



Legislative Assembly of Alberta

The 28th Legislature
Second Session

Standing Committee
on
Resource Stewardship

Ministry of Environment and Sustainable Resource Development
Consideration of Main Estimates

Tuesday, March 18, 2014
3:30 p.m.

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The 28th Legislature
Second Session**

Standing Committee on Resource Stewardship

Khan, Stephen, St. Albert (PC), Chair
Anglin, Joe, Rimbey-Rocky Mountain House-Sundre (W), Deputy Chair

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Standing Committee on Resource Stewardship

Participants

Ministry of Environment and Sustainable Resource Development

Hon. Robin Campbell, Minister

Shannon Flint, Assistant Deputy Minister, Policy

Brad Pickering, Chief Executive Officer, Environmental Monitoring

Bill Werry, Deputy Minister

3:30 p.m.

Tuesday, March 18, 2014

[Mr. Khan in the chair]

**Ministry of Environment
and Sustainable Resource Development
Consideration of Main Estimates**

The Chair: I'd like to call the meeting to order and welcome you all here today. The committee has under consideration the estimates of the Ministry of Environment and Sustainable Resource Development for the fiscal year ending March 31, 2015.

I'd ask that we go around the table and introduce ourselves for the record. When we get to you, Minister, if you could be kind enough to introduce your staff at the table and your staff sitting with you today. We'll start with our deputy chair, to my right.

Mr. Anglin: Joe Anglin, MLA, Rimbey-Rocky Mountain House-Sundre.

Dr. Brown: Neil Brown, Calgary-Mackay-Nose Hill.

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

Ms L. Johnson: Linda Johnson, Calgary-Glenmore.

Ms Blakeman: Laurie Blakeman. I'd like to welcome each and every one of you to my fabulous constituency of Edmonton-Centre. Thank you very much for being here today.

Mr. Young: Steve Young, Edmonton-Riverview, which is right beside the fabulous constituency of Edmonton-Centre.

Mr. Casey: Ron Casey, Banff-Cochrane.

Mr. Bikman: Gary Bikman, Cardston-Taber-Warner.

Mr. Hale: Jason Hale, Strathmore-Brooks.

Mr. Allen: Mike Allen, MLA for Fort McMurray-Wood Buffalo.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

The Chair: Minister, if you'd be kind enough to introduce your team.

Mr. Campbell: Thanks, Mr. Chair. I'd like to introduce those from the department who've joined me here today. Beside me is Bill Werry, our deputy minister. On the other side of me is Brad Pickering, our chief executive officer, environmental monitoring. On Bill's right is Shannon Flint, assistant deputy minister of policy. Also joining us is Gilbert Van Nes, general counsel, Environmental Appeals Board; Gerald Hawranik, chair of the Surface Rights Board and Land Compensation Board; Tom Davis, assistant deputy minister of corporate services; Bruce Mayer, assistant deputy minister of forestry and emergency response; Matt Machielse, assistant deputy minister, operations; Bev Yee, assistant deputy minister, integrated resource management planning; Cynthia Farmer, assistant deputy minister, policy management office; Peter Woloshyn, chief executive officer of the Natural Resources Conservation Board; Gordon McClure, executive director, Public Lands Appeal Board; Kevin Peterson, senior financial officer, corporate services; Katrina Bluetchen, director of communications; Marilea Pattison Perry, acting executive director of corporate performance; Jon Koehli, my chief of staff; and Kevin Zahara, press secretary to myself.

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

I know this is a busy time, and we've got some folks rushing around the building. I think there are a few more folks who have come to the table.

If you'd care to introduce yourself.

Ms Notley: Rachel Notley, Edmonton-Strathcona.

The Chair: Fantastic. Thank you very much.

Hon. members, as you know, the Assembly approved amendments to the standing orders that impact consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Environment and Sustainable Resource Development, I would like to review briefly the standing orders governing the speaking rotation as provided for in Standing Order 59.01(6).

The rotation is as follows. The minister may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes members of the third party and the minister may speak. For the 20 minutes following, members of the fourth party and the minister may speak. For the next 20 minutes the member of any other party represented in the Assembly or any independent member and the minister may speak. Following that, for the next 20 minutes private members of the government caucus and the minister may speak.

For the time remaining, we will follow the same rotation. However, the speaking times are reduced to five minutes, so a combination of 10 between the minister and the questioner. Members may speak more than once; however, the speaking times are limited to 10 minutes at any one time. The minister and a member may combine their time for a total of 20 minutes for the final rotation, with speaking times of five minutes. Once again, the minister and a member may combine their speaking times for a maximum total of 10 minutes.

I should have noted – and I did this yesterday. If I may come back with just a little advisory from our friends at *Hansard*, please note that the microphones are operated by *Hansard*, and we'd ask that BlackBerrys, iPhones, et cetera, be turned off or set to silent or vibrate and not be placed on the table as they may interfere with the audiofeed.

I will also be asking at the beginning of your questioning if you wish to combine your time with the minister or whether you wish to separate your time. The chair acknowledges that this is a new procedure, and if members have any questions regarding speaking times or the rotation, please feel free to send a note or to speak directly with either the chair or the committee clerk about this process.

Three hours have been scheduled to consider the estimates of the Ministry of Environment and Sustainable Resource Development. With the concurrence of the committee I will call a five-minute break near the midpoint of our meeting today.

Committee members, ministers, and other members who are not committee members may participate. Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. Of course, members have priority for seating at the table at all times. I don't think that will be an issue today.

If debate is exhausted prior to three hours, the ministry estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn this meeting at 6:30 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written materials provided in the response to questions raised during the main estimates should be tabled in the Assembly for the benefit of all members.

Now, a vote on the estimates is deferred until consideration of all ministry estimates has been concluded and will occur in Committee of Supply on April 16, 2014.

Ms Blakeman: I didn't mean to interrupt you. I'd just like to ask something at the end.

The Chair: Okay. Certainly. I believe, Ms Blakeman, that was the end, so your timing is well served. Fire away.

Ms Blakeman: There you go. Could I ask that the minister make every possible attempt to get the answers that need to come after the fact and in writing tabled in the Assembly before we have to do the final vote? Seeing as we are currently about six weeks before when that vote is going to happen, could the minister agree to make every attempt to get us answers well in advance of that deadline?

Mr. Campbell: We'll try and do that for you.

Ms Blakeman: Thank you.

The Chair: Okay. Thank you for that, Ms Blakeman.

I think we're at the part of our process where I would like to invite the Minister of Environment and Sustainable Resource Development to begin with his opening remarks.

Mr. Campbell: Well, thanks, Mr. Chair, and good afternoon, everyone. Albertans care deeply about clean air, fresh water, biodiversity, and the health of our environment and economy. We have a lot of good news for Albertans in this budget, and our focus is clear. We're focused on protecting Albertans, our communities, and our natural areas; we're focused on continuing our recovery work from last year's devastating floods; we're focused on protecting our forests and the communities near them from wildfires; and we're focused on improving our approach to resource management to ensure we are taking a holistic view that considers the cumulative impacts of development. I'm here to tell you about that work and the resources we've requested to get it done.

I'm going to start by describing some of our plans around the continued flood recovery. In Budget 2014 we're investing another \$39 million to help the communities in our backcountry recover from last summer's flooding. As you can all appreciate, Alberta's natural landscape suffered significant damage during the flood. That's why we're providing \$10 million over three years in disaster recovery project funding to re-establish trails and infrastructure on public land that was damaged by the June flood. This funding actually appears in the estimates of Municipal Affairs, but ESRD will be playing a key role in this recovery work. We will aim to move the current system out of a sensitive riparian and highly erodible area so that our trails can better withstand any future flooding events.

Since approximately 100 kilometres of critical stream habitat were impacted, we are also directing \$1.8 million to help restore damaged fish habitats, \$6.4 million over three years. This funding will go towards efforts to help ensure that other flood recovery projects don't have an adverse impact on fish habitats.

As well, a new round of flood recovery erosion control, or FREC, grants will provide communities with access to \$25 million

for erosion control and flood mitigation efforts. To date FREC grants have helped communities undertake projects such as berm construction and overland flow protection. FREC funding even helped the Calgary Zoo conduct work to protect them from future floods.

Lastly, we know that flood hazard studies are important tools that provide quality, long-term information to help build safer communities in Alberta, so we are investing nearly \$3.5 million more into flood hazard mapping efforts so that communities can identify and prioritize flood mitigation efforts.

Along with our flood recovery and mitigation work, we are continuing to focus efforts on protecting Alberta's forests from threats, including wildfires and the mountain pine beetle. This year we will implement and fund a number of recommendations from the Flat Top Complex report, that was produced after the Slave Lake fire. We've added \$31 million to our budget and a total of \$115 million over the next three years to address the 21 recommendations in the Flat Top report.

3:40

These include starting the season a month earlier with a larger crew that includes the help of more fire behaviour specialists. I'd just like to note, Mr. Chair, that people said: why did we start March 1? I can tell you that right now there are four fires burning in the province of Alberta.

The province's FireSmart program supports activities such as hazardous fuel reduction, public education, training, and emergency management. In 2014-15 much of the additional funding will be directed to FireSmart projects to increase the number of firefighters and the duration of their employment; to support initiatives such as enhancements to wildfire data management systems, prediction and preparedness capability, and communications; and also to support air tanker and camp operations and wildfire management personnel. These measures will help ensure government and Albertans are as prepared as possible for this year's fire season as well as for future years.

Additionally, we continue to combat the mountain pine beetle using aerial surveys, tree removal, and reforestation programs, and we're funding research on detection and control of the mountain pine beetle through our partnership with the Foothills Research Institute. We know that Alberta's forests will continue to play a key role in our economy and ecology and will be a source of enjoyment for future generations, but balancing these interests means thinking ahead and thinking responsibly.

We have made great strides in our long-term planning through our continued implementation of the land-use framework, our regional plans, and accompanying environmental management frameworks. We have established seven regions that cover the entire province, and each region will have in place a regional plan that accounts for all activities on the land from development to recreation to population growth. The lower Athabasca regional plan was the first, and now we are finalizing the plan for southern Alberta. Next up will be the one for the North Saskatchewan region. The South Saskatchewan regional plan will put southern Alberta in a strong position to remain healthy, vibrant, and successful. Look for that to be finalized sometime later this spring. Our commitment to this process will remain steadfast in the year ahead.

In land use and in other areas we understand the importance of taking a big-picture approach. Alberta's new integrated resource management system, or IRMS, considers the overall environmental, economic, and social outcomes of resource development. IRMS takes a holistic look at development in our province and will inform decisions of my ministry as well as those

made by Energy, the new Alberta Energy Regulator, and AEMERA, the new environmental monitoring agency. We are working to understand the cumulative impact of growth on our communities and our environment. Fundamentally, this means developing integrated plans and policies that account for all development and activities on the land and take into account the priorities that Albertans share and value like economic growth, vibrant communities, and a clean and healthy environment.

Our government is very committed to this approach and has budgeted an additional \$15 million this year to support regional land-use planning and IRMS work. The key to responsible resource management is a solid knowledge base, and good decisions must be informed by accurate and science-based information. That's why Alberta is establishing an independent, arm's-length environmental monitoring agency to provide a comprehensive and credible system for the entire province. This will improve not only what we're monitoring but how we're monitoring and what we do with that information.

The new Alberta Environmental Monitoring, Evaluation and Reporting Agency, otherwise known as AEMERA, will begin operating this year. AEMERA will take over the Alberta government's involvement in the joint oil sands monitoring program with the federal government. There is \$59 million budgeted in 2014-15 and a total of \$208 million over three years for Alberta's contribution to AEMERA. Fifty million of the funding for oil sands monitoring will be provided by industry through government to AEMERA as there is no mechanism for AEMERA to directly collect funds from industry. Any fees collected from industry are spent directly on monitoring activities. The other \$9 million is to stand the agency up and get it operational. AEMERA will improve our ability to detect changes in the environment and understand the cumulative impacts of development and will enhance Alberta's environmental monitoring system with further credibility, legitimacy, and trust.

If we are to successfully open new markets for our resources or maintain the ones we have, Alberta must be seen as a world-leading, responsible resource manager. It is our duty to be open and transparent in our reporting. That's why we have the Oil Sands Information Portal, to provide open and transparent environmental facts and data. The portal provides everyone anywhere with details on the effects of oil sands development on air, water, land, and wildlife, and it will continue to serve as an important reporting tool for AEMERA.

When wildfires and floods threaten, we need to be ready to respond, and when the worst does happen, we must do whatever it takes to help Albertans rebuild. We must continue to walk the talk on environmental stewardship, showing Albertans and the world that we are serious about developing our resources responsibly. We're strengthening our investment in Alberta's integrated resource management system, ensuring a more co-ordinated and integrated focus to all of the work we do around energy development, including environmental management and monitoring.

We've thought long and hard about each item, how it will work to serve Albertans, facilitate environmental stewardship, and help us develop Alberta's resources sustainably and ensure our continued economic prosperity. Our government will continue to meet and exceed Albertans' expectations for economic growth and environmental stewardship. It is only through the balance of these two priorities, resource development and environmental stewardship, that we are truly serving Albertans now and for generations to come.

I am proud of this budget, and I look forward to answering your questions. Thank you, Mr. Chair.

The Chair: Thank you very much, Minister.

We will move to our line of questioning. Just prior to doing that, I just want to remind all committee members that this is not Public Accounts and this is not question period. We are here for budget estimates, our budget for 2014-2015. Our deputy chair, I believe, will be starting off our line of questioning, and he will set a wonderful example for us as to making sure that the questions are all relevant to the business plan and our budget estimates. [interjection] You like that?

Mr. Anglin: I do. I'm impressed.

The Chair: Okay. Terrific.

With that, Mr. Anglin, may I ask how you'd like to begin your line of questioning? You have three sections of 20 minutes. Would you like to split 10 and 10, or would you like to have a line of dialogue with the minister?

Mr. Anglin: In the first 20 minutes I'd like to split the 20 minutes. At any point I may ask Mr. Hale if he signals me – he may want to add a question or two.

The Chair: Very good. Thank you. You may proceed.

Mr. Anglin: Okay. Thank you. Thank you, Minister, and thank you to your staff for coming out. I'm going to begin, I guess, right where you began, which is talking about flood mitigation and the early warning system. Mostly I'm going to focus on page 39, your priority initiative 4.1, the issue of, you know, protecting the public and protecting the environment.

