanting to promote more building with concrete. Wood is good, in my eyes, and I want to see the promotion of that wood being used not only in this province but all around North America. What are your plans on promoting a wood-is-good program, you know, and trying to get the best out of our industry, what we can locally here in this province?

Mr. Knight: Well, I think that the answer to that, again, is that we have spent considerable time with the associations in the province and with individual operators on the ground relative to helping promote the use of wood products in the province.

I think that another thing – and perhaps we could be taken to task a bit for not putting enough effort into things like, you know, the opportunities that we perhaps have with manufactured wood products and that kind of thing. There's a tremendous opportunity in many buildings using wood products. You know, I don't know that we've always taken the opportunities to address that to the extent that we should.

Again, most certainly, a good question here tonight and a good opportunity, I think, for us to engage that debate further and see if there's more that we can do relative to that.

Mr. VanderBurg: I'm going to switch gears a little bit to a favourite pastime of mine, fishing. I want to ask you if the fish hatcheries are getting enough attention in this budget to sustain the increased fishing that we have in this province. In your goals and business plan it forecasts an increase in those that are fishing. We have some really good programs: the Cold Lake hatchery with the walleye program, some others in southern Alberta. But I'm concerned that with the growing interest in fishing and with people understanding that, you know, you can go out and catch a couple of fish and eat them and have some fun with your family doing it and that it's affordable, we don't keep our stocks up. So I want some comments from you about fish hatcheries and how you're going to promote fish hatcheries and the sustainability of our fish populations.

Mr. Knight: Well, one of the areas, of course – and you'll know this, obviously, by having had a chance to look at some of these numbers. I think that last year's budget was about \$10.9 million, nearly \$11 million in fisheries. We haven't been able to maintain that but pretty close: \$10.4 million still remains in that endeavour, in the fishing industry in Alberta. For the hatcheries, we've maintained. There's been no reduction. To my knowledge they've been able to keep up with respect to the stocks that are required in the province. If there's an issue with that, most certainly I would be prepared to look into it. I haven't heard that there is, but if there is an issue relative to not being able to maintain stocks, then, most certainly, we'd be able to look at it. However, as I've indicated, the budget hasn't been decreased for fish hatcheries, and the fishing portion of our department is relatively stable.

Mr. VanderBurg: Lots of comment earlier from other MLAs with regard to the grizzly bear hunt. I'm going to give you a different observation. I have had the opportunity to fish in the Hyder area of the southern part of Alaska and have witnessed millions of dollars being spent by tourists to shoot grizzlies in a different way. The pictures that they take home and the tourism dollars that they spend could be another way to promote tourism in this province. I'm wanting to get your thoughts on that.

Mr. Knight: Well, most certainly, I'll bring that up with the minister concerned with tourism. With the opportunities that you see in Alaska, although they're not something that is completely impossible to think about in the province of Alberta, I would suggest that to have an opportunity for bear sightings in Alberta similar to what they have in Alaska would be pretty difficult to duplicate. We don't have the same kind of biological circumstance that takes place there that attracts a tremendous number of bears to an area in a certain time frame and that kind of thing. It's a bit different for us to try to duplicate that sort of thing if you're talking about bear watching when fish are spawning.

You know, I've had the opportunity to see that, and I do agree that it's interesting. The bears aren't interested in you when there are that many fish around. If you go out watching bears in Broyce's country and you have no fish, the opportunity to watch bears gets a little testy. But, certainly, I don't think that there's any reason that we shouldn't talk to our friends in tourism to see if there's something that they might be able to promote that would generate interest in that opportunity.

8:50

Mr. VanderBurg: I guess my point is that it's a huge province, and the needs of the population are diverse. I just want us to look at this from a 30,000-foot level. It's not all problems; it's opportunities as well.

Thank you.

The Chair: Thank you very much.

Our next question is from Mr. Kent Hehr.

Mr. Hehr: Thank you. I guess just one more question on chronic wasting disease. I think we had some numbers in 2008-2009 of how many instances of CWD were found. Do you guys have the same numbers for 2009-10?

