

Legislative Assembly of Alberta

Title: **Monday, April 30, 2001**

8:00 p.m.

Date: **01/04/30**

[Mr. Shariff in the chair]

THE ACTING SPEAKER: Please be seated.

head: Committee of Supply

[Mr. Shariff in the chair]

THE DEPUTY CHAIRMAN: Okay; we'll call the committee to order.

Hon. members, before the Committee of Supply starts considering the main estimates for the 2001-2002 fiscal year, the chair would like to confirm the arrangements that have been made by House leaders. In the April 10, 2001, agreement House leaders agreed that the minister whose department's estimates were before the committee would have 10 minutes for opening comments, followed by one hour for questioning by the opposition parties. Under the agreement the minister has five minutes to conclude consideration of the estimates for his or her department.

The agreement is silent on questions by members of the government caucus. Should there be any questions or comments by those members, it would have to be after the opposition parties have had the hour but, the chair assumes, before the minister concludes.

Under the agreement two departments are to have their estimates considered on Monday, Tuesday, and certain Wednesday evenings. On two Wednesday evenings and three Thursday afternoons the opposition parties will have up to two hours of questions and comments. All consideration of the estimates is to be completed before the normal adjournment hour of midnight on Monday, Tuesday, and Wednesday evenings and 5:30 on Thursday afternoons.

The only other matter that the chair would add is that under the agreement the first estimates to be considered by the Committee of Supply are that of the Legislative Assembly, which are to be voted upon without debate. The chair wanted to take this opportunity to make sure that members are aware of the arrangements that have been made before the committee starts its work on the main estimates.

head: Main Estimates 2001-2002

Offices of the Legislative Assembly

THE DEPUTY CHAIRMAN: After considering the business plan and proposed estimates for the offices of the Legislative Assembly, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Support to the Legislative Assembly	
Operating Expense	\$29,838,000
Office of the Auditor General	
Operating Expense and Capital Investment	\$16,986,000
Office of the Ombudsman	
Operating Expense	\$1,754,000
Office of the Chief Electoral Officer	
Operating Expense	\$7,035,000
Office of the Ethics Commissioner	
Operating Expense	\$212,000

Office of the Information and Privacy Commissioner

Operating Expense \$3,287,000

Amount of Operating Expense and Capital

Investment to be voted under section 1(1) of

the Appropriation Act, 2001

\$59,112,000

THE DEPUTY CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Sustainable Resource Development

THE DEPUTY CHAIRMAN: The hon. minister.

MR. CARDINAL: Thank you very much, Mr. Chairman. Before I start, I'd like to introduce my staff sitting in the members' gallery: Bob Fessenden, deputy minister, and Bruce Perry, senior financial officer, both for our department and also Environment; also, Donna Ballard, my executive assistant.

I'm pleased to present this year's budget for Alberta Sustainable Resource Development. Today's presentation also gives me an opportunity to talk about our new ministry, which I'm very excited about and proud of. As a new ministry we're presenting a new budget that reflects a prudent transfer of resources. We have worked closely with the other ministries and have involved my other colleagues' departments of Environment, Community Development, Agriculture, Food and Rural Development, and Energy. We are working together to use our resources effectively. For example, the senior financial officer and the human resource director are a couple of the shared positions between our ministry and Alberta Environment. It also shows the co-operation that is occurring between the various departments as we continue to work towards a co-ordinated approach in this government.

Our overall ministry's budget for 2001-2002 represents our core business: \$70 million for industry development and \$146 million for resource stewardship. Of the \$197 million voted appropriation for the department, \$56 million is budgeted for regional operations and \$63 million for Alberta's forest protection. I will talk a bit about that later.

I have had questions from many of you about exactly how our new role fits the recent organizational changes. Our focus at Sustainable Resource Development is on Alberta's renewable resources. We have responsibility for Alberta's forests, forest sustainability with responsibility for conservation and management, as well as development and collection of revenues, public lands, and also fish and wildlife.

I'll talk a bit about the manpower. The department is also a large one, with close to 2,000 people with a strong presence in regions and a lot in your local constituencies. Our regional staff, for example, are involved in conservation enforcement, fire management, public lands, and local planning and education. About 45 percent of our operating budget is on manpower.

The other area we have is public lands. By bringing public lands and forestry together in one ministry, we are putting the responsibility for the province's public lands back under one roof with the exception of the parks and protected areas, which are now part of Community Development. This allows us to co-ordinate both areas. Most importantly, it gives Albertans and industry a one-window approach to our services and information. In addition, the Surface

Rights Board, the Land Compensation Board, and the Natural Resources Conservation Board fall under our ministry. If you'd like some information on land issues or have concerns, my doors are always open.