To use an example, I believe you met yesterday with the community of Sundre, which I would probably label as one of the more at-risk communities for spring flooding along with High River and a few other communities that border the eastern slopes of the Rockies. In this budget and in some of the statements that you made about how money is going to be applied over the three years dealing with some issues, what I'm concerned about is the implementation of how the money is going to be spent.

Let me explain so that you can elaborate on this. When Cochrane was in the middle of their flood or towards the tail end, I believe there was equipment dredging to help alleviate the problem that was plaguing the community at that time. We had the same in High River. We had the same happening in Calgary. The community of Sundre for some reason felt that they were prohibited or blocked or that for whatever reason they could not put equipment in the river to help remove debris to relieve flooding. Does your plan basically cover any of these issues? When you look at the geology of Sundre, which I'm going to use as my example because I have knowledge of it, the community can go to work immediately under the threat of a flood to help mitigate it.

I'll give you a couple of examples. One is bridges. To dredge by a bridge, to help the water flow underneath it versus around the footings of the bridge, can save a bridge from being washed out, but it has to be done in a timely manner. There are times it can be done to make a difference. That was a circumstance that did come up in the Sundre area. It would have been, actually, in Mountain View county. In your plans on these early warning systems is that something that is under consideration? That's a question that I would like you to elaborate on when it's your turn.

3:50

Also, on that initial 4.1, page 39, "Update modeling and warning systems against future events such as wildfires, flooding or mountain stream erosion to support Albertans' . . . preparedness,"

what we're seeing in the 2014-15 government estimates is this \$3.465 million allocated for flood mapping. On March 3, 2014, which was the throne speech, the government committed to undertake new flood hazard mapping throughout the province, starting with the southern Alberta watershed. As a matter of fact, the Minister of Municipal Affairs responded in QP just after that and said that those maps that exist all across the province are not made willy-nilly or simply by somebody with a pen but are based on sound science with people who have expertise in how these maps get made and the way the water flows, that there are occurrences where riverbanks can wash away, and some of those maps can be nuanced, too, a bit, but there are no dramatic changes in many of the circumstances where there are communities; the floodway is a floodway and the flood fringe is a flood fringe, and mitigation planning will go forward, and it's very important.

The minister wasn't expecting any major changes to these flood maps, but now we find that we're going to remap the province. Again, what we have is that a few months ago the government believed the flood maps were okay to plan by. Now, after the throne speech, there's a change. What I want to know is: what has changed that we're going to remap the whole province, or is that a misunderstanding that needs clarification?

The mapping of flood zones in this province has basically taken 40 years, and that flood map program started, basically, back in the 1970s. So what is the new time frame now for this new flood mapping that your ministry is going to undertake, and when will that be completed?

The \$3.465 million allocated for new flood mapping: how much of the province will that actually cover? I look at that figure, and I'm thinking that it may not be enough, but I might be wrong. I don't know. I'd like to hear from your staff or yourself. How much does, you know, \$3.4 million accomplish, and what area would that really cover? The reason I pose that question to you and your staff is because some of the information I'm hearing is that it's quite costly, depending on the detailedness of your flood mapping. That's important. And we're going to do the whole province. What, then, is the final figure for the whole province if this is not the final figure?

Under the current postflood reconstruction policy individuals affected by the flood can receive funds to rebuild and relocate. The options available to these individuals are directed by the current flood map. Here is a question that concerns me. We're making decisions for these individuals who are applying for our assistance or relocation or whatever on the old flood maps. How do the new flood maps that we're going to create affect the programs that are under way right now? What is going to happen if there is a significant change, if what is a rational decision based on the existing flood maps is changed by the new flood maps that are going to be produced? Is there a liability associated with this? Are there adjustments that are going to basically be forthcoming out of your ministry? Have you planned on that? Is that in the program of the flood mapping? That's an issue that I'm concerned about, how that's going to co-ordinate in your department. Also, as you understand, we have ALSA that we need to deal with.

Also, with the issue of this warning system and dealing particularly with forest fires, I'll use an example that I'm aware of in Nordegg. I think it was last year or the year before that we had a forest fire accidentally started by a lumber company. I believe it's still under investigation. I'm not aware of whether or not the finding has come out. There were certain circumstances that came up to interfere with addressing the emergency nature of the fire, and that had to do with contracts. There was a helicopter company that had not yet had their contract signed, and they were the first

one to spot the fire. Normally when they're under contract, they can respond, but because they were not under contract, they were prohibited from responding, and another response unit was sent from a different location.

When you develop these plans, are those types of contingencies something where you've undertaken to make sure that – there are points in time we do requests for proposals. There are procedures we follow, but certainly there are the emergency procedures that need to kick in in the ministry to override normal protocol to deal with the emergency at hand, and then we back up and take care of that. What I want to know is: is that something that you've undertaken in your system here on this early warning in addressing the emergencies?

The other one that I'm looking at is the holistic approach. I commend you for that. I think that's what we've got to do. The words I'm hearing are quite positive. What I want to know is the action plan because, clearly, when logging companies are working there, when quadders are out there, when we have all the balancing of the different stakeholders and the impacts that they have, that is going to directly affect our programs on how we're going to manage this. So the example I'm going to use is: when I went up to look at the Nordegg fire, I saw logging right down to the watershed, down to the river, and we all know that's not supposed to happen.

I'll be looking for enforcement questions in a moment.

The Chair: Thank you, Mr. Anglin.

Over to the minister and his team for a response. You have 10 minutes.

Mr. Campbell: Thanks, Mr. Chair. As far as Sundre and Mountain View county, I mean, I had a very good meeting with the town of Sundre. I think there were three counties at the meeting yesterday, and we talked, actually, about issues within the river and being able to do some things there. They had some interesting concepts that I've committed to bring back to the department to discuss.

The one thing I will say is that, especially during flooding and high waters with lots of debris in the water, our first concern is always safety. We want to make sure that whoever is in that river doing any work has the proper equipment, has the proper safety training moving forward.

The other issue, too, when you get into the water and that: again, it's not just as simple as saying that you go into a river and start doing remediation. If you have a fish habitat, flowing waters, all of a sudden the federal government is involved. You've got Fisheries and Oceans involved and Transport Canada. We work through the process as best we can. I can say to you that the town of Sundre was very complimentary for the work that we've done. We know that there are some issues with the bridge there. We're going to continue to work with the town of Sundre on those issues moving forward and are quite confident. Again, just this week or late last week we gave \$13.1 million to the county and Sundre to do some berming to help them out. They're very appreciative of that. So we will continue to work with them to mitigate the best we can.

One of the things that we also looked at was erosion control. While we don't have flooding right now, we know that the river constantly moves, that we constantly have new channels. We know that, especially in some areas, we have trees that are sitting at a 45-degree angle because of the erosion. More erosion or a good windstorm is going to knock those trees down, and then

we're going to have debris in the river. We know what issues debris causes as it goes downstream to other communities.

We will continue to work with the communities in the area. Like I said, very good, constructive conversations yesterday on some of the things we can do. Our department has committed to look at those and get back to the Sundre area in a very timely fashion.

When you look at the flooding, the flood mapping, the current flood mapping covers about 75 per cent of the population of the province of Alberta. We are committing \$8.7 million over the next three years to finish mapping. So some of it will go to looking at some of the mapping that's there to make sure that we have it right. We know that there's some new mapping, new areas that we're going to have to look at because of the flood and what it did to the river systems. As I say, you know, it was probably the most devastating disaster we've seen in this province and probably in this country in a long time. We know that the rivers have changed, and we're going to do some work there.

4:00

When I look at forest fires and procedures, you know, we do have the ability to hire on the spot if we need emergency people to go in. It sort of reminds me of when I worked in northern Ontario. I can remember sitting in a bar and the forest rangers coming in one door and everybody else going out the other door. Of course, there was the bus waiting for you, so you got on the bus, and you were out fighting fires. But we do have the ability to hire on the spot.

Again I will say to you that in fighting fires as in anything else we do in the province when it comes to emergencies, safety is number one. So while we will hire on the spot and we know that there are people ready to help us, we're not going to send inexperienced crews to a fire. You know, even the most experienced crews face some really serious situations. I think it was in Arizona last year where we had that very experienced fire crew, the best of the best, that were all, unfortunately, killed when that fire changed on them.

We will continue to do what we can on the landscape. We have helicopters. We can get helicopters up into the air, contractors, and make sure that we have a good overview of what the fire is doing and where it's burning and get our emergency response teams in place as quickly as we can, again, making sure that we do it in a very safe manner. To me that's always priority number one in dealing with emergencies.

As far as the landscape I think we all know that the province is changing. In population we're at 4 million people. When I came to this province we were under a million, and we're now at 4 million. All indications are that we're going to be going to 5 million. So all of the demands on the landscape: as you say, you know, we have the industries, we have forestry, we have mining, we have oil sands, and we have oil and gas wells. We know that we've got quadders. We know that we've got horseback riders. We have hikers. So we have to take a very holistic approach in looking at land management. The integrated resource management system will do that as will the regional plans that we're putting in place. That's why they're so important. What it does is that it gives us the ability, first of all, to sit down and hear from Albertans. That, to me, is always the first priority. What do Albertans in their areas think about the landscape, and what we should be doing to make sure that landscape is there for future generations?

I've been having very good conversations with tourism and parks on trail systems, snowmobiles, ATVs. You know, in my area I know for a fact that Edson sells more ATVs than any other place in the province of Alberta, and Alberta sells the most ATVs

of any place in Canada. So I'm very well aware of the issues with ATV use and snow machines, and I know that, unfortunately, 10 per cent of the population makes it tough for the 90 per cent that are pretty responsible.

I know we do have to put some trail systems in place. I think that not only is it the right thing to do as far as looking after the environment, but I also think it's an economic opportunity. When you look at what goes on in some of the northern states – Idaho, for example, or, if you look at Canada, Quebec and Ontario – the trail systems they have, and the money that they make off those systems, I think that we're missing an opportunity. We've had very good discussions, myself and the minister from tourism and parks, and we're going to move forward on an agenda looking at trail systems.

Another issue is random camping. Again, I can tell you that in my riding small villages crop up in the middle of the summer. They stay probably from the May long weekend until the first snowfall. Why are they there? Most of them are ATV users, and within our provincial parks you can't use an ATV.

We have some challenges, and we have to address those challenges, but we have to do it in a manner that respects, you know, the opinions of Albertans right across the province. Again, look at the eastern slopes of the Rockies, where – in my case it's fortunate because I like to see people come through my riding – unfortunately, most of the activities take place. When you go from the Montana border right up to the Territories and look at the traffic that continues to come into the eastern slopes of the Rockies, we have to do a very good job of managing the people that use the landscape and make sure that people are good stewards. For example, we know that we have ranchers with cattle, and we have grazing leases. We know that we've got species that need to be maintained along those eastern slopes. That's the very reason why we have to take that holistic approach as we move forward through the South Saskatchewan plan and then into the North Saskatchewan and as we move continually north into the upper Athabasca and the upper and lower Peace.

I think I've answered everything, Joe, that you asked.

The Chair: Thank you very much, Minister.

We'll go to your second round of questioning, Mr. Anglin. Would you prefer a split?

Mr. Anglin: A split.

The Chair: Very good, then. Please proceed. Thank you.

Mr. Anglin: Thank you, Minister. I will tell you that I don't know your age, but I do remember being dragged out to a forest fire as a young man. They took us all. Nobody escaped.

I'd like to talk a little bit about water. As you know, this is a huge issue, and I know it's a priority of this government. In the ministry plan on page 37 is priority initiative 1.1. Notice that I pointed to the chair – I want to let everyone know – so he can follow me along. The initiative reads:

1.1 Lead the implementation of the Integrated Resource Management System, by:

- completing the Land-use Framework regional plans with the appropriate management frameworks for air, land, water and biodiversity that support long-term environmental leadership and growth.

One of the performance indicators on the same page reads:

River water quality index:

- Water quality of six major Alberta river systems at key sites, based on data of four groups of variables (metals,

bacteria, nutrients and pesticides), which are averaged to provide an overall water quality rating.

What we discovered was that over the last three reporting periods some targets were missed and that the number of rivers missing the targets has actually increased. My question is: why have two of the river systems missed the mark? What is the plan? Is there money in this budget to address that? How much money, and how long will it take until we can expect an outcome from the money spent?

On page 85 of the estimates the total amount going to operational expense for water has increased by \$1.329 million. I presume that that increase is devoted to solving the problem of our river systems missing the mark, but I don't know if that's accurate. Is that the number, that \$1.329 million? Clearly, if that's the number, it has to be based on something pragmatic. There must be a plan in place somewhere that says why you need that money here. Just reading the budget, I'm trying to connect the dots here, and that's the only line item unless you can point me to another line item to address the question.

On page 78 of the estimates the amount of funding for water management, particularly line item 4.3, has decreased by nearly \$800,000. I think it's \$799,000. With two river systems out of the six not meeting our targets, why is this funding for water management being decreased? Or does it have nothing to do with meeting our targets? Again, I'm trying to connect the dots. To improve these river systems, what's going to be done, and how is it going to be done? If you can elaborate on that, I'd really appreciate that.

In September 2013 the province released its new wetland policy with plans to implement that policy in the white zones of the province by this coming summer. Is your ministry ready to commence the implementation of that policy by this summer, in 2014? If so, where is the money allocated, and what is the plan for implementation? If you could point to the line item that that money would be allocated to, I would appreciate it, but more importantly, I'm more interested in hearing the execution plan. That would be a fantastic help.

4:10

What is the cost of implementing that policy or that plan for this year? As you just expressed on your emergency management, you have a multiyear plan for funding. Is there a multiyear plan in existence here for this policy also, and how much is that? Give us an idea of what we're looking for to carry this policy forward.

Under the new wetlands policy there's also a buy-your-way-out clause for industry or any business, for that matter. The policy reads:

Replacement can be further divided into two subcategories. The first of these is in-lieu fee payment, whereby the approval holder may choose to pay financial restitution for a wetland loss. These funds will be allocated toward specified restorative or non-restorative measures, as determined by established guidance documents.