Mr. Knight: Yeah, I think our numbers are in. The 2009 numbers are not complete. This program runs a little bit behind the hunt kind of thing, and then the testing has to take place. The '08 numbers are done. The 2009 numbers at this point are the ones that I had quoted earlier: 4,100 tests, 11 positives out of that. That's the number up to this point in time.

Mr. Hehr: Okay. Do you think I can get a final number when that is complete?

Mr. Knight: Yeah, you can get a final number on this.

Mr. Hehr: Thank you.

Just moving on to a little bit of the pine beetle because we've discussed the forest industry. Actually, I've got a few subsequent questions on the pine beetle. How much is budgeted this year to the pine beetle?

Mr. Knight: Well, again, you know, we have to understand that with that situation there'll be two numbers involved in this, right? Some of that's going to come as a supplementary. We don't know until we have the work completed on the tests relative to the influx of pine beetles just how serious this situation is. Initially, what we're going to have for the 2010-11 estimate is \$4.2 million to go into the 2010-11 season, but when we get in there and start taking a look at what needs to be done, some of it, of course, as you know, is a single tree and tree stand elimination. There is very likely some opportunity here that we're looking at where a prescribed burn might

have to be done relative to that. Of course, again, that will depend on what the fire season looks like, what the weather looks like, how much of that we can do. So I wouldn't be able to give you a final number, but what we're going forward with for the preparation of the season is \$4.2 million.

Mr. Hehr: Okay. Has there been any change in the federal support for the pine beetle programs in the upcoming year?

Mr. Knight: No.

Mr. Hehr: Okay.

Mr. Knight: If you're talking about an increase, no.

Mr. Hehr: No. It's been the same.

Okay. Just a few follow-up questions here, too, on some Auditor General recommendations. These ones are still outstanding, so I'd like to discuss them. This goes back to a 2008 recommendation on page 364, I think, of this report. I'm looking at royalty rates for sand and gravel, the fact that they haven't done, really, an assessment on how much to charge for these rates since 1991. What, basically, is the status of this Auditor General report, and did you guys take any action on it?

Mr. Knight: Okay. What we did is an assessment of the rates that we had for aggregate extraction in the province of Alberta, and we compared those rates with other jurisdictions in western Canada and other places. In fact, it's been determined that for Manitoba, Ontario, the Northwest Territories, and B.C. the rates that are charged in Alberta are actually slightly higher than these other jurisdictions. So relative to maintaining a competitive market for these types of resources, we feel that the rates we're charging are adequate.

Mr. Hehr: Did you guys put this in a study or anything like that?

Mr. Knight: That was in a response to the Auditor General's request.

Mr. Hehr: Okay. Will it be on the website, or can I get a copy of this just so it doesn't appear in my estimates next year?

Mr. Knight: I think it would be posted, but nevertheless we can get you the information.

Mr. Hehr: Okay. Thank you.

Mr. Knight: That information, of course, will be supplied to the chair.

Mr. Hehr: Yeah. Thank you very much.

If we look at some of the reforestation performance information – this is from April 2009 at page 53, again, from 2005-2006. I think this is from the report of the Auditor General in April 2009. They made two recommendations to the department on performance information for reforestation. The first was repeated. The second one was strengthening the quality control processes for performance information and re-examining the target for its planned performance measure on reforestation rate in harvested areas. Have you guys made any progress on that?

Mr. Knight: Yes. What we've done is improve the monitoring of our activities, and the way that we did that was to implement the

forest operations monitoring program. We've done that. We think that it's going to work well. What we've asked for is a follow-up audit, requested for September of this year, and then that would give us one full-year cycle of FOMP being in place and completed. We believe that that will answer that particular issue for the Auditor General.

Mr. Hehr: Pending the Auditor General having enough staff and resources to do that, hopefully that will be done.

Mr. Knight: That would be someone else's purview, and I'm sure the Auditor General is working on it.

Mr. Hehr: I hear you.

There's another recommendation regarding leases and sales from 2006-2007. The recommendation was that the department develop a guideline for lease and sale of land indicating when and with whom to consult. They asked you to put in consultation guidelines and an overall strategy to this. Have you guys been able to complete this?

Mr. Knight: For the sale of land?