8:10

Forest protection. Alberta Sustainable Resource Development also is the steward of Alberta's forest resources. An important part of our mandate involves the protection and management of these resources. As I mentioned earlier, we have budgeted \$63 million for forest protection. There is also \$12 million allocated under the Alberta environmental protection and enhancement fund.

I want to assure everyone that we are taking steps now to prepare for this year's fire season, and of course we are already fighting fires. With the early indication of dry weather we began our fire preparation one month earlier this year. By gearing up early, we are in the best position to allocate our resources wisely and minimize the expenditures throughout the season. This puts us in the best position to protect Alberta's communities and people from the risk of wildfires. As well, just a week ago we issued a fire ban throughout a stretch of Alberta that was facing particularly dry conditions. We know that we can't control nature and that most fires are caused by lightning, but we can certainly reduce the risk of fires by humans.

With the management of forests it stands to reason that this ministry also is responsible for fish and wildlife and habitat issues throughout the province. We have approximately \$4 million to \$5 million allocated to fish and wildlife. There again we have key individuals in the field offices delivering our management and enforcement programs.

Alberta has shown the greatest provincial leadership within Canada in the development of our endangered species program. Together with stakeholders we will continue to develop this program. We'll have many challenges. We will work to ensure that Albertans continue to enjoy the benefits of well-managed fish and wildlife resources. Among other things I am interested in working to ensure the health and sustainability of our fishing resources in this province.

Industrial development. As I mentioned earlier, we are accountable for the sustainability of our forests. We must manage them in a way that offers economic, social, and environmental benefits for all Albertans. Our continued quality of life feeds on Alberta's forests. Forestry is the third largest industry in the province, contributing \$8.3 billion to our economy annually. Albertans enjoy our vast forests, as do Alberta's wildlife. We are committed to managing the resources in a sustainable way, which brings the maximum benefit back to Albertans.

There are essentially three ways that the industry can have access to our carefully allocated forest resources. One is by permits, which deal with very small amounts over short periods of time; timber quotas, which result in licences to cut timber in a designated area over a longer period of time; and forest management agreements, which require a company to consider all forest values and consult the public in preparing long-term forest plans in a designated area. In all cases the government approves any management decisions and has legislative authority over the activities on Crown lands.

One of the big priorities for me is increasing the value that Albertans get from our forest resources. We initiated benchmarks to study last year that are going to help identify opportunities to expand the secondary forest manufacturing industry in Alberta. We'll continue to develop our relationships with industry and work together to build an even stronger industry that employs Albertans and continues to improve the quality of life for all Albertans.

Mr. Chairman, that is essentially an overview of our new Ministry

of Sustainable Resource Development. We have a big job to do. It is a job that we take very seriously, and it is a job I look forward to doing in the future. I will be pleased to hear your questions and provide written answers, that I will table in the House in the future.

Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'm happy to have a chance to stand and speak this evening to what is really the first debate we're having on estimates of the various ministries. We've done supplementaries prior to this and did Leg. Assembly, but this is really our first opportunity to get into the meat of this whopping budget that we're going to be approving here in less than a month with this government. I'm happy to have a chance to discuss one of my favourite topics, which is sustainable development. In this particular instance, it's sustainable resource development.

I'd like to take a moment to talk about the most recent changes in the ministry shuffles that we've had since I've been in this Legislature, which is early '93. There have been four significant changes in the way the government has tried to do business since that time period. They came in in '93 talking about a reduction in the number of ministers and government departments, subsequently reduced those ministers so there was a shuffling of areas that we talk about now as being with sustainable development.

Sometime later they figured that wasn't working all that well and that all the ministries were in stovepipes. They wanted to flatten that out a little bit and try and do more co-ordination between the departments, so they added a couple of junior ministers and tried to make some changes that didn't seem to be too successful. We saw another set of small changes after the '97 election, and now once again in 2001 we've seen some significant changes: many more ministers on board, many more junior ministers on board, and another big shuffling of ministries.

I was trying to describe it to a friend the other day and said: you know, it's like taking a deck of cards and just when the people in the province and their voice in this Legislature, the opposition parties, have the decks all sorted out according to suits and according to ace to king and have them nice and orderly and can talk about them and compare figures from year to year in a manner that's reasonable and objective and comparable, the government shuffles the deck, mixes them all up again, and throws a budget at us and expects us to talk about how that works for the people of the province and approve the budgets.

The problem with how that works is that you end up with some inconsistencies and a great many numbers that are not comparable, which is quite a problem for anybody that has an accounting background and wants to be able to take numbers in budgets and compare them and see where there have been increases, decreases, and compare those numbers to benchmarks and targets and find out whether or not the government really did its job. The way these budgets are organized this year again, it's very, very hard to do that, Mr. Chairman.