Have these guidance documents been produced yet? Are they ready for public disclosure? Will the decisions on project spending from funds received in lieu of fee payments be made by the government or the payee? I assume this would be similar to what we have with the new monitoring committee. What is the path for the money here? Do these companies pay directly to offset, or does that money come to the ministry, and then the ministry decides how that money is allocated?

The policy is not set to go into effect before this summer, so what is the current situation with the applications coming forward? How are we dealing with those? This policy was announced last year, and we're waiting for implementation, so is

there a grandfather clause in place? Is anything going to be retroactive? If you could provide some sort of answer there with regard to the approval of these applications based on your Alberta wetland policy. What are we doing in the interim? The other thing I would like to know is: are we looking at a rush of applications before the implementation of your policy? That would be good information for this committee.

Lastly, dealing with – well, not lastly. I've always got something more.

The Chair: You've got three minutes, Joe.

Mr. Anglin: Okay. Thank you.

The water for life strategy is something this government has come up with. I believe it goes back to 2008, if I'm not mistaken, maybe as far back as 2007. It has not been reviewed since 2008. Does the ministry plan within this budget, the 2014-17 business plan, to revisit this strategy? How are we funding this? I'll give you an example. I know some of the groups that are involved in water for life. Some of these watershed groups have applied for their annual funding, and they've not yet heard from your ministry. What they don't know is: is this program going to continue, and where are the funds for this program? If you could point to the line item for that, I would greatly appreciate it.

Also – and this is one of those crossministry issues, and I was hoping you could help me out with this – the issue of fracking and dealing with potable water, as you know, is a huge issue in the province, the use of potable water and particularly the amount of water that is incorporated in the fracking process. We've seen a number of examples. I don't need to go into any one. I think you can pull a number out there. What I'm looking for is: what is your ministry's role in this? Or is this all Alberta Energy, and these questions should be directed to Alberta Energy? How are we going to manage the potable water for that industry? I hope I didn't say something funny. I see you chuckling down there. It's a serious issue that has ranchers and people in the cities concerned.

Quite frankly, I also think it is probably the overriding issue with that whole technology. If we can solve it, we can get on with the business of resource development. How are we going to reduce the amount of water? How are we going to reduce the number of affected landowners and property owners in this sort of holistic view of managing the potable water in these communities?

I guess I'll have to use one example. One company in particular is building a three-acre pond to store their grey water that they purchase from a community. You may or may not have heard of this example. It caused massive concerns. I didn't understand the concept behind it because for most fracking sites they use tanks. Since the complaints were so high, I didn't understand why they didn't make the company use tanks.

The question I have is: in the transfer of grey water to another site, because all the approvals are done site specific for dealing with sewage and grey water, is your ministry doing anything about this? Are there any other regulations coming forward to deal with this?

The Chair: Minister, we'll turn those questions over to you.

Mr. Campbell: I'll try to get that into 10 minutes as quick as I can. Well, first of all, I'd like to say that when you look at our land-use framework, they're around watersheds. They're around our major rivers, and that was by no accident. We did that because we understand the importance of the waterways we have in this province. Unfortunately, probably one of the things we're not blessed with is a lot of lakes and a lot of water, so being able to

use our water in a prudent manner is very important to us. Again, you know, fresh drinking water is priority number one for us.

We will continue to do a good job in looking after our waterways. He did talk about two rivers that did not meet the good to excellent quality for 2011-2012, and of course they were the North Saskatchewan and the Peace River basin. In the North Saskatchewan the April water quality sampling coincided with the period of substantial snow melt, so that resulted in nonpoint source runoff like bacteria, nutrients, and pesticides to the river, leading to guideline exceedance for these contaminants that are rating fair at the downstream North Saskatchewan monitoring station. Similarly, in July sampling on the Peace River coincided with a period of elevated stream flow linked to the rainfall in the region. In this case nonpoint source runoff likely caused elevated levels of nutrients, metals, bacteria, and pesticides in the river. Guideline exceedance has led to an index rating of fair for the downstream monitoring station and also on the Peace.

In July of 2010-11 the stream flow in the Red Deer River increased in response to the significant rainfall in the basin, and this period of precipitation also contributed to nonpoint source runoff, leading to an increased number in the magnitude of water quality. In the summer of 2009 the flow volume in the Oldman peaked on several occasions, and the occurrence of episodic rainfall events contributed to the nonpoint source runoff to the river.

When we look at monitoring our rivers, we do so on a very timely basis, and we understand that there are sometimes extenuating circumstances. For example, I bet you that if we were to have monitored the Bow River during a flood, it would not have been rated as good or excellent in our survey. So we continue to monitor our rivers. I can tell you that when we look at forestry practices, we are looking at best practices. We've had discussions with the forest industry about leaving a buffer along our waterways, and the reason for that, again, is erosion control, habitat, both within the water bodies and on the land base. We've had good response from industry, and we will continue to monitor that and work with them to make sure that we're not logging right down to the stream or to the river.

Under the wetlands policy we are on target, and we are committing \$5.8 million. Part of it will go into the wetlands policy. We will work with our stakeholders on implementation, and funds will be collected by the ministry and allocated to education, replacement, and we will be applying the 1993 interim policy of a 3 to 1 replacement. I can tell you that at the present time we have not seen a rush on applications for wetlands.

I can also tell you that we are monitoring wetlands very closely right now in the province. I can say to you that we actually just recently stopped a road project from going ahead because it was going through a wetland. They did not do the proper work or the proper due diligence, and we put a stop to that. I've had very good meetings with Ducks Unlimited and Trout Unlimited, as recently as just a couple of weeks ago, on wetlands policy. I've also engaged First Nations and Métis as to how I see, you know, again, real economic opportunities for them to be involved in setting up companies where they can actually remediate wetland areas or invest in new wetland areas across the province. Very happy with the work they're doing in the town of Chestermere and the work they did with their wetlands. You know, they're very proud of that, and they should be. We'll continue to move forward and make sure that we do a good job on the wetlands policy.

4:20

I can say to you that I've met with all the WPACs, and I've committed to them that we will get funding out on a more timely basis to them and that we'll make the grant application more streamlined. They do very good work for us right across the province, and we will continue to partner with them. As I say, the input that they bring forward as volunteers looking after river systems is very important.

I can say to you that when we look at our estimated budget for this year, we will be spending \$49.746 million on water policy, water partnerships and stewardship, and water management. When you look at our budget to forecast variance for 2013-14, there are no changes. You will see a net decrease of \$799,000, and that's a result of \$91,000 that was merit salary settlements and general adjustments directed at the Treasury Board. We had \$192,000 in manpower provisions as per the Public Service Salary Restraint Act and \$900,000 in credit recovery adjustment for the water management infrastructure program.

We are spending the same amount of money that we have in the past on water management. Actually, I can say to you that when we look at what we're doing within the integrated resource management system and the work that we're doing within our land-use frameworks, we're probably actually spending more money than we have in the past. When I look at the money that we're spending in southern Alberta for flood mitigation and erosion control, you know, we're up over \$200 million just in the southern part of the province for the next three years.

As far as fracking, we've established a water conservation policy for oil and gas operations that conducts long-term water injection projects to enhance recovery of oil, and we are currently updating the policy and considering expanding its scope to all major water uses in the upstream oil and gas industry, including hydraulic fracking. The baseline water well testing standard for multistage hydraulic fracking is horizontal energy wells, developed by ESRD. We will provide assurances to Albertans that groundwater supplies are protected in areas of multistage hydraulic fracturing in horizontal wells.

We are supporting the Alberta Energy Regulator on the development of key activities such as the unconventional regulatory framework and disclosure and public reporting of fracture fluid chemicals. I know also that there are communities now that are working with oil companies to use their grey water for work in fracking. I know that in my riding the town of Edson is selling grey water to the oil companies instead of them using potable water. When we look at some of the plays in the Duvernay, which actually borders my riding and Grande Prairie-Smoky, I know that we're going to have some very good discussions with industry. Again, the issue of potable water is a real challenge for us moving forward.

I'm not sure of the community that you're talking about that built a pond, Joe, but if you want to get that information to me, I'd be more than happy to investigate that and get back to you with an answer.

The Chair: Thank you very much, Minister.

We have the last line of questioning for the Wildrose. Mr. Anglin, how would you like to . . .

Mr. Anglin: Same.

The Chair: Same? Okay. We'll proceed with 10 minutes of questions, and the minister will have 10 minutes to answer. You may proceed.

Mr. Anglin: Thank you. Thank you very much for the answers you've provided. I'm going to back up just for a second. I have a couple of water questions I didn't quite get to.

You mentioned something that got my interest, and it has to do with your water quality index. If I understood you correctly – and I'll stand corrected if you can explain. If you can't control the water quality because of nature, what are we supposed to be measuring? That's the whole purpose as I see it. We have to stop the runoff from fertilizer. We have to make sure we stop deterioration as far as forestry down to the riverbanks and make sure that we manage that watershed. We cannot achieve our results because – the flood situation you bring up is one in 100 years, but clearly we are dealing with a situation where we should be able to have water quality indexes, in my view, that are measurable and passable if we have a program in place to make sure that industry, whether it's agriculture or whether it's logging or whether it's oil and gas, is not running off in our rivers. If you could elaborate on that when it's your turn again.

The second thing. This just came up from the other meeting. It has to do with irrigation funding for the Bow River irrigation district. They need \$30 million for projects going ahead. I don't believe they need it all in one year, but that's what was just sent to me. Agriculture is saying that funding is coming from your ministry. I didn't realize that. Is that true? If it is true, where is that funding in the current budget for the irrigation district?

I'd like to talk about enforcement, under your priorities, initiative 1.1, page 37, in the ministry's 2014 business plan. One of the goals of the department was collaborating with Energy to implement the Responsible Energy Development Act, which establishes, of course, the single regulator. Over the past year what resources have been transferred from your ministry to its agencies, to this AER? Are there plans to transfer more resources in this budget year? Where is that in your current budget?

In the fiscal plan, page 146, Energy is expected to hire a little over 100 people for the Alberta Energy Regulator. Does this number include the transfers of manpower from ESRD? We do know that there are a number of people leaving Alberta Environment and going over to the new single regulator. Are all those transfers done now, or are you expecting more? What authorities or what responsibilities are leaving with them? So that we get sort of a clarification of the responsibilities of your department and what's going to be the new Energy.

When we compare the budgeted operational expenses from 2013-14 to this current budget, 2014-15, there are very few significant reductions. We do see some increases. Can you point out the operational savings associated with the transfer of the responsibilities, or are those increases going elsewhere, to some other resource that you're implementing? Does the department plan on taking any further enforcement actions in regard to the 2012 Rangeland pipeline leak in the Red Deer River? I believe you mentioned that in the House in a QP just a few sessions back if I'm not mistaken.

This spill in the Athabasca with the Obed coal mine is an ongoing issue. It was revealed last month that the province never inspected the berm that burst at the mine because it was not considered a dam, so it didn't fall under that criteria. Alberta Environment confirmed this inspection report existed for the structure because it was not classified as a dam. How many tailings pond berms in the oil sands open pit mining operations fall into this loophole, or are they all considered dams? This is an important issue. Without the proper inspection, how can we do the enforcement?

I can see you jumping in, but this is going to go to 1.1, page 37. You can look it up right there.

4:30

The Chair: That is terrific. Thank you.

Mr. Anglin: I can read his mind.

The Chair: We've been spending too much time together, Joe.

Mr. Anglin: I know.

You can tell this is a serious issue. The responsibilities of your department inspecting dams is an absolute, but if it doesn't qualify as a dam, you're not inspecting it because it's not a dam. So, clearly, there's a loophole here. Can you address that loophole? How are we going to close that to reach this initiative in this strategy?

Your priority initiative 2.1 in the ministry plan, page 38, is to develop a land reclamation framework, which includes strategies to address abandoned energy infrastructure. Considering the amount of the energy infrastructure in this province, this is a very important goal. However, the government has only paid a little bit of attention to this initiative so far that I can tell. Specifically, though, what is ESRD's role in such a framework considering that Energy plays, I think, the leading role in reclamation for energy infrastructure? I don't know where the dividing line is. Can you tell us where the dividing line is on your jurisdiction versus the Minister of Energy?

In the ministry's business plan, page 37, priority initiative 1.2 is to develop – and, of course, you developed – the open source environmental information systems, and a big part of that goal is environmental monitoring. As a matter of fact, in the fall of 2013 I believe the Protecting Alberta's Environment Act was passed, and the Alberta Environmental Monitoring, Evaluation and Reporting Agency was created. On page 79 of the estimates under line item 11.1 the joint oil sands monitoring, which will be directed by AEMERA, has a budget of \$50 million. This funding is coming directly from industry.

Is there any indication that industry in the lower Athabasca region will continue to fund the research that they've started? That was a big concern on the transfer, the closing of one agency and the creation of another. There's millions and millions of dollars associated with ongoing research – I don't know if it was your ministry, but the government did step up – and I believe they got funded for this year and this year alone. If that is going to continue, could you please let us know that because the real question is: what's going to happen to that ongoing research? We don't want to lose it, and we don't want to waste everything that has happened to that point in time.

In the spring of 2013 the government passed the Environmental Protection and Enhancement Amendment Act, 2013, and it granted authority to charge industry for environmental monitoring in the province. Does your ministry have plans to use this authority and begin charging industry in the province past 2015? We don't see anything beyond that. As you've explained earlier, you have a number of programs dealing with this year, and then, of course, you have plans for extending that, but we don't see a plan other than this year. Is that going to be something we're going to continue, and how will we continue this?

Where am I on time?

The Chair: You've got a minute left.

Mr. Anglin: I've got a minute left. Okay.

On page 146 of the fiscal plan your department is proposing hiring 206 for integrated resource management. Are some of these newly hires going to the AEMERA program? Of course, the

Wood Buffalo Environmental Association, who has been monitoring air quality in the region since '97, is under some financial distress, and this goes almost to the very same question I was asking. The agency has run independently with funds from stakeholders, but now with the creation of our new AEMERA, their future is in jeopardy. So how does this Wood Buffalo Environmental Association fit into the new framework of AEMERA? If you could answer that, I'd appreciate it.

I'll stop there, and I'll pick up when I get another chance.

The Chair: Thank you very much, Mr. Anglin.
Minister, your reply.