Mr. Hehr: "We recommend that the Department develop a guideline for lease and sale of land indicating when and with whom to consult." That's what I have here. Allegedly it is from an outstanding recommendation from the Auditor General. It's from 2006-2007, volume 2, at page 161. Am I mistaken here, or do you guys have no idea what I'm talking about?

Mr. Knight: I have to admit to you, my friend, that I'm not completely aware of that. I believe it was completed, but I would stand to be corrected relative to that.

Mr. Hehr: Well, is it possible, maybe, if I got it wrong here, to just send a letter to your ministry asking for an update? It says, "Until the Framework is completed the Department manages public land according to broadly defined policies and regional land resource plans."

Mr. Knight: Yeah. Was this recommendation 33? Is that what you're talking about?

Mr. Hehr: Yes, I believe it is.

Mr. Knight: Okay. What that relates to, I think, is a recommendation that we should evaluate if the government's objectives relative to land could be met by introducing an RFP, a request for proposal, on land instead of the system that we use now.

There are circumstances now, of course, for leased land particularly. I think what we're talking about here is a specific issue where an individual leases a piece of real estate. Let's assume that he's got a little campsite there, and he builds some cottages on it and so on and then gets into a situation where he'd like to purchase the land. What we would kind of do now is that there's preferential treatment in some circumstances given to individuals that have invested a lot of money in a piece of real estate. If it looks as though it's a piece of land that we could dispose of and it's reasonable to do so, then we would get it assessed, and the individual could be offered it on that basis.

9:00

Now, what the Auditor General was referring to in that particular case was: if you do that, would your objective to get the value of the land for Albertans be better served if you put it out as a request for

proposal; in other words, open it up for anybody to buy? I can't see how that would better serve us because, of course, you've got an individual there that has a tremendous amount invested in the real estate, and then we'd be talking about, you know, selling the ground out from underneath his development. I think that, generally speaking, you know, we had some discussions around that, and it's pretty much, I think, resolved.

Mr. Hehr: Fair enough. Just some final conversation. Are you guys putting any money towards the Bow Valley corridor in this budget? Any work being planned on that?

Mr. Knight: You know, we continue to work with that situation in the Bow Valley corridor. Of course, you've asked me some questions relative to that before. The issue there really comes down to an assessment that's being done. The assessment, I think, you know, gets quite technical. It has to actually do with the angle, the slope of the land, and how much of the corridor area you need to take up, or at least of the development area you take up, in order to have a proper corridor. The higher you move up the slope, of course, the more real estate that you would need because, necessarily, you get to areas where the angle is so steep that animals aren't going to travel it anyway. The lower down you come, the more you encroach into the developable real estate. So that's the assessment that's being done now relative to where that should align. Of course, we'll continue to work with both the investors and the people that are there and the opportunity that we need to have to continue to develop the corridor.

Mr. Hehr: Is that just work being carried on at the department? You have no money budgeted specifically, then, to the corridor project?

Mr. Knight: Is there specific money budgeted to Bow corridor? I would suggest not. It's part of the work that's ongoing. As you see, the ministry's support budget and so on would be in there.

Mr. Hehr: Okay. Do they give you a report every once in a while? What's sort of the protocol?

Mr. Knight: It's ongoing. The discussions are ongoing.

Mr. Hehr: They've been ongoing for a while.

Mr. Knight: They have, indeed, and they will continue until we get it resolved.

Mr. Hehr: Okay. I guess that's all we're going to get tonight. Thank you very much to you and your staff for providing me with the answers you could. I'll get in writing the rest that you couldn't provide. Thank you very much.

The Chair: Thank you very much.

Our next speaker is Mr. Len Mittel.

Mr. Mittel: Thank you, Mr. Chairman. I know that some of the questions that I had tagged to ask have been answered to a certain extent, but I think I want to move along into some of these anyway because I'm taking them from a different direction. If it's all right, I've got about four questions, and we can go back and forth on these. I don't think I'm going to take up the full time anyway.

I want to talk about wildfires, I guess. I do understand the parameters regarding fighting wildfires, and certainly I know the

policy difference between the green zone and the white zone in the province. I know the green zone is the responsibility of SRD, and certainly the white zone is the responsibility of the municipalities. Being in municipal governance for quite some time, I'm fully aware of the devastation that can be experienced in the white zone and in southern Alberta, in the grasslands or whatever, when a wildfire goes through.