The first time it happened after '93, I thought: well, they're trying to streamline things that really aren't the government's fault. Now after this fourth time that this deck has been reshuffled, I'm beginning to believe that the government does this with some deliberate attempts to make it hard for people to hold them accountable, Mr. Chairman, and that is a concern.

8:20

It isn't just my concern, Mr. Chairman, or the people that I

represent in the constituency and the people that I hear from throughout the province, but it is certainly a concern of the Auditor General. Every year that I've been in this Legislature, he has made some remarks about this in terms of consistency and comparability and holding the ministries accountable, setting measurable goals, and actually being able to determine through the goals and the benchmarks and the objectives whether or not the government has done its job. Every year in virtually every department the Auditor General sets out some recommendations which would indicate that the government hasn't done all that great a job. They make it harder for everyone trying to study these figures by the kind of shuffling that happens. It's certainly no different this year than other times when they've done this.

Now we have this department, Sustainable Resource Development, which is primarily taking some parts of Environment, what used to be environmental protection, Mr. Chairman, taking a portion of that along with parts from Community Development and Agriculture and Energy and calling it Sustainable Resource Development. So we have a bit of a hodgepodge mix compared to the departments we had before and an interesting transition that I'd just like to spend a moment talking about.

Most of this department used to come under environmental protection. What's in a name, Mr. Chairman? I think quite a bit when we talk about government and how they decide what filters they're going to use for decision-making in this province. Environmental protection would suggest that a primary concern of the government was environment, protection being the protection of the environment, and that that was the filter through which they made the decisions, the business decisions, other spending decisions, protection decisions, on how the dollars were spent.

Then they dropped the protection part of it. The question I think we have to ask is: why is there no longer a department that deals with protection in this province? That's a problem for me and for many people who think that protecting the environment is a role of government and that they have a large role to do that, particularly when we see so many competing interests for the landscape in this province: business interests, pressures from people on land uses, agriculture interests, wildlife interests. All those issues are competing interests and need to be taken into account. Somebody out there has to stand up and say that at some point we have to decide what land loads are going to be for the environment and make our decisions based on that, which certainly incorporates protection and sustainable development from all perspectives, not just resource development, which is what we have here.

I understand the pressures on the department to do some of the separations that we've seen here, and I don't disagree with some of them, Mr. Chairman. I think that definitely how the departments were organized previously wasn't all that effective in terms of service delivery and in meeting the mandates that the business community wanted. But I think that they were somewhat effective in starting to take a look at a protection perspective, and I would certainly hope that as this Legislature unfolds over the next three or four years, we don't see any erosion in protection of the landscape.

Certainly what I feel we need and what many people feel we need is for protection to have more significance in decision-making, particularly in business decision-making in this province. We are seeing businesses take a lead in that in many instances, Mr. Chairman. What we're seeing is that businesses are seeing that protection is a big deal. It's a big deal in the global marketplace and in being able to sell their commodities abroad and to be globally recognized as world-class leaders in the industry that they're involved in.

I'm thinking particularly of forestry when I talk about this. We've seen many businesses really take a leadership role in this province

in what they're trying to do in terms of sustainability and protection of the landscape and perpetuating forests forever as a good business decision. So I applaud those organizations. I hope the government will catch up with them, because in many regards they are not up to speed with what some of the organizations are doing out there and the issues that they're facing and the proactiveness that they're taking.

I certainly don't mean to offend anyone in the department when I make those comments, Mr. Chairman, because I think that certainly the people in the department work very hard. They're well qualified for their work. They're committed to the jobs they do, and I have always had a very good relationship in terms of feedback and questions being answered and seeing the commitment they have to the work that they do, but it doesn't mean that they're the leaders in this particular area. I think that business is out there a step ahead of them, and that concerns me a little bit sometimes when we talk about the choices that need to be made about competing interests in this province and particularly when I don't see incorporated into the business plans or the budgetary processes or the goals and so on a significant amount of attention being paid to cumulative impact.

I think that when we talk about sustainable development, be it resource or wildlife or landscape, we need to start talking about how important cumulative impact is on where we go in decision-making, and I don't know that that's incorporated into the decision-making process. I hear people in the department saying that it is. I've been asking this particular set of questions on cumulative impact for three or four years now in this Assembly, and I get answers, but they don't seem to be comprehensive in nature. I'm not sure that the department has a full handle on what it means to take not just a business decision in an area as their criteria for establishing cumulative impact but a sustained long-term perspective.