Mr. Campbell: Okay. Well, thanks, Mr. Chair. I'll start with the watershed. First of all, I think it's important that we realize that climate change is a reality. When we're looking at the storms that hit this province, you know, we have rainfalls for short periods of time and the effect that it can have – I mean, I look at even downtown Edmonton. You look at the flooding that we have in Edmonton because of thunderstorms. The fact of the matter is that our drainage system can't handle all that water.

So what we're seeing in some of our small creeks and streams is the same issue. We have water that's actually going outside the normal flow, and sometimes they'll pick up stuff on the riverbanks moving forward. You know, we look at that we do have some issues with fertilizer. But I can say to you that under our watershed planning one important component is to deal with water, especially under the South Saskatchewan plan that we're working on right now, to develop a phosphorous management plan as well as looking at best management practices and protection for the riparian area.

So we know the issues there. We've been working with Agriculture. We've been working with landowners. I can say to you that we've had a very good response. People get it. And we will continue to look at solutions to these issues moving forward. Again, as I say, when we look at some of the storms that we're having in summers now, you know, you might have a downpour for 15, 20 minutes, something that we might have seen over a day. That's causing us some concerns, especially in our small streams and rivers.

When you look at the 206 employees, there is no transfer of the 206 employees. We will stop providing services once the Alberta Energy Regulator delivers on its new mandate, which actually will take place April 1. When you look at the mandate of the Regulator, their mandate is:

- (a) to provide for the efficient, safe, orderly and environmentally responsible development of energy resources in Alberta through the Regulator's regulatory activities, and
- (b) in respect of energy resource activities, to regulate
 - (i) the disposition and management of public lands,
 - (ii) the protection of the environment, and
 - (iii) the conservation and management of water, including the wise allocation and use of water,

in accordance with energy resource enactments and, pursuant to this Act and the regulations, in accordance with [specific requirements].

So we've lost a number of employees to the Alberta Energy Regulator. I can tell you that the bleeding has stopped a bit. We lost some very good people to the Alberta Energy Regulator, but we will continue to do what we have to do moving forward to make sure that our department is fully staffed and meeting the requirements that Albertans are expecting, again, as I said, with more demands on the landscape and the fact that we're looking at population growth.

When we look at funding for irrigation, we do not fund irrigation districts for their work. So you know that.

When we look at Obed, you know, this is a coal mine site. There's an established safety standard, a consequence level by clear standards. The main dam did not fail – it was over top – and it had been inspected. The breach occurred on a secondary pond on the mine site, and an investigation is under way by operations at the site. Again, we have put an enforcement order in place, and we've had scientists out from the U of A to look at the issues. The industry will be responsible for the remediation and mitigation of any damages from that incident. I can say to you, too, that under the oil sands regulations tailings ponds are dams, and they are monitored on a regular basis.

When we get to the reclamation framework, this will set the policy outcomes for reclamation for abandoned infrastructure. The AER will be responsible for the implementation and the commitment the province made under the property rights task force. That will be coming out very shortly.

When I look at your issue about CEMA and Wood Buffalo, CEMA is funded by industry. It's not funded by government. Industry agreed to fund that this year and into next year. I can say to you that there is an audit going on of CEMA. Not that anybody's doing anything wrong, but we want to make sure that we're getting the best value for the dollar, that we have the right monitoring in place, that we have the right people at the table.

I can tell you also that with Wood Buffalo, we are waiting for them. We have given them \$13.1 million to continue their monitoring process. We're waiting for the board to make that decision to exempt the \$13.1 million. They've asked for \$16.5 million, and we're at \$13.1 million. But I think that at the end of the day we will come to an agreement and move forward. I've had very good discussions with First Nations both at Fort MacKay and Fort Chipewyan and Chipewyan Prairie and Fort McMurray about the environmental monitoring and moving the process forward, and I feel quite comfortable that we will get there.

4:40

What else do I have here for you, Joe? I guess on the monitoring and why it's required, you know, you can't fix what you don't know, so that's why the monitoring is important. We have to make sure that we're on top of issues, and to be on top of issues, we have to have the best science available to us. That's why we will continue to monitor and make sure that we have verification of data because it's pretty hard for us to move forward with a management action if we're not sure of what is actually going on out there. So we will continue to increase our monitoring. We will continue to make sure that we will do the right things.

I think, Joe, I might just turn it over to Brad, maybe ask Brad to give a quick update as to AEMERA and the mandate.

Mr. Pickering: The mandate is to stand up a new organization. I think you've seen in the estimates and the minister mentioned the \$59 million. Fifty million is the component that flows out of the joint oil sands monitoring program that you referenced. That does come to term in an agreement that we have with the federal government in March of 2015, but the intent is that that will continue onwards.

If you actually look in the business plan on page 40, you'll note that under the monitoring it actually shows a number of \$74.5 million and \$74.6 million, which would include the \$50 million from industry carrying forward.

Mr. Campbell: Thanks, Brad.
Did I forget anything, Joe?

Mr. Anglin: I think you've got it.

Mr. Campbell: Okay.

The Chair: Thank you, Minister. Thank you, Mr. Pickering.

According to our time allocation and allotment rules you have a full hour of time. At the current time you would have about four minutes of bonus time to ask questions or have a dialogue with the minister.

Mr. Anglin: I'm in the bonus.

The Chair: You are in the bonus.

Mr. Anglin: Let's just split it, two and two.

The Chair: Okay. Thank you.

Mr. Anglin: Thank you, Mr. Pickering, for adding that. You brought up an interesting point. You mentioned \$59 million, and we know that \$50 million is allocated to AEMERA in the joint oil sands monitoring. That additional \$9 million, what is that going to? If we're only doing the joint oil sands monitoring, why do we need the extra funds of \$9 million? Did we miss something in that overview that you just gave?

This Protecting Alberta's Environment Act, which allows for environmental monitoring throughout the province, not just the lower Athabasca region: does the department of AEMERA have plans to expand that monitoring in any other part of the province, or is it just going to be delegated to the lower Athabasca and the oil sands?

Does the minister of AEMERA intend to use its power listed under section 36 of the Environmental Protection and Enhancement Act to fund new environmental programs in the lower Athabasca region? Again, will that be falling under AEMERA?

What I want to do is – I think I'll come back around. I'm going to save my other topic for later. I must be close to the end of the two minutes there.

The Chair: There's about 30 seconds left for a reply.

Mr. Pickering: The \$9 million is really the stand-up costs for the monitoring agency. The intent would be that that would cover the entire province. The initial or first phase of that would be the joint oil sands monitoring area. I think that the work that's being done really is to stand it up in an area where we have the greatest sort of intensity of monitoring, which right now is in the oil sands area.

The Chair: Excellent. I was mistaken. We actually have about one and a half minutes left, so we can continue with our line of questioning if you'd wish.

Mr. Anglin: Yes. I will ask a few more questions here. What I'm going to do is that I'm just going to start into the carbon sequestration, the carbon capture, reducing carbon. I'll begin with page 37 of the ministry business plan, initiative 1.4, work with other ministries. Your website has on it, I believe, a number of companies who do carbon offset for agricultural purposes, and on the agricultural website they have a caution to farmers to not do business with one of those companies. So we have a conflict between websites. Farmers, if they go on your website, see that this company is doing business as if it's an upstanding company,

and if they go to the agricultural website, this company is listed as a cautionary company. I would put it that way. Why do we have this conflict? I pointed it out, I believe, in QP, and it still hasn't been corrected.

The second thing is the reverification of the carbon offsets. The accounting firm KPMG has done the verifications and the reverifications, and the ministry has overridden two of those. How did you come to determine that you were going to override the decision of the accounting firm's reverification? How was that decision made? There has to be a process. What would be the process to override the accounting firm? I spoke to the accounting firm, and they just will go on record as saying: we stand by our audit. Clearly, we have a distinction here on the qualification of these carbon offsets. This, of course, is a significant issue because this plays into your program, on what has been claimed by this government to address the CO₂ issue in the province as far as reduction. But if we're getting conflicting reports from auditors that this is not working and your department is overriding this, how do we get a proper measurement?

The Chair: Mr. Anglin, I'm sorry. We're out of time.

Mr. Anglin: Not yet, we're not. But that's okay. I'll come back later.

The Chair: Okay. Terrific. Maybe we can circle the wagons and in the second line of questioning come back to some of those.

At this point in time, folks, why don't we take a five-minute break to stretch our legs and a little bit of a biobreak?

When we resume, Ms Blakeman, you'll have your 20 minutes.

We can take a break now, and we'll resume in five minutes sharp. Thank you very much.

[The committee adjourned from 4:47 p.m. to 4:53 p.m.]

The Chair: Folks, our five-minute time has elapsed. Time flies when you're having fun. If everybody can take their seats, we'll resume the meeting.

Ms Blakeman, before you proceed, I'm obligated to ask: would you like to split your time with the minister, or would you like to have a dialogue?

Ms Blakeman: I would prefer to have a dialogue, but unfortunately with only 20 minutes I'm . . .

Mr. Campbell: Whatever you want to do: I'm fine with it.

Ms Blakeman: Okay. We'll try going back and forth. I'll give you a kind of lump, and then you can come back to me.

Mr. Campbell: Sure.

The Chair: Thank you.
Please proceed.

Ms Blakeman: Thanks. I just want to pick up where the previous speaker left off, because it's still a little unclear to me, the monitoring in the province. We've got \$50 million plus the \$9 million for set-up, that is being supplied mostly by the energy industry. The monitoring is for the oil sands primarily, and anywhere else in the province it's attached to the lower Athabasca regional land plan. How is the monitoring being done in the rest of the province, and who's paying for it? Question 1.

The Land Use Secretariat, which is page 78, vote 9, has an increase of \$8 million. I'm wondering if this is because – I'm

sorry that doesn't sound very impressive to people, but the increase of \$8 million brings us to \$14.7 million. That's a significant increase in this particular budget line. The question is: is this because the remaining five plans are going to be fast-tracked and done at the same time? If that is the case, will staff be seconded from other areas in SRD and for how long? What is the anticipated effect on the rest of SRD if their staff are seconded away for a considerable period of time to do all five remaining land-use plans at the same time?

I'll let you do those together.

Mr. Campbell: On the Land Use Secretariat the increase is the fact that we need to support the plans as we roll them out. So we're not going to do five plans at the same time, but I can say to you that we're in the process of doing the South Saskatchewan right now, and we're going to start putting out tenders for the regional advisory committees on the North Saskatchewan very shortly. We have to do research in the upper Athabasca and the upper and lower Peace because we don't have good data. So we have to do research up there to make sure that we have the data available so that when we do sit down with the people that are involved on the regional advisory committees, we have the data that they need to move forward in a prudent manner.

Most of the monies will be in supporting the plans as we roll them out. We've got the lower Athabasca right now, and of course that's at a point where we're doing things. Then, like I say, the South Saskatchewan we hope to have done by sometime this spring and then start the North Saskatchewan. That's what the increase in that funding is for.

As far as monitoring across the province, do you want to say something, Brad, on that quickly?

Mr. Pickering: Sure. The \$9 million is stand-up; you're right. The \$50 million is in the joint oil sands area, and 2014 is a transition year, so currently some of the other funding is within ESRD's estimates right now. There will be a transition to the agency over the next year.

Ms Blakeman: Okay. Thank you for that answer. The obvious follow-up question is: where? I'm looking at the budgets. Nowhere do I see something in which monitoring on environment for the rest of the province would appear and certainly not a significant amount of money. I'll leave that one with you.

I am hearing that you won't be doubling or tripling or quintupling up on the land-use plans, so we still are 10 years out. We've got five plans to do, two years apiece, so we're still 10 years out until the completion of it. I'm sure you'll answer that.

On page 78, vote 1.5, legal services, I'm wondering – and I'm referencing that because I'm assuming you've had some court costs and will around Guzoo. I am very curious as to how Guzoo has managed to get another licence. I've been tracking this since 2004, in which they were getting year-by-year provisional licences. Then I think it was in 2012 that they got no licence because they weren't meeting the criteria. Mr. Gustafson . . .

The Chair: Ms Blakeman, could you please relate this line of questioning to within the budget or the business plan?

Ms Blakeman: I did. That's why I gave you a vote. Did you not hear me give you a vote number?

The Chair: I'm sorry; I did not.

Ms Blakeman: Okay. It's under legal services, which is vote 1.5 in the budget.

The Chair: Thank you kindly.

Ms Blakeman: You're most welcome.

So they had no licence. You got taken to court by the owner. There was a stay. He was allowed to keep operating, and now I hear they have another licence. I've been there. How on earth is this facility getting another licence to proceed? I just don't understand this, so I'm looking for some information on that.

Infrastructure recovery is page 79, vote 13.1. I'm wondering if this includes the diversion channel that is going around High River. I'm particularly concerned about this because it's not mitigating the flow in the Little Bow. This is the channel that's being cut above High River and coming back into the Highwood River below the town. It's not mitigating flow in the Little Bow, which is the second river that's concerned here. It's increasing it and, I'm pretty sure, is contaminating groundwater. So I'm quite concerned about both of these diversions, and I'm wondering what work has been done on unintended consequences on that.

5:00

My third question is under accountability. I note that under this current regulator they put out a 12-column category info sheet about incidents related to leakage, spills, blowouts at any facility. But the predecessor organization, ERCB, gave us 57 categories, and they have done that from the 1970s through to 2012, including environment affected, livestock affected, latitude and longitude of the location, volume released, and volume recovered. So I'm wondering why the government chose to change the amount, the kind, and the cost of the data released. Going from 57 indicators to 12 indicators is quite a step down. I'll just pass you the two comparisons so you'll know what I'm talking about.

On page 38 of the ministry's business plans, your priority initiative 3.1, I'm wondering why, since this is Environment and SRD, the priority initiative includes or is focused on market access. What does market access have to do with environmental protection, and why would that be a priority initiative?

On page 39 there's performance indicator 4(a) for water quality from 2009 to 2012. First of all, it's out of date by a couple of years although it's an indicator, but it looks like 6 per cent of the drinking water facilities in the province had significant drinking water quality incidents. So what's given with that? Six per cent is pretty high. How many of these happened on Métis settlements?

That was a whack full. Sorry about that.

Mr. Campbell: That's okay. The plan is that we will do it quicker than 10 years, but again we want to make sure that we get the plans right, and we want to make sure that we do have the best science possible in making our decisions. So we will get the next five plans done in a very prudent and timely manner, and it will be less than 10 years. I can't give you an exact date right now because, again, I think it will depend on the research and data that we're collecting in some of the areas that we know we are deficient.