I guess we'll set that aside, and we'll just talk about the SRD responsibility, which certainly is a forestry zone. Some of the budgets. I think you mentioned, too, Ms Notley, how the budgets work and why there's a supplementary estimate, because probably God is the only one who knows whether there's going to be a fire this year or not. How do you set a budget up? How do you put a baseline budget in someplace when you don't know for sure how much is going to be used? That's where the supplement comes in. I understand that.

You also mentioned, too, Mr. Hehr, talking about reforestation and tree planting, you know, reforestation in areas that have been logged off. I think you called it the forest operational management plan or something like this. Well, I want to talk about the tree planting in burned out areas, the areas where there have been wildfires through. I guess that's not the responsibility of the people who have the FMAs. At the same time we're talking about tens of thousands of acres that have been burned out. What is your comment with regard to reforestation on those? That's the first question, I guess.

Mr. Knight: Well, you know, to the largest extent there, you're correct with respect to, number one, the budget and, secondly, our responsibility in the green zone and the responsibility in the white zone and then the reforestation that occurs after wildfires. There is a certain amount of backlog with respect to that that does happen, depending on what kind of fire season we've had. What happens is that SRD would typically fund that from emergency money.

Mr. Mitzel: Okay. Thank you.

I'm going to switch gears now and go to public lands. You know, my constituency has a great deal of public lands. It's a shortgrass country area, and I feel it's quite a bit different than, perhaps, public lands further north, that have the trees and the shrubs and, of course, the different types of grasses, the longer fescues and everything else. This area is an area that has a great potential for alternative energy production. I wanted to know why the department doesn't look at a policy change to reflect this potential. I'm speaking about the present policy regarding the prohibition of siting of either transmission lines or turbines on public lands.

There seems to be a great reluctance to change this policy. I firmly believe that the footprint of a turbine or transmission tower is no different than that of a gas or oil well, and there's an opportunity for revenue generation at some of these sitings. Some of this certainly wouldn't be for the government, but, I mean, it's a policy decision that has to be made by your department. I know in some of the cases the revenue goes to the lessee, you know, depending on how it's set up, but not in all cases.

There are strict guidelines regarding the reclamation of disturbed grounds that would be really no different than for gas wells. I mean, they have to reclaim it to a natural state after it's been disturbed and they put a turbine up or a gas well or whatever, and that has to be reclaimed to a natural state using native grasses. So over a period of time – and it's really not that long a period of time – that land is back to a natural state. I think that potential is also there, and the disturbed ground issue really would be no different. I'm sure the department has a good idea of the size of this potential as far as revenue is concerned, putting turbines and transmission lines on

native grasses. I think it's very significant, and I wonder if you would comment on that.

Mr. Knight: Well, I can make a comment that's probably a little more general. You know, you're asking about a specific region in the province, but of course when we look at the situations like deploying wind generation opportunities, we look at it across the province. There is a tremendous amount of opportunity up and down the eastern slopes. Well, it goes all the way to the Territories border, pretty well, with respect to places where, you know, there is sufficient wind that it would make sense to install wind turbines. We're working and continue to work on developing policies, and they will come forward for scrutiny relative to: what do we do with respect to these pieces of Crown land that have very good opportunities?

What we've done to this point in time – by the way, it's quite a similar situation to what we've done with run-of-river opportunities and different weir opportunities and so on for hydro development – is taken the path where we would like to invite, and have done, interested parties to make an application to us. They can go out and do some studying with respect to the sustained capability of wind generation in areas across the province.

9:10

Once we get to that, we need to then understand any prior dispositions on the real estate, work with that, work with dispositions that may have forest management agreements on them. There may be subsurface dispositions involved. There most certainly is the necessity now to have aboriginal consultation done relative to almost any of the areas where we would do these kinds of things on Crown land. So we're moving forward with the thing. I realize that people really feel that, you know, the time frame should be compressed and kind of get on with it because the opportunities are there.