All of the monitoring is embedded in each medium: land, water, air, and biodiversity. The monies for monitoring are on line 10.1, environmental science, and it's \$15,599,000. If you go to page 40 of the business plan and you look at science and monitoring and then you look at Alberta environmental monitoring, evaluation, we're actually seeing an increase from \$59 million to \$74 million and change to \$74 million and a little bit more change.

Ms Blakeman: That's in a three-year rollout.

Mr. Campbell: No. No. That's each year.

Ms Blakeman: Yeah, over three years.

Mr. Campbell: Yeah.

What else did you ask about? Market access. Why is market access important? Especially our forest industry and products and market development: we need to be able to support our 50 forest communities. When we look at the forest industry and the good work they do in environmental protection through planning and operational rules, it's important that we be able to support them through market access.

I can say to you that the FMAs in this province are some of the best managed FMAs anywhere in the world. We have about 50 communities that are forest based and depend on that industry to be successful, so we want to make sure that we are doing things in an environmentally positive manner, and that goes to helping that industry.

As far as Guzoo, we're currently reviewing our zoo standards to determine if any improvements can be made. In addition, a broader review of zoo policy in the province is also under way. I know that many Albertans have expressed discomfort about our Alberta zoo standards, emphasizing a consistent and basic level of protection and care for zoo animals, a safe environment for those working at the zoo, and an enjoyable, educational experience for visitors. So our department is working very closely with Guzoo, making sure that they meet the criteria. All zoos are required to have a development plan that ensures they adhere to zoo standards and also animal welfare laws. Our goal is to make sure the standards are met, and we will continue to take the necessary steps to investigate any complaints. As you said, Guzoo, like all other licensed zoos in Alberta, is required to renew their operating permit each year and meet the requirements that we set down as a government.

Ms Blakeman: Fifty-seven categories versus 12?

Mr. Campbell: Oh, that's just basically modernizing the system. That's all that is. Don't look at me like that.

Ms Blakeman: Well, 57 was useful. You could tell what was going on. Twelve: much less so. So modernization means less information?

Mr. Campbell: No, I don't think it means any less information. Again, when I look at the work that we're doing in environmental monitoring and, in fact, the information we're getting out on our website and the oil sands portal, I would suggest that we're probably more transparent than we have been in the past, and we're going to continue to be transparent so that Albertans can go onto these websites and look at the information. It's going to be easy for them to follow. Again, when you talk about market access, it's important for us to make sure that we are looking after our resources in an environmentally responsible manner, and monitoring helps us do that. We don't want to hide anything. We want to make sure that Albertans are very well aware of what we're doing on the landscape.

We look at the bypass, also, in High River. There's a significant investigation currently under way both from an engineering and a design point of view. We've allocated \$5 million for some of this work, and we'll be undertaking more of this with Municipal Affairs. Before we commit to a complete bypass, we're making sure that we're doing all the work. The concerns you raise are the same concerns we have.

Ms Blakeman: Water quality, the facilities.

Mr. Campbell: Our data collection period, from January 1 to December 31, shows that we had actual water quality of 95 per cent in 2009, 96 per cent in 2010, 96 per cent in 2011, and 94 per cent in 2012. Regulated drinking water facilities must report on the quality of the treated water against specified limits, and Alberta has adopted the health-related limits of the *Guidelines for Canadian Drinking Water Quality*, published by Health Canada, as well as establishing treatment performance requirements. I can say to you that we are very stringent on water quality issues. The reason I can say that to you is that within my own riding I have co-ops, and they're on my case steadily. We have increased the standards that they must adhere to, to the tune where it's costing them about \$3,000 to \$4,000 a household.

The performance measurement indicates also how many regulated waterworks facilities operated without any significant water quality events. So good treatment technology and operation will keep this number high. It should be noted, however, that some events are beyond reasonable control, and emergency intervention will be required. An example of that was Lethbridge. We had the issues with the fast snowmelt and the fact that, you know, the plant couldn't handle all the turbidity in the water. We took immediate action with the town of Lethbridge to make sure that we got the warnings out to people and that we put the water advisory on immediately.

Did I get them all, Laurie?

Ms Blakeman: Yes, I think so. It doesn't mean I'm happy with the answers, but, yes, you did answer them.

Mr. Campbell: Okay. Well, was it quick enough for you?

Ms Blakeman: Yes. Thank you very much.

I have a question about page 37 of the business plan, the performance measurement on greenhouse gas emissions. This also, of course, is a long-running concern raised by the Auditor General, that in fact we can't tell whether we lowered our greenhouse gas emissions because we can't track it properly. He has raised that on repeated occasions. On page 40 of the report of the Auditor General from October 2012 he notes the implications and risks.

Without clear public reporting of results in relation to comparable targets and total costs, Albertans cannot assess the government's progress toward Alberta's climate change goals or determine whether the overall investment in climate change actions is yielding the expected results.

Yet I see in a number of places that the government is claiming success here, so I'm wondering how you're managing to do that if all of the suggestions from the Auditor General have not been met.

5:10

Mr. Campbell: Well, you know, I'll say to you that I think we do have good success, and I say that because of discussions I've had with a number of NGOs as recently as last week. We have more to do; there's no doubt about that. We'll continue to move forward. We are looking at a renewal of our strategy, and we'll be releasing a progress report as part of that renewal very shortly.

We are in discussions right now with industry. We're in discussions with NGOs as to moving forward because, as you know, our regulation expires in September. I'd like to see a seamless transition moving forward. I can say to you that we've had very good discussions with the federal government, and I would say that we're on the same page.

We also are looking again at providing energy efficiency programs for Albertans. Our last program was very successful, and we're looking at moving forward on that. We're looking at a

wide range of options for renewable energy, which will also reduce our greenhouse gas emissions, so looking at wind, looking at solar. We've had very good discussions with solar companies in the last little while as to what we can do in the province to provide another alternative source of energy. We've looked at hydroelectric, run of river. We will continue to move forward in reducing our greenhouse gas emissions and trying as hard as we can to meet our targets.

Ms Blakeman: Okay. Well, following up on that, then, because it's the same performance measurement, is the carbon levy, the price of carbon. I notice from a speech that the minister made on January 27, also referencing the Auditor General's comments on this and the performance measurement I mentioned earlier, that the government has clearly been looking at raising the carbon price. I've heard the 40/40 number before. Is the government narrowing in on that amount, or can they produce any of the work you've done to support a carbon price that would be acceptable by everyone?

Mr. Campbell: I don't know if we'll meet a carbon price that's acceptable to everyone, but I'm hoping that we will meet a carbon price that will meet the needs of most people moving forward. Again, we have a range of options. We've had people saying to go back to zero, and we've had people saying a hundred dollars. We're going to have to find a position that's a good balance. I can say to you that whatever number we do put in place, we are going to make sure that industry is not at a competitive disadvantage moving forward.

I just want to go back to your other question, Laurie, on the tables and on data. I can say to you that Environment Canada – and there's a two-year lag on this reporting: in 2007 a 247-million-tonne decrease; in 2008, 244 million.

The Chair: Sorry, Mr. Minister. We're going to have to cut you off there.

Mr. Campbell: Was that 20 minutes already?

The Chair: That was 20 minutes.

Ms Blakeman, I do want to apologize for missing that citation on your line of questioning on the Guzoo, and I want to commend you on an excellent job of keeping your questions relevant to estimates and to the business plan.

I want to acknowledge again our deputy chair, who did an excellent job. I presume that our next speaker, too, will do an outstanding job in that regard.

Ms Blakeman, you are next in our line of questioning.

Ms Notley: I'm Notley.

The Chair: You guys look so much alike. Forgive me, please. Sorry, Ms Notley.

Ms Blakeman: Boy, when you're in a hole, stop digging.

The Chair: Stop digging. That is sage advice. Thank you.

Ms Notley: I think that was a compliment, wasn't it?

The Chair: Ms Notley, I do want to ask how you want to proceed with your line of questioning.

Ms Notley: I'd like to go back and forth and give that a shot. We'll see how it works. I have a whole bunch of questions.

The Chair: Terrific. Please proceed.

Ms Notley: I do appreciate that the minister has been very fast in his answers. That is very awesome. The only issue is that in some cases I found that sometimes when you give an answer, I want to be able to respond in the midst of that and ask for more information because you're sort of giving it in general.

Mr. Campbell: You can say so, and I'll stop.

Ms Notley: That's right. That's my point. That's what I was going to say. So it may feel like I'm peppering you with questions.

Mr. Campbell: Not you.

Ms Notley: I know.

But it's only a function of the very short period of time that I have and not at all . . .

Mr. Campbell: You're wasting it right now, by the way, so let's go.

Ms Notley: I know.

. . . a function of any disrespect that might appear to exist as I interrupt you. So I want to put that on the record.

Anyway, thank you to all the staff who are here as well.

I want to go back to water, and I want to just clarify in terms of page 78: which line item would we find the licensing process living in?

Mr. Campbell: Under 4.3, Rachel.

Ms Notley: Okay. So that's 4.3, where we've seen a little bit of a decrease.

So, I guess, my first question to you. I'm sure some of your staff, anyway, were aware of a release that we put out not too long ago about the fact that the number of water licences approved for fracking went up last year from 203 to 1,516 issued in one year. My question is: where do we find the additional resources that must have been applied to the judicious and responsible consideration of each licence application that would've come through your ministry? Also, where do we see additional resources that presumably will need to be applied to a continuation of this trend, and where do we see the resources for tracking the use and the compliance with the licence after the licence is granted? One of the things that I have heard from people is that there's really no mechanism to track if the licensees, I think is the best way to characterize it, are actually using their full licence, exceeding their licence, not using their licence, using someone else's licence, you know, all that kind of stuff, all of which is very important given the comments that were raised by both of the two previous questioners around the potable water supply. I wonder if you could answer that for me.

Mr. Campbell: Well, on the water most of that will fall under the Alberta Energy Regulator.

Ms Notley: No. I think you guys are the ones that do the licensing

Mr. Campbell: No. As of April 1 that will fall under it.

Ms Notley: Oh. Okay.

Mr. Campbell: Unfortunately, we're at March 18, but as of April 1 that will fall under the Alberta Energy Regulator.

Ms Notley: Looking backwards, though, at your forecast, I didn't see any increase at all in resources dedicated to the 10-fold

increase in water licence approvals that occurred last year for fracking.

Mr. Campbell: Actually, that is an automated system. So temporary diversion licences less than a year, that all goes to the automated system.

Ms Notley: So we have a 10-fold increase in water licence applications by industry, and this is all being approved by a computer system. Can you provide us with some information about how the computer system processes this stuff, I mean, what criteria is used and the degree to which any licences were ever denied?

Mr. Campbell: We'll follow up with you on that.

Ms Notley: Okay. I'd really appreciate as well, in addition to finding more information about the criteria, also getting stats on the application acceptance and denial record of the automated computer system. Okay? That's great. Thank you.

Then I want to go, still on water, to the issue of the lower Athabasca regional plan and the establishment of the ecological base flow. I had a discussion about this with the last minister last year, about the fact that we had the Kearl project going forward on the understanding that there was an ecological base flow in place. Now we are in year 2 of the Kearl project moving forward, and as far as I know, we have no policy around ecological base flow. We were told to wait for it. But, of course, while we're waiting, we're not asking industry to wait. We're just letting them go dancing merrily down the road of industrial consumption of our environment.

5:20

My question is: when can we expect to get an answer around whether we're going to get an ecological base flow in the lower Athabasca regional plan? And when we get that, is the government planning on giving any exemption to Syncrude or Suncor with respect to that?

Mr. Campbell: Under the LARP we're moving forward to a surface water quantity framework. We're now consulting with our stakeholders, and we could share a copy of that with you.

Ms Notley: I'm sorry; I'm looking at the ecological base flow issue. That's one, strict component of the management thing, and I'm looking for whether you have established an ecological base flow, under which no one can withdraw water in the lower Athabasca. And if that's been established, is there a plan to exempt Syncrude or Suncor from it?

Mr. Campbell: I can tell you that right now we're drawing less than 1 per cent water from the lower Athabasca.

Ms Notley: I know, but that's not relevant if the water is very, very low. That's why an ecological base flow has been advocated for by all of the participants in the lower Athabasca regional planning process other than industry. This is really a very critical issue. It's one of the reasons why the joint panel on the Kearl project made it a condition of the Kearl project's approval, and we're a year into the Kearl project's process without that in place.

Mr. Campbell: If we have a flow problem, Rachel, in the Athabasca, we restrict water use for all operators, so that would include Kearl. It would also include Suncor and Syncrude.

Ms Notley: How are you defining that right now? Is that written out? Is there a limit, an identified limit?

Mr. Campbell: Yes.

Ms Notley: And when was that established?

Ms Flint: It is in phase 2 of the surface water quantity management framework, which we can share a copy of with you, that identifies the cut-off for all operators with the exception of Syncrude, Suncor, and CNRL. Where they would be restricted, I believe, is to two barrels per cubic metre per second for Syncrude and Suncor, and then .5 for CNRL. We can share that information.

Ms Notley: So, then, we are currently allowing Syncrude and Suncor to operate without an ecological base flow in breach of the requirements that were laid out in approval of the Kearl project.

Mr. Campbell: No. They are reduced.

Ms Notley: I know they're reduced, but it sounds like Syncrude, Suncor, and CNRL are never actually told that they need to cease drawing water. Am I correct?

Ms Flint: That's correct. That's to prevent, actually, freeze-up for those operations, because they've been in existence for some time. The newer projects actually do get cut off completely, so Kearl would be cut off. It allows those companies and those projects to actually build storage facilities so that they can continue to operate.

Ms Notley: True. But I believe that with the Kearl project the joint panel wasn't just saying that Kearl needed to be subject to an ecological base flow. I think that the panel recommended that for their project to not put undue strain on the river, everybody had to be subject to an ecological base flow. Does that mean, then, that the government is allowing Kearl to move forward in breach of the recommendations of the joint panel?

Mr. Campbell: No.

Ms Notley: It kind of sounds like it is, though. Anyway, we can follow that up later.