I don't know the total capacity that we have in Alberta. I don't know that anybody does. I know that it's suggested that it's well over 12,000 megawatts of generating capacity in wind in the province. Not all of that, of course, will be developed any time soon, but there certainly is an opportunity to develop on Crown land. I would suggest that, you know, we're going to continue to work with that situation across the province, not specific to one region.

Mr. Mitzel: Okay. Thank you very much.

This is sort of related. It's really not a budget item directly, but I think it is related because in the end it does affect the timely development of the energy. This is a revenue item, and it's a revenue item for the government but not specifically SRD. The point I'm trying to make is the sign-off that's required for the establishment of wind turbines on any lands in Alberta, not just public lands. No other facet that I know of of the energy industry has that requirement of sign-off, and I was wondering why the department thinks it's so necessary.

Mr. Knight: Again, you know, I'm going to have to refer that question. The reasons for sign-off, I'm presuming, would be to be certain that we've looked at the mitigation of any possible hazards to wildlife. It depends. I don't know. In turbines I'm presuming that there needs to be an opportunity for us to understand the protocol for operation, and there'll be certain times when we would ask for these things to be stationary, particularly if they're in an area where there's migratory flight and that kind of thing. So I'm presuming that that would be the reason. There may be more to it than that, but I think that's likely where SRD would get involved, and that's exactly the mitigation of contact with wildlife and to be sure that on sensitive lands we have the proper protocols in place.

Mr. Mitzel: Thank you.

One more question, Mr. Chairman. I'm going to switch gears again and go back to hunting and fishing. A couple of years ago with this government's indulgence I managed to carry the Hunting, Fishing and Trapping Heritage Act through and have it proclaimed. So hunting and fishing has been proclaimed as an important part of Alberta's social culture and environmental heritage. There was a discussion a little while ago about the ages. I believe it's age 12 when you can get a hunting licence, and anybody under 16 and over 64 doesn't have to have a fishing licence. I just kind of looked up some information on that.

Mr. Minister, early on in your first remarks you talked about the need to try and increase revenue, and you were talking about increasing opportunities for hunting and increasing opportunities for fishing. I have one question. I'm sorry, but it relates to one region of the province, as far as I'm concerned, one that I'm very familiar with, and that's certainly in southeast Alberta. The perception, I guess, by myself and, certainly, people that live down there as well is that, really, you're managing people and not managing wildlife, in that most of the people that live there feel that you're actually putting out too many tags for animals. I'm talking about deer mostly, the deer population. The antelope population is up now, but really the deer population, mule deer: there are too many tags. The appeal has gone to fish and wildlife in the area: "It's too high. Reduce it. Reduce it." Instead, it's increased every year.

It goes back to the point that you said, that we're trying to increase hunting opportunities, more recreational hunting and fishing opportunities for Albertans. I know you said it in an overarching way, but it comes right back down to that one point in that specific area.

Mr. Knight: In all of the wildlife management units across the province I think we try to have pretty good work done, pretty good records kept relative to populations. There are certain parts of the province, of course, the eastern side of the province particularly right now, where we do have this disease issue that's prevalent there. Some of the increased tags in certain wildlife management units are an attempt to mitigate and curtail that spread. So it may appear now to be a little bit excessive in some regions, but as soon as we start to see these numbers fall away with respect to CWD, then most certainly we would be prepared to address the tags.

Mr. Mitzel: Okay. Thank you.

The Chair: Thank you very much.

Are there any further opposition questions? No?
Diana McQueen, please.

Mrs. McQueen: Well, thank you, and thank you, Minister, for the opportunity. It's been a very good evening of back-and-forth questions and very enlightening. I just have a few questions for you. First of all, just a comment. On page 255 of the document here I'm very glad to see with regard to the forest industry competitiveness that the FISC recommendations are held within that. I was wondering if you could spend a little bit of time talking about those FISC recommendations. I as well as a couple of other colleagues were on that committee with industry. There was a lot of great discussion on that, and I know that industry is certainly wanting to know where we're heading with those recommendations. So if you could spend a little bit of time talking about that, that would be great.