I want to talk about river system quality. We've already talked about the performance indicators and what's predicated the North Saskatchewan and the Peace rivers not meeting the standard that we were looking for. Both of the processes that you described that contributed to that, of course, aren't new. We have runoff all the time. We have flash rain incidents all the time. We have all of that. So with respect to the surface water quality management framework, because presumably that would start to deal with the issue of runoff contaminating the rivers, what is the exact, specific plan, with timelines, to change what's going on there so that runoff stops contaminating those two rivers?

Mr. Campbell: Well, as we go through the South Saskatchewan plan, I mean, we're putting a phosphorous framework in place, and we are working with the stakeholders moving forward. But to say that we've always had that: I would disagree. I mean, we are seeing climate change, and we are seeing storms of increasing proportions that we haven't seen in the past before. We're seeing that just in our river systems. We're seeing the erosion that's going on. We're seeing the channels changing. So we are seeing a lot more flow from weather events.

As I said earlier, we will continue to work with our stakeholders. We'll continue to work with agriculture and work

with the forest industry to make sure that we are providing the best possible mitigation we can for the river systems, especially the banks.

Ms Notley: Okay. On that issue and on the stakeholders the North Saskatchewan River alliance – I'm not exactly sure what they're called – submitted an integrated watershed management plan to the government. In that plan they specifically looked for a much improved comprehensive, long-term water quality monitoring program for the North Saskatchewan River, and they called for the government to ensure that adequate funding arrangements are in place. Now, my understanding is that the cumulative support to the watershed planning and advisory councils from the Alberta government these days is around \$4 million to \$5 million, but I'm happy to have you tell me what the cumulative amount is.

When you look at the fact that prior to Premier Klein cutting this program in the mid-90s we were looking at a \$25 million investment by the government, we have a very serious reduction. I'm just wondering: with all of these changed and increasing risk hazards that you've just outlined to me as a result of climate change and banks erosion and all that kind of stuff, wouldn't it be appropriate for us to be looking at finding money to increase the funding to these WPACs or to restore funding to the level it was at before Premier Klein cut it by what appears to be 80 per cent in the mid-90s?

Mr. Campbell: What I have committed to the WPACs is that we will get the funding out in a more timely fashion. We will sit down, and we'll look at the work that has to happen. Again, we're looking at, especially when it comes to agriculture, partnering with the department of agriculture and looking at some of the issues of watersheds in that respect. We have some ideas of some things we'd like to do. We'd like to involve the WPACs. We'd like to involve ag societies. We'd like to involve 4-H clubs.

Ms Notley: That's great. Sorry to interrupt. But just in terms of the WPACs could you tell me how much money they got this year compared to what they got last year and whether, given the increasing pressures on those rivers, there might be some merit to increasing their resources to enhance the water quality management work that they're doing?

The Chair: Ms Notley, excellent line of questioning. But we have some members here who are having difficulty hearing you.

Ms Notley: Oh, sorry. Too close?

The Chair: If you could just back up just a little bit.

Ms Notley: Sorry. I apologize.

The Chair: Thank you so very much.

Mr. Campbell: On page 78 when you look at 4.2 under Water Partners and Stewardship, you'll see that we've increased our programming by about \$1.2 million. Again, we're meeting with the WPACs, and we will review the funding to make sure that we are providing them with adequate funding to do the work that they're doing.

Ms Notley: All right. Thanks. We'll look to see – so that whole line item is for the WPACs?

Mr. Campbell: Not the whole item, no.

Ms Notley: What's the total amount for the WPACs? Can you break that out of there?

Mr. Campbell: I'd have to get back to you on that, Rachel. I don't have it right in front of me.

5:30

Ms Notley: Okay. Great. If you could do that, that would be great.

Still on water, back to the Athabasca River tailings, the tailings management framework. Obviously, we have directive 074, which I realize came out of Energy, that everyone has long since decided that they couldn't possibly meet. Then, of course, we have the fact that we've had a couple of reports in the last six months, one federal government report saying very definitively that they believe there's leakage from the current tailings ponds into the Athabasca River. We had the commitment by this ministry to develop a tailings management framework, and we had discussion that we were going to have a lot of talking about it.

My question is: when are we going to get the tailings management framework, and who are you talking to? I have to tell you that right now I'm not getting a clear indication from the stakeholders that I'd like to see consulted that anyone has been consulted. Can you provide us with a list of who's being consulted and the timeline on the presentation or completion of the tailings management framework?

Mr. Campbell: Yeah, we can. We'll get it to you.

Ms Notley: All right. Okay. Thanks.

Mr. Campbell: Well, I'm just trying to get as much time in for you.

Ms Notley: I appreciate that. Okay.

Mr. Campbell: If you want, I can say that on the tailings framework one of the things that we're working towards is that we want to get to the point where our tailings ponds are basically nonexistent, where we don't have to use tailings. I can also say to you that once the tailings framework is completed – and I've already made this comment to industry – I want to expedite the reclamation work on tailings ponds that are up there now. I've made that very clear to industry, that the status quo is not acceptable, and we are going to move forward in a more expedited manner to get those resolved.

Ms Notley: We'll be looking forward to seeing that. Again, I look forward to hearing who you're consulting with because that's, I think, important as well.

Again on water, the Obed leak into the Athabasca River. Obviously, the timing of that leak was such that the dramatic nature of it was less obvious to the world because it was frozen over very quickly, but now we've got the melt. I'm wondering if you could tell us a little bit about what testing and work is going on there to determine the damage that's been done and the frequency with which we can expect public reports and release of information around that and what resources your ministry plans to dedicate to that process.

Mr. Campbell: Well, you know, as I said earlier, we will make sure that the industry and, in particular, the company will be held responsible for all costs. We have brought in scientists to do the monitoring, U of A scientists, to ensure that we have the best science to guide the cleanup. We've put in an environmental protection order against the company to ensure that the cleanup and remediation continue in a timely fashion. The order requires

the development and implementation of several management assessment plans, including a solid recovery plan, short- and long-term sampling, monitoring plans, an impact assessment plan, a wildlife mitigation plan, a waste management plan, a mine wastewater management plan, and remediation plans. The order requires that the company immediately take steps to contain the mine watershed solids remaining in the Apetowun Creek and the Plante Creek and prevent any further solids from entering the Athabasca River, undertake measures to recover the mine wastewater solids in the Plante Creek where it meets the Athabasca River, and develop and implement a comprehensive sampling and monitoring plan.

Ms Notley: In terms of the comprehensive sampling and monitoring plan I guess that's where I want to know: when can we see that monthly status report, and will those be publicly released?

Mr. Campbell: Yeah.

Ms Notley: Okay. I know that some testing would only be starting soonish because we're only getting melt now.

Mr. Campbell: Well, I can tell you that up there it's frozen solid. That's my riding.

Ms Notley: Okay. Well, fair enough. So we can expect to see a report within about a month of the first round of testing?

Mr. Campbell: Yeah. It'll be out. It might be 60 days or 45 days. I mean, we get the testing and then get all the results together and then get it published. It'll take a little bit of time.

Ms Notley: Okay. Thanks.

The Wood Buffalo environmental agency. The reason I refer to this as water is because, of course, as Dr. Schindler's report showed us, the air quality and the pollutants in the air have an impact on water quality. We've talked already about WBEA. You talked about the \$16 million that they asked for. You talked about the \$13 million that you're talking about giving them. But their budget last year was \$20 million, and they were basically told that they needed to drop it down because they could only get a portion out of the \$50 million. They weren't going to get \$20 million because the \$50 million that industry said that they will fund has to be for air and land and water. I'm just wondering how we can say that we've actually improved air quality monitoring if WBEA, which is the primary . . .

The Chair: Thank you, Ms Notley. We're going to have to cut you off there. Perhaps we can come back to that line of questioning in your next round. Thank you very much.

We'll now move to Mr. Allen. You have 20 minutes according to our time allocation. I'd ask you the same favour of keeping your questions relevant to budget estimates or the business plan. I'll ask: how would you like to proceed, with a split or a dialogue?

Mr. Allen: Thanks, Mr. Chair. We'll split it half and half, please.

The Chair: Okay. Terrific. You may proceed.

Mr. Allen: Good. Minister, thanks for being here this afternoon and, in particular, for bringing quite a complement of your dedicated staff out of their busy schedules. I know that I have interfaced with a number of them on different occasions for various projects, and you have a great team there.

You opened your comments with the flood recovery efforts from last year. I just had one comment about your ministry from our experience in Wood Buffalo. I was on the ground. Certainly,

in hindsight, at the time it was a devastating experience for the community, but then a week later the southern Alberta flooding occurred, and it was far, far more significant than what we had. But we did have some significant incidents, and there was one occasion where the Regional Emergency Operations Centre called me looking for some assistance. I contacted the minister's office, and within 10 minutes we had a conference call going, and we had support staff on-site within 20 minutes. Very responsive, and they continued to be so throughout the disaster, so I thank them for that.

I do have a number of questions. I do have one actually related to the flood recovery erosion control program, or FREC, and that is: I wonder if you could comment a little bit about how the ministry is acting to restore the damaged lands in the flood-affected Alberta communities. How do we ensure the funds are allocated efficiently and meet the needs of affected communities, some of which lack resources to rebuild? The FREC funding that's in the budget: is that under the direct management of ESRD, or is it actually a flow through to Municipal Affairs, as we've seen with other ministries such as Aboriginal Relations? While it appears that government has committed a significant amount of financial support to communities and municipalities for erosion control and recovery, what is being done this year for our natural areas that are affected by floods as well?

Anecdotally, I'll just put it out there as well. I notice the amount budgeted is significant in some areas, but our regional council in Wood Buffalo just passed a budget which included \$160 million for flood abatement and for the berm going around the communities. So we're hoping to see that perhaps there may be some flow through up to Wood Buffalo to assist in that project as well.

Some issues regarding environmental monitoring. This is stuff that, of course, is very important work that's being done by my constituents in the development of the oil sands. In 2013 the former minister told us during estimates that she would be spending \$70 million on environmental monitoring science and reporting, which she said at the time was an increase of \$30.8 million over previous years. That was largely welcomed, of course, by both myself and this committee at the time. However, when we look at the forecast for last year, it appears that though the minister spent \$44.7 million on monitoring and reporting, it was a full \$25.3 million less than what was budgeted. That meant that in actuality she only increased monitoring and reporting by \$5.5 million over the previous year's, which I think is something we can agree is a lot less impactful than the \$30.8 million increase that was budgeted.

In 2011 the Auditor General noted how important baseline environmental data is to understand the changing environmental conditions in northern Alberta. In fact, the AG's report went so far as to say that the lack of information can hinder our ability to properly assess the environmental effects of oil sands projects in our region. While I'm in favour of saving a little bit of money, Minister, with some of the incidents that have occurred in the last year, having more baseline data would have gone a long way towards determining the actual impact of these incidents and would have calmed public concerns.

5:40

While nothing is certain, I wonder if some of the panic could have been minimized if the baseline data had been more complete through monitoring efforts and how much money would have been saved if we did not have to try to establish the impact after

the fact without the data available. It was only last year, which was recently brought up by other members here, that nearly a billion litres of coal mine waste leaked into the Athabasca River, making headlines across the country and raising serious concerns about these ponds and the safety of our water supply. In Wood Buffalo, of course, our intake valve was downriver from our water treatment plant.

Now I look at this year's budget, and I see there is only \$15.9 million for science and monitoring, which is concerning. However, I do note that there is \$59 million for the new Alberta Environmental Monitoring, Evaluation and Reporting Agency in this year's budget, which, again, I think is a good thing. However, will this money actually be spent on increasing monitoring over the coming year? We're wondering how much of the \$59 million will go into monitoring and how much will be spent on administration and other bureaucratic costs. If the minister could address that, I would appreciate it.

The responsible use and monitoring of our oil sands development is vitally important to all my residents because when spills or incidents occur, they're right on the front line. It just came to my attention, actually, Minister, that there was a meeting that occurred today between JOSM, AEMERA, and aboriginal groups in the area. I am aware that AEMERA is brand new and that we're just getting started with it, but they've raised some concerns with me this afternoon about thresholds. There seemed to them no indication regarding what will trigger a management action or what that action will look like, so they're concerned. If there is no process in place for triggering these thresholds, what realistically is going to be done as there are no thresholds currently indicated in LARP?

Finally, how is all of this going to relate to the aboriginal consultation? The new aboriginal consultation office has been set up to address First Nations and Métis concerns, but with no clear plan to trigger a management action, no framework developed in this regard, no trigger to consult with the aboriginal groups, and no indication what, if any, will be the policy response – if you could comment how your department will be interacting with all of the relevant stakeholders there.

Then I'm going to move on to the Responsible Energy Development Act and the progress that has been made. In December 2012 the government passed the Responsible Energy Development Act, which created the single regulator for upstream oil, gas, oil sands, and coal projects in Alberta. Given that Fort McMurray-Wood Buffalo, of course, is home to the oil sands development in Alberta, my constituents have a very vested interest in this office. Now, the bill was passed in December 2012, was only partially proclaimed in June 2013, and was not fully proclaimed until November 2013. In the estimates last year in April the former minister indicated to us that the ministry would be implementing the provisions of the act last year. Now the business plan, of course, is updated, showing it as one of your goals for 2014. I wonder if the minister could give us an update on the progress the ministry has made in implementing those provisions of the act, what work was done last year, and what work remains to be done in the year to come.

Now I'd like to also move on to the issue of tailing ponds and tailing ponds management. As I'm sure many of you in the room here know, my constituency is home to nearly 176 square kilometres of oil sands tailings ponds. Several companies are looking at ways to reclaim these lakes and areas to make them natural habitats. They're doing a very strong job, and I know that all of the oil sands industry have environmental scientists on staff that are very passionate about the work that they do. However, the tailings ponds still remain a concern for my residents and First

Nations groups. Now, industry in Fort McMurray has been looking at those in creative ways, and they've stepped forward and offered – they've got \$50 million into this environmental monitoring and reclamation as part of JOSM, a good, positive step by industry, but we've got to make sure that we've got both governments there to provide the oversight and support.