Mr. Knight: Of course, forest industry issues, as you very well know, have been accelerating at the same kind of pace as the commodity prices have been decelerating. So this thing has gotten more and more serious over a couple of years. What we've

attempted to do, of course, during that period of time is to work with the industry to investigate ways that we can add value to product. I think that, you know, as you had discussed, the bioeconomy and the initiatives in secondary manufacturing would be certainly one of the ways that we'll continue to work.

We want to help companies. The question came up relative to biofuel and bioregeneration and that kind of thing. We think that we should be able to assist them, and we will assist them to obtain funding in support of their efforts to enhance their competitiveness and, certainly, to help them identify markets and product diversification initiatives. We would like to see the industry producing and marketing a broader range of products. We think that that increases viability. A range of products nowadays has begun to get away a bit from what you would normally consider to be forest products.

So we're into energy development and things that have been around for a long time such as manufactured products. Looking now, though, quite seriously and working with the Department of Advanced Education and Technology and industry players, we're taking a look at the possibilities with petrochemical, pharmaceuticals, and other very high value streams that can come from the forest industry.

Interestingly enough, along with that we have had some meetings recently with individuals from Europe that have done a tremendous amount of work on some of these initiatives there. Of course, in some circumstances I would suggest they lead us a bit because there has been more pressure, perhaps, on them to develop. So we continue to pursue those opportunities when they arise.

Mrs. McQueen: Thank you, Minister. As well, part of the real learning that I had being part of that committee was the difficulties we face in this province and country as it relates to the softwood lumber agreement and the challenges that we face there and that, certainly, industry faces there. Can you talk a little bit with regard to road infrastructure as some of the things that we can do that don't put us in contravention of the softwood lumber agreement?

Mr. Knight: You know, I don't want to start the answer by being negative, but I don't know that there's anything that you can do that would be bulletproof with respect to not having someone in the industry in one of our trading areas take exception to it. What can we do? I think that we do have an opportunity here. Of course, there's a tariff in place, which, by the way, is going to get interesting because the higher the price of our product goes, the lower the tariff is, and when it gets low enough, I'm sure that we're going to see, you know, some increased opportunity from our neighbours to take a look at what we're doing.

Things that we think that we can do. Some of the stuff that we talked about there – you know, we could get a little bit creative about looking at secondary and tertiary recovery of value from industry. I'm going to say that it's waste now because, basically, in a lot of cases that is a fact. I don't think that there's a problem with our being able to assist the industry by getting involved in some of the research and that kind of thing that needs to be done relative to that. I believe that we have some opportunities in government in the road network in the province of Alberta. That's general; this is not specific to one or another industry. I think there are good opportunities there where infrastructure and even regulation in certain circumstances can lead to efficiencies in their operations that help make them more competitive. We continue to work with that sort of thing as well.

I think that mainly our opportunities lie in being open-minded about: what's the value of a tree? The way that I like to actually look at it is – as you probably would know, I spent most of my career working in the hydrocarbon business. I'm still in the

hydrocarbon business. This just happens to be hydrocarbons that we can see. The hydrocarbons that I worked with before, most of them, were buried. They had been there for some time. Nevertheless, when you look at the building blocks, they're basically the same. So I think that there is a huge opportunity for us to open our minds a bit. We can assist that way, and I don't think that you'd find us in a situation where we'd be in jeopardy.

Mrs. McQueen: Okay. Just a couple more questions, Minister, with regard to some of the projects that are happening in the province that are certainly tourism related, but approvals for public lands are coming from SRD. When we talk about leases of lands from SRD that have 25-year limits – these are tourism projects – the banking industry sees 25 years as not quite enough, and those tourism projects are really looking for more. Are you and the department of tourism having some discussion? I know that out our way out in the Brazeau Dam area there are some great projects being looked at, but the 25-year leases are really compromising some of the opportunities that could happen there. Is that something that you're reviewing?

Mr. Knight: We are now.

Mrs. McQueen: Thank you. That's all I need to know. Seriously, if you want to expand, go ahead. You're good?

Mr. Knight: Yes.

Mrs. McQueen: Okay. I'll move on to the next one. It's land-use planning. As we look at land-use planning and balancing social, environmental, and economic opportunities there, I guess my question would be: how are we going to measure and evaluate the success of that in those plans? When we have the environmental, the social, and the economic, how will we do the trade-offs, and what are some of the areas you're looking at in measurements and evaluation?