Syncrude and Suncor, in fact, have demonstrated their own commitment to reclamation, both with Suncor's Wapisiw lookout point and Syncrude's tailings pond 1. I recall I took a number of Edmonton councillors on a tour with Syncrude. They said: "Okay. We're heading to Syncrude's tailings pond 1." When the bus stopped, we all got out, and there were some bison grazing. They said: "Okay. Well, here we are. Where's the tailings pond?" We were standing in the middle of it. So it is very positive work. That experience, I know, can be invaluable to the ministry as it works to expand the good work that these companies are doing, and I believe it's a model for future projects. We hope that you reach out to those companies as partners.

The tailings ponds are not just making my residents unhappy; they're hurting Alberta's image around the world. We all remember the duck incident, resulting in billboards that went up in countries all over the world. It has an effect on tourism, it's allowed environmental groups to tag our oil as dirty oil, and of course a couple of months ago we had a lovely visit from Neil Young, who made a very selective tour instead of the comprehensive one he was offered. My community then went on to a Twitter campaign called My Hiroshima to debunk what Mr. Young has said. They stepped up to the plate because they care about the image of the community in the world and the good work that's happening up there.

If we can get into the reclamation itself, what is the goal of the reclamation framework? What kind of industrial infrastructure will this framework be targeting? Will there be a strategy in that framework for the tailings ponds?

The Chair: Thank you very much, Mr. Allen. We'll turn it over to the minister and his team to respond.

Mr. Campbell: Okay. Thanks, Mike, for the questions.

We'll start with FREC. As you know, we have a crossministerial working group that is involved in flood mitigation and erosion and dealing with everything that happened in southern Alberta. Under FREC we've committed \$207 million for immediate financial support, including \$48 million approved in early 2014 to ensure that FREC communities have the funds they need to begin their highest priorities. To date we've directed \$171 million to fund 59 projects to repair erosion damage and provide flood mitigation, another \$25 million has been allocated for 2014-15, and you can expect more funding to be rolled out.

As of April 29 of this year all of the water issues to do with flood mitigation and erosion will be coming to ESRD. We will be in full swing, ready to move forward on that.

On the environmental monitoring piece ESRD is funding \$44.7 million, but \$25.3 million comes directly from industry, so that puts us at the \$70 million figure. Then, when you look at the AEMERA piece, we are budgeting \$15.599 million, and \$51.3 million is coming from industry, so again we're at \$70 million. We haven't decreased the funding at all for environmental monitoring.

We also acknowledge that development and industry, municipalities or other, have some effects on the environment. The data that AEMERA gathers will be used to help inform decisions by government policy and regulators as far as approval. Policy is put in place to ensure we achieve our social and

economic goals without causing unacceptable impacts on the environment.

Examples of such policies are management frameworks for air and water which set trigger limits at which management responses must be undertaken. Management action will be taken where necessary to ensure that impacts are mitigated and kept within acceptable limits. That is the whole point of the monitoring for cumulative effects impact. So, again, answering your question, you know, about “Will triggers be in place,” they will be. Again, our focus is on monitoring, and when you will actually take action or mitigate the environmental impacts of the development is going to be very important. Action and monitoring are inherently connected. You can’t have one without the other.

We cannot make the best environmental decisions without having the best data and information available. That’s why the environmental monitoring piece is going to be so important moving forward.

It’s also important to remember that this new program is more than just environmental monitoring. It’s a comprehensive system that also includes monitoring data collection, evaluation, and reporting. The program improves our understanding of the current state of the environment and enhances our ability to detect environmental change and manage cumulative effects.

Basically, this information will provide the program with clear policy around environmental management in the oil sands area. It will also tell governments when action is necessary.

When you get back to the piece on the Alberta Energy Regulator, that is going to be up and running as of April 1. We went through the process. We got the legislation in place, we got the regulations in place, and we’ve been basically transitioning pieces from ESRD to the Energy Regulator. We will transfer our last piece as of the end of this month. Again, if you look at the responsible energy act, page 7, section 2(1), you have the mandate of the regulator.

5:50

The disposition and management of public lands took effect November 2013, protection of the environment took effect in March 2014, and the conservation and management of water, including the wise allocation use of water, again, took effect – we’ll turn it all over to the regulator as of April 1.

By taking a phased approach, we had the opportunity to consider the feedback we received from the public engagement sessions, where Albertans gave their time and their input, which was very important. Again, phasing in the operations was a responsible approach to make sure that things went as smoothly as possible because we knew it was a big job, putting this regulator in place and transitioning it, so we wanted to make sure that we could do it in a very prudent, timely manner but also that we weren’t doing things that were going to cause hardship to industry or allow an irresponsible development to happen on the environment.

When you look at JOSM and AEMERA and CEMA and the First Nations’ concerns, I can say to you that last week we had a very good discussion. I sat down with Chief Boucher from Fort McKay, Arthur Noskey from Loon River, and Chief Vern Janvier from Chipewyan Prairie. They had their technicians there, and we talked about the monitoring, the importance of them being at the table, that we couldn’t do it without them. I can say to you that I also made the commitment that we will set up an elders’ council on the environment so that we can take traditional knowledge and mesh it with western science, so to speak, and come up with a more holistic approach so that we are understanding the issues that the First Nations and Métis people in that region have.

As far as the aboriginal consultation, I think you might have it confused just a bit, if I heard you correctly, and correct me if I’m wrong. Under aboriginal consultation, all that is about is that when a company wants to go and develop a resource, they have to sit down with the First Nations affected to make sure that they consult them on the fact that that project is moving forward. Then, again, you’re getting at the issues of environment, wildlife, water, air. As government it’s our duty to make sure that the adequacy of consultation happens, and that’s what the aboriginal consultation office will now do under Aboriginal Relations.

We’ve taken, basically, the aboriginal component from a number of different ministries and put them into the aboriginal consultation office. So, again, there’s a one-stop shop. First Nations know where to go. Industry knows where to go. I can say to you that just before we left, we hired the director for the aboriginal relations. A former RCMP officer from Red Deer and First Nations member from Saskatchewan is now the director. We’ve introduced him around the province.

The consultation piece – and I know that in talking to the First Nations chiefs, we do get conflicting messages sometimes. They get impact benefit agreements confused sometimes with what the consultation piece is. So we’ve explained to them that we want to make sure that they have the ability to do a proper consultation, have the capacity, which we know some lack. That’s what the office will do. This has nothing to do with impact benefit agreements or employment opportunities that First Nations and Métis will continue to work on with industry in all parts of the province, not just the oil sands.

As far as the tailings ponds management, again, I want to thank you for your comments. I’ve been up to tailings pond 1, myself, and again I think that it shows the good work that industry can do in reclamation. My concern is that I think we have to expedite it. I’ve made that very clear to industry, that we have to do a better job.

People say: why is market access in your business plan? Well, the fact of the matter is that if we don’t do a good job of looking after the environment, we’re not going to be able to sell our products. So that’s going to affect your community. It’s going to affect my community. It’s going to affect downtown Edmonton. It’s important, as I said in my opening comments, that we have a good balance between resource development and managing the environment moving forward.

I think I answered everything. Did I miss anything?

Mr. Allen: Nope. Thank you.

The Chair: Mr. Allen, you have one minute at your disposal if you so wish.

Mr. Allen: Oh, this is another bonus time, is it?

The Chair: More bonus time. Yes.

Mr. Allen: Excellent. You know, I had a lot of notes, getting into forestry now, particularly on fire management. Of course, we had the largest single fire in Alberta’s history with the Richardson fire in 2011 and other forest fires such as Mariana Lake, surrounded by boreal forest up there. That was one that cut off our community from the rest of the world for a week. So it’s something that we’re always watching very cautiously for. I just noticed that this year you have \$204 million budgeted to address fire response – I’m assuming that’s for fire response – but previous years have shown numbers significantly higher than that in actual numbers, \$430 million, I think, and \$450 million. I’m just wondering if we’re budgeting enough.

The Chair: That was a very fast minute. I'm sorry about that.

Mr. Allen: That's okay.

The Chair: Very good question.

Mr. Campbell: I can answer in 30 seconds.

The Chair: We're done.

Mr. Campbell: Okay. I'm done.

The Chair: Sorry, Minister.

Mr. Campbell: I can answer it off the record for you.

The Chair: Okay. Terrific. Thank you.

We're going to move to the PC caucus, and again there's 20 minutes. I understand that Dr. Brown will lead the line of questioning. Dr. Brown, please keep your comments pertinent to budget estimates and the business plan if you could be so kind.

Dr. Brown: I will. I will undertake to do so.

The Chair: You have 20 minutes. Would you like a dialogue with the minister?

Dr. Brown: We'll go back and forth.

The Chair: Very good. Proceed.

Dr. Brown: Because time is so limited for our caucus, I intend to share it with my colleagues from Dunvegan-Central Peace-Notley and Banff-Cochrane and Edmonton-McClung.

Minister, I would like to ask you about one of my most favourite topics and one that I have a great interest in, and that is the intact prairie grasslands of the province. Our grazing leaseholders do an incredibly good job of maintaining prairie grasslands through the use of grazing in a judicious and good manner.

We also have some issues with respect to the South Saskatchewan regional plan that I want to raise in that same context. As I mentioned in my questions in the House, there was a process called the regional advisory committee which consisted of a group of about 18 stakeholders that spent over a year travelling throughout the province, and it consisted of ranchers and farmers and resource extraction people and conservation groups and a broad spectrum of stakeholders. It suggested that a number of special areas of grassland be included in the South Saskatchewan regional plan, and this is part of the business plan that deals with the regional plans. Part of your plan is to reduce the growth of greenhouse gas emissions and also to control invasive species and to achieve the desired outcomes for fish and wildlife.

So my questions relate around what protection we are prepared to put in place for those areas of intact grazing lands, particularly those that are owned by the Crown, particularly for continued use of grazing, for protection of wildlife on those lands, the species at risk – we know that we have about 85 per cent of those species at risk located on those lands – and recreational use as well.

Also, I would point out that a very important factor is the carbon sequestration aspect of prairie grasslands. It's been well demonstrated by some of the research, some of which has been cited by professors at the University of Alberta here, Dr. Mark Boyce, in fact, that the intact prairie grasslands are extremely effective at sequestering large amounts of carbon dioxide. So I'd like to know what your management plan would do with respect to achieving those ends.

6:00

The second one I'm going to ask right now, up front, would be with respect to the management practices that are being carried out in our provincial parks and the grassland parks in particular. I have been critical in the past of the management of the Fish Creek park in particular. It's a prairie grassland which has now fallen onto hard times because of invasive species, and as you are no doubt aware, prairie grasslands are a fire climax ecosystem. They need the intervention of either fire or grazing in order to be maintained. Unfortunately, that park has now fallen into disuse because there is no grazing and no fire. It's been overrun by invasive species: weeds, grasses, buckbrush. I'm wondering whether you could allocate any resources in your budget towards the remediation of that park, to try and restore some of the native plant communities.

The second aspect that I want to ask you about is the Glenbow park. I'm very pleased that when we implemented the management of that park, we incorporated grazing, cattle grazing, on it on a rotational basis. There's also been some discussion about the use of controlled burns in that park, and I wondered whether or not you could comment on whether or not that management tool would be pursued.

Mr. Campbell: Okay. Well, thanks, Neil, for the questions. On the grasslands, of course, the South Saskatchewan regional plan, the draft plan, does propose that we maintain the native grassland in southeast Alberta and restore grasslands where possible. We propose to work with grazing lease holders, ranchers to identify ways to protect the grasslands. Heritage rangelands are one tool that we can use. I can say to you that I met with the Nature Conservatory of Canada on the work they're doing in maintaining grasslands along the eastern slopes of the Rockies, large tracts of land that landowners have turned over to the Nature Conservatory for just some of the things that you're talking about.

As we go through the plan, we will be looking at some of the things you've talked about. Again, I think the native grasslands, especially in southeast Alberta, are important. The concern I have is that I don't want to see SARA legislation introduced in the province, where it's taken out of our hands and the feds are in control, so I think that we have to be a little bit more proactive, and as we look at the South Saskatchewan plan, we will be a little bit more proactive in some things that we can do.

On the invasive species policy. We are moving forward with the development of an invasive species policy and program to address the rest of the province. I can say to you that when I met with PAG about two months ago with Minister Olson, one of the things we talked about was invasive species – zebra mussels, for example – invasive plants coming in. They're coming in on recreational boats and trailers – actually, we started talking about hogs and the disease that is decimating the hog industry in Ontario – but we asked them to think about putting in very good monitoring and cleaning stations on all the major highways coming in and out of the province so that we could do a better job of making sure that invasive species aren't coming into the province. I can say to you that, actually, at Minister Olson's first ministers' meetings this month that was a topic of discussion among all of the ministers across Canada, that we have to do something to start looking at invasive species in the province.

You know, we can look at prescribed burns outside the park – it's an option – but, then again, we need to manage the smoke and minimize the other impacts. The other problem, too, is that the weather is not always right to burn, so we might have to wait. We are working with the city of Calgary right now, and I've had

discussions with Minister Starke. I know that within the South Saskatchewan plan – I've had letters from stakeholders, had letters from Ron's riding about ESRD, making sure that we look after certain areas as far as grasslands and that and conservation areas, so we will continue to work with the park. I don't know if cattle would be an option in Fish Creek or if we'd have to change a bylaw. I'm not sure. Maybe goats. I don't know, Neil.

An Hon. Member: Bison.

Mr. Campbell: Bison. We could put bison in there. Yeah.

The Chair: Mr. Goudreau, you'll carry on the line of questioning.

Mr. Goudreau: Thank you, Mr. Chair. I want to thank the staff as well for being here this afternoon and commend the minister for his quick grasp and understanding of the department that he's just taken on. You're doing a good job, Minister.

A couple of questions and maybe a comment. Certainly, I was very pleased to see in the budget line 5.2, where you're looking at wildlife management. Certainly, in my part of the world there are a lot of concerns when it comes to wildlife and wildlife management, specifically elk in the western part of the constituency, and in the northern part, northwestern part there are a lot of deer. But every time I get a phone call from constituents, the staffing component comes up, and virtually very few fish and wildlife officers are in the area. Also, when it comes to management of fish, including lakes like Slave Lake, it seems there could be a lot more officers there, and I'm just wondering about that.

The other one – and they're all over, I guess – is FireSmart and the FireSmart programs in individual communities. I've got a lot of communities that are exposed and, certainly, have taken advantage of some of the support and funding. Can we anticipate, you know, some funding that might be available for the communities there?

Maybe another comment. Alberta has been talking about cumulative effects management for a lot of time. I still have five families that are out of their homes. Individually, individual tests indicate that everything is normal and okay, but it seems to me that that has a huge impact. It seems this is more a vision at this time than action, I guess. When can we expect maybe some implementation of, you know, policy concerning cumulative impacts concerning oil and gas developments, in that case with the hope that some of those families might move back home?

My last one. Again, a comment on WPACs. Certainly, you know, they've always expressed – and you've alluded to that in your opening comments and a couple of times during your presentation. WPACs still don't know their contracts and whether they're going to have approvals. They get signed contracts midsummer, and they're often told to finalize their work before year-end. It really makes it difficult for them to do a proper job. I accept the fact that you want to move that forward a little bit more, but certainly we need to see that happen for them to do a great job out there.

Mr. Campbell: Thanks, Hector.

The Chair: Minister, if I could stop you there. I've got a signal from Dr. Brown that perhaps what the PCs would like to do is to have Mr. Casey read his question into the record, then if we have time, you could answer.

Mr. Campbell: Sure. No problem.

The Chair: Thank you very much.

Mr. Casey: I'll try to be as quick as possible here. Certainly, in the eastern slopes area land use and land-use conflict is an issue. Monitoring and enforcement from one end to the other is a problem. On page 78 of the estimates here we're seeing that for public lands management the dollar number is actually going down. It's gone down roughly \$6 million in the last three years, yet we know that the amount of pressure on public lands has increased exponentially. I'm wondering how that will be managed in the future.

Page 87, land and grazing. The revenue in the '12-13 budget was \$63 million. The revenue this year is \$30 million. I would just like to understand how that number dropped by \$30 million.

Lastly, dealing with flood mitigation. In my constituency alone we have six dams with the capacity to hold huge amounts of water within the Bow River water system, yet the water in those dams is being utilized for power instead of really managing water on a much broader landscape. I'd like to know if those discussions are going on with TransAlta, and if they are, is there money in the budget to work with TransAlta to utilize those facilities more for flood management or as much for flood management as for power?

I'll stop there.

6:10

The Chair: Minister, I understand that Mr. Xiao would also like to get a question onto the record.

Mr. Xiao: I have a very small question. I understand, Minister, that in the last fiscal year you spent almost \$75 million on climate change and emissions management. My question to you is: does your department allocate any funding to the research and development, you know, such as the new technology to reduce the tailings ponds? I know some scientists are working very hard on this. One of them is my constituent Dr. Ozum. Basically, he desperately needs some help from our government.

Thank you.

Mr. Campbell: Okay. Let me go here, real quick. Hector, on the elk I know you have a problem. I was up in your riding. I was up in Rycroft about a month ago. I met with zone 4 of the AAMD and C. I actually talked to farmers yesterday. We are looking at a plan that we could put in place so we can manage the elk population. We're going to have to do something with seasons, we're going to have to do something with a draw, and we're going to have to do something where we actually take hunters and partner them up with landowners so that we can get in there and deal with the issues. I think there are some opportunities there for us, too, in the sense that 5,000 elk is way too many. I know that it's creating real issues for the grain farmers, so we'll work on that with the stakeholders up in your area in coming to a solution.

Again, looking across the whole province, depending on where you are, we don't have enough or we have too many. In my area, for example, we're lacking white-tailed deer, so we had a supplementary doe licence the last couple of years. We've had a couple of hard winters. Our white-tailed deer population is down, but in other parts of the province, white-tailed deer are like rabbits, and they're causing all kinds of issues.

When you're talking, Hector, about the families, are you talking about the Three Creeks area?

Mr. Goudreau: That's right. Reno and Three Creeks.

Mr. Campbell: Yeah. We're looking at what we can do there, working with Energy, Alberta Health Services, Agriculture. We have five different ministries in there right now trying to get that resolved. I agree with you. It's important that we get those families back into their homes as quick as possible. I know that we've put some orders against the industry to do the right thing. We'll continue to work on that, and I'll continue to keep you updated as we move forward as to where we are.

Officers are a problem up in your area and also a problem in the eastern slopes. Those are now Sol Gen's responsibilities. We don't have fish and wildlife officers in our department anymore. They are hiring people, but we're not hiring the numbers of people that we should have.

When you look at the numbers, Ron, that you're talking about, the numbers went down because transfers from the government of Canada decreased by \$19.8 million, which was a decrease in the softwood lumber export tax revenue due to higher than anticipated lumber market prices, which leads to a lower export tax applied to the softwood lumber exports. While we're doing better in keeping our communities working, we lose money as a government.

Investment income. There was a \$0.5 million decrease in interest revenue due to decreases anticipated for interest received on the EPF and the NRCB though we did have a \$4.9 million increase on premiums, fees, and licences due to increased demand for forest products in the U.S. and in our Asian markets.

Other revenue. There was a \$22.7 million decrease, primarily due to the decrease in the joint oil sands monitoring credit recovery as a result of funds flowing directly from industry to monitoring organizations. The decrease is partially offset by higher than anticipated revenue received for the cost of fighting fires and refund of prior-year expenditures. The government of Saskatchewan also provided funds to assist with controlling infestations of the mountain pine beetle although I think they contributed, like, \$1.8 million, and we're putting \$40 million in this year, so not up to snuff.

The FireSmart program. Since 1997 we've had the FireSmart community grant program. We have awarded \$3.26 million to 93 communities since 2005, and we will continue to do that this year. We have money in the budget to make sure that communities that need the money get the funding, to make sure we do a good job with FireSmart. It's a very important tool for us not only to make sure that communities are safe but also to make sure that we're protecting our resource, and that's the trees on the land.

I can say, as far as the WPACs, again, that we're implementing a process to allocate money to our WPACs in April, as soon as the budget year kicks in. I made the commitment that we'd have something in place by the end of March.

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

That concludes the first series of time allocation.

We now move into a series of 10-minute rounds of questioning. The Wildrose is up. I understand that Mr. Anglin would prefer to do five and five and that Mr. Anglin and Mr. Hale will be asking questions.

You may proceed.

Mr. Anglin: Thank you, Mr. Chair. If we get done early enough, I will pass it on to the Liberals and even the NDP if they have a question or questions to ask.

Mr. Minister, on page 37, initiative 1.4, one of the performance measures is "success in meeting the total greenhouse gas emissions growth targets measured in million tonnes of CO₂

equivalent," and that's outlined in your 2008 climate change strategy. When we look at the actual targets for this measure, they increase every year from the 2014-15 target of 246 tonnes: 2015-16, 251; then '16-17, 254. Can your ministry help me understand how we reconcile these statements from the government that we're going to reduce CO₂ when the actual measurement is increasing year after year after year? I'm not sure how I can understand that we take responsibility for reducing CO₂.

How many tonnes of CO₂ equivalent have been sold in the province since the introduction of the offset market? I'm just wondering if you have that figure. If you don't have it today, could you provide that in writing?

I know the offset market verification and reverification system is very complicated and extensive, but these offsets are generally done by highly skilled accounting firms. Has the ministry ever overridden the determination by a verifier or reverifier? When I say "overridden," we're talking about a failed audit. I started to speak to this earlier, before the buzzer rang. This is important because the ministry is taking credit for reducing CO₂, but where I lose the connectivity or lose the ability to follow that logic is when we have an offset program that is audited by a reputable auditing firm and it fails the audit, yet those offsets are allowed to continue to be accepted. It's overridden by the ministry. That's the only possibility that exists.

So you have the two questions in front of you. Has the ministry overridden this? If it hasn't, how do we get the offset? Of course, as I stated earlier, the accounting firm itself has said only one thing: we stand by our audit. I assume that that's credible.

6:20

How does the ministry make the evaluation? What do you use to do this, to allow the credits to go forward in totality, yet we're not seeing the verifications and the reverifications of these systems?

Now, the other thing is the transparency of the market. This is a market that is significant. In the transparency of the market, if we can't see these audits and we can't see the reverifications, how does the market itself know that the system is working? Where is the credibility if we can't see this when we're trading the carbon offsets?

With that, I'm going to turn it over to Mr. Hale.

Mr. Hale: All right. Thank you.

Mr. Campbell, not long after you got your new position with the ministry, we talked about the biosolids waste project in my area along with the Calgro liquid waste project. I've had some huge concerns from landowners in those areas about the runoff protection, groundwater protection, and the testing requirements, all in the regulations. We had mentioned about looking at those regulations, so I would just like to follow up with that and see if anything has been done and kind of where that is in the process.

Also, years ago there used to be an underground petroleum tank site environmental remediation program through Municipal Affairs, and I believe that's now under Alberta Environment. I'm just wondering if there is anything in the budget that is allocated to that project.

Thirdly, I noticed in the full-time equivalent employment in the department that the number of employees has significantly increased, but you're losing employees to the regulator. I'm just wondering why that increased.

The Chair: Mr. Hale, I'm very sorry. I'm going to have to cut you off there.

Minister, you have up to five minutes to respond to that line of questioning.

Mr. Campbell: Okay. The greenhouse gas emissions are a good-news/bad-news story. The good news is that we are reducing CO₂ per barrel by about 24 per cent. The bad news is that with increased production and more projects coming on stream, our emissions have gone up. Industry is doing a better job of mining the oil and producing it and reducing the greenhouse emissions, but the thing, as I said, is that there are more projects, and we're producing, you know, more barrels per year, so they offset each other.

The auditor stands by his audit; I'll stand by our evaluation. How is that, Joe? I'm just kidding.

Mr. Anglin: I got you on record.

Mr. Campbell: Well, I'll stand by our evaluation. I'll stand by my department.

When we look at what the Auditor General said, we have implemented an assurance system that includes a more rigorous process for third-party verifications of all projects, internal revenues, and audits. Our current verification protocols are very stringent. Any errors identified through our audits must be corrected. As an example, if an audit finds an error, the company may be required to make up the compliance difference through payment into the climate change fund.

Alberta is also working with the national Standards Council, the Canadian Institute of Chartered Accountants, the Institute of Chartered Accountants of Alberta, and the Association of Professional Engineers and Geoscientists of Alberta to develop enhanced guidance for verifiers and auditors. This is a good system but still a new one, so we're going to continue to improve it.

Alberta right now runs an offset system that is part of the specified gas emitters regulation. Over 30 offset protocols are posted on our website. The protocols are updated every five years. We continuously work with stakeholders to review, update, and ensure we have a robust offset protocol. In fact, a number of protocols are currently under review.

Under our strict regulation a portion of the offset credits submitted annually is audited to ensure facilities are in compliance and that offset credits represent real reductions in greenhouse gas emissions. If our audits identify deficiencies in information, we work with the project developer and regulate facilities to correct the errors, and the emitter is on the hook, not the government.

Again, when I look at total greenhouse emissions deductions from the data that Environment Canada has provided us, you know, every year we're doing a pretty decent job. That's not to say that we can't do better and that we won't. But one of the things that is coming out of the technological fund that the large emitters pay into is that, again, we are spending money on research and technology and finding all kinds of different ways to reduce greenhouse gas emissions throughout the province, and we'll continue to do that.

When I look at the questions that Jason asked – oh, sorry. I just want to go back. Joe, you asked about the website in agriculture, about the fair and good. The website belongs to the Farmers' Advocate. The report of what you're seeing is concerns from farmers. That's not the department of agriculture; that's the Farmers' Advocate website. I will get back to you on the specific example that you had brought up.

Jason, there's nothing allocated to underground storage tanks, but I'd be happy to sit down and have a conversation with you. I

know that I've had concerns even in my riding with people talking about all of these issues and of things still buried. I'd be happy to have a chat, and I will touch base with you on the issue that you raised about the biosolid waste products. I know we sent a request to the department to look at that, but I'll follow up with you personally. I do remember that one individual wasn't real co-operative, so that might be some of the delay that we have in getting back to you with an answer. But I'll follow up with you personally on that in the next couple of days.

Did I answer . . .

Mr. Hale: The staffing in the department.

Mr. Campbell: Oh, the staffing. We are, I think, probably – we're going to be up 206, but we lost about 250. So we're actually down.

Mr. Hale: Not from last year.

Mr. Campbell: Yeah, because of all the staff we lost to the Alberta Energy Regulator.

Is that correct?

Mr. Werry: Yeah, in terms of actual numbers.

Mr. Campbell: In terms of actual numbers, yeah. We can talk about that.

Mr. Hale: So 2,387 to 2,593, an increase this year.

The Chair: I'm going to have to stop you there.

Ms Blakeman, you have two minutes. Please proceed.

Ms Blakeman: Wow. Okay. Something someone earlier – oh, the elk. Right. Vote 5.2. I know there have been proposed changes to the domestic industry cervid regulation. This is concerning game farming of elk, obviously, and deer. The interesting thing is that in Alberta those animals exist in game farming but also in wildlife. The proposed changes would change the definition of an escaped cervid so that it would be owned by the farmer in perpetuity. That's the proposal. That would be unprecedented in North America as far as I can figure out.

It's also recommending absolutely no consultation with municipalities, wildlife groups, other farmers, anybody else. It could create a loophole whereby a cervid that escaped could then be hunted if they were still in some kind of an enclosure, because the hunter could buy a share in the farm. So I think it's creating a loophole for this. There's no compensation for damages, and there's no way to get the owner to take responsibility. This is a joint project between Ag and ESRD. I'm wondering why – oh, sorry.

Disease concerns was the last thing. Why would ESRD agree with Ag that this policy should be adopted, especially when there's no consultation?

Mr. Campbell: Well, actually, consultation is going on right now with Agriculture. They're leading the consultation process. Remember, these elk farms now fall under Agriculture; they don't fall under our department.

Ms Blakeman: Yes, but you have the wildlife part of it, and it certainly affects our wildlife if gaming cervid get out and there are diseases that are going with it. This takes away any responsibility, from the farmer anyway, to do anything with the carcass.

The Chair: I do apologize. We've run out of time. I will at this point advise the committee that the time allotted for this side of our business is concluded.

I'd like to take this opportunity to thank the minister and his team, our committee members today, our clerk, the pages, and all of the staff who made this meeting possible.

I would remind our committee members that we are scheduled to meet tomorrow, Wednesday, March 19, at 3:30 p.m. in committee room B to consider the estimates of Treasury Board and Finance.

Thank you, everyone.

[The committee adjourned at 6:30 p.m.]