Mr. Knight: You know, I think that what you've brought to the table here is one of the reasons that it's important for us to end up to the best of our ability getting this right even if it takes a bit longer. Those kinds of impacts are the things that we want to try to predetermine, and of course that's what we're doing, particularly when you look at it from the point of view of land, air, and water quality going forward. All of those things relate to the question that you asked, and until we're really pretty certain where we're headed, it'll be difficult to answer the question.

How are we going to benchmark? Well, I think the benchmarks will be probably in the plans themselves. The regional plan would very likely be a benchmark and contain benchmarks relative to going forward. Then the measurement from there, I think, is probably really doable.

There are a number of ways you could look at it. I could give you an example in the lower Athabasca. We have, of course, very serious concerns, that people have, relative to caribou habitat in that particular part of the world. We know now what regions they access. We pretty much, I think, have a good understanding of the habitat requirement that they have, the food requirement that they have, and the numbers, of course. So we can start putting in the plan a process that we're going to protect and expand on that resource. Then five and 10 years down the road I think it would be quite easy to benchmark what we're doing and to give ourselves either the opportunity to adjust or to decide that what we're doing is the right thing to do.

I think that at the end of the day the total answer to that question for the province of Alberta, really, will come with an expansion of our biodiversity monitoring because there will be a key and a base

across the province to show what was there, what impacts we're having, and what remains. The work that's been done so far with respect to that, I think, is very good work. It's recognized. I think that at the end of the day we'll be able to rely on that to do exactly what it is that you're suggesting we should do. That will work for the biodiversity side.

The economic side, I think, is probably pretty straightforward because we'll know if we're able to attract development, maintain development, create jobs, and at the same time still have biodiversity that meets the requirements that we set out. I think that then we would have a win.

The other thing, of course, is that on the social side it's absolutely critical as we go forward that Albertans have the opportunity to enjoy the province that they live in. Again, the access and the capability for access for Albertans: we measure those numbers now. Tourism, Parks and Recreation knows who it is that wants to access the land. We know the numbers, and we can probably put benchmarks in place and monitor that.

Mrs. McQueen: I'm really glad to hear you say that and taking your time and doing it right. I use as an example, Minister, a project that we did out in our community in Brazeau county. It's the new provincial park and recreation area. What we did was come together with the Pembina Institute and with a number of the gun clubs and the people that were constantly at each other, believe it or not. We came together to create a provincial park and recreation area that would allow drilling to still continue out of there, that would allow gravel extraction to happen there, allow an area of the provincial park to have nonmotorized activities and then on the other side have your motorized activities, your gun clubs, and those kinds of things.

So I think that when we have the socioeconomic environment, we don't give up things. I think that there are ways that we can arrange for these to happen that can meet all of the needs. Before we rush into them, I hope we'll look at some of those examples and then use those as ways that we can meet all three goals but not at the cost of any of them.

Mr. Knight: If I could just comment on an example, and I do certainly agree with what you said. We had an example recently, actually, where it was an energy company in this particular case, not gravel or forestry. An energy company had a predisposition on a piece of real estate that was subsequently turned into a park. But part of the agreement when the land was given to parks was to allow a very limited footprint access to this real estate, some of it on the border and, actually, a couple of occurrences inside the park. In fact, that has turned out to be just a stellar opportunity: almost zero footprint, and the access that they had was access that's now used by the general public. It actually helped to develop the area. It was a win-win all around.

So you're right. Those opportunities exist, and we will continue to pursue them.

Mrs. McQueen: Okay. Thank you. Those are my questions.

The Chair: Thank you very much. I believe that our time is almost completely expired. We have about 30 seconds left. What I'm going to do is just indicate that the time allotted for this estimate has concluded.

I'd like to remind committee members that on Wednesday, March 10, we will be here to consider the estimates of the Department of International and Intergovernmental Relations.

Pursuant to Standing Order 59.01(2)(a) the meeting is now adjourned. Thank you.

[The committee adjourned at 9:29 p.m.]