If we take a 20-, a 50-, and a 100-year look at a piece of land in this province, what are the impacts? What are all the cumulative impacts on that piece of land now, in the past, and in the very long-term future? We take a look at all the forests. We take a look at what the companies want to do with them. We take a look at the weather, what impact droughts, fires, floods have on the landscape. We take a look at the people impact, whether that be encroachment of urban sprawl or whether that be a tourism impact. We take a look at the impact on that land from a wildlife perspective: what's happening to the habitat for wildlife and how it is being impacted by all of these other factors. Then we take a look at the business development impact on that area and not just the landscape at that point in time. We need to talk about the air and the water at the same time. It doesn't happen, I don't think, in that kind of comprehensive fashion, and we need to take some leadership on this.

There's certainly enough expertise in this province, and there is certainly enough expertise in the department to be able to do this. I would like to see this minister take this as an undertaking for the next few years as something that he can show some strong leadership in in co-operation with the Minister of Environment. It's a little bit of an issue now with the way the departments are divided up, because as I understand it, essentially air and water decisions are in Environment and lots of the landscape issues are in Sustainable Resource Development. So they're going to have to have good lines of communication if they're going to talk about cumulative impact in those areas, Mr. Chairman. I know that can easily happen, but it's a big undertaking, not a small undertaking.

What do we need to do? We need to inventory the landscape in the province right now. What do we have in each region of the province in terms of these different kinds of impacts: the people, agriculture, wildlife, and industry? If we take those four basic areas and determine what the current inventory of impact is on the

province, then we take a look at where the impact is causing pressure points at this particular time. We know that there are some areas like that in the province. Certainly we're seeing urban sprawl and industrial development in the area around Edmonton as a big issue. We are probably overimpacted on agricultural land and from an industrial development and clean air and water perspective in this industrial corridor now. So we need to determine where those pressure points are. The eastern slopes is another good example of where we are overimpacted at this particular stage with all the competing interests for the landscape. We need to do an inventory right now of what's in the province. We need to determine where the pressure points are because we have too much significant impact on them. We need to decide how to mediate and turn around some of those problems. That's a role for government I think, Mr. Chairman, and that's a leadership role. We need to then determine the areas that don't have maximum allowable impact right now. Where are they? What could we sustain in those regions, and how do we get there? Long-term kinds of things to talk about; certainly important to do.

8:30

We're seeing that some of the forestry companies are doing that now. They're understanding, I think, that if they're not overallocated on the forests – which I think we are, but they would disagree with me – then they at least don't have enough sustainable inventory to meet their business needs. So what are they going to do, Mr. Chairman? They're going to land farm. They're going to tree farm some parts of the province so that they can sustain the kind of inventory they want. They've done cumulative impact studies within their own organizations to determine that they don't have enough sustainable inventory. They're going to have to do something else, so they look elsewhere.

At some point government needs to talk about that as an issue. Where are they going to tree farm? Not on marginal farmland, that's for sure, because it'll take too long to grow the trees. They're going to be looking for prime farmland. So that's a competing interest for agricultural use, and it's something that I think needs to be talked about in terms of the direction this province goes. Do we grow sugar beets, do we grow wheat and barley, or do we grow trees? Those are choices that need to be made. We're going to be seeing, I think, industry butting heads with the agricultural community at some point in time or at least taking over some of the agricultural land, and there is a role there, Mr. Chairman, for government to be involved in the process.

It's nice to see the minister in his comments talk about the shared resources and co-operation that is there between the departments he's working with now and that they're working to achieve co-ordination. Certainly that's something that's been talked about by the Auditor General in the Environment audit coverage and recommendations, and certainly the next stage, the next part of that, is that they go to a consistent planning basis, which is in fact recommendation 13 in the AG's report. They talk about

the Department of Environment's regional and area Action Plans used in the planning process be completed on a consistent basis.

There are 17 areas covering the Province for which Action Plans are prepared by the Department's Natural Resources Service.

There have been some areas where there are some issues, particularly when we talk about fish stocking management, Mr. Chairman.

That's a big issue in this province. We have a serious problem with fish stocks. When I first started talking about that in budget debates, they thought that was funny, that it was a very minor issue, and why would I spend so much time on it? But fish in this province are an indicator of things going wrong. If you can't sustain your fish

inventory in the province, why is that, Mr. Chairman? Because we have too many people fishing? Perhaps, and that's one of the things the government has done, in terms of setting limits. In most lakes and streams now we're catch and release. It's a long way from where we were 20 years ago or even 10 years ago.

That's not the only issue. What else is impacting the fish stocks? Development certainly impacts them, development around and on fish streams and on lakeshores. Both commercial and industrial development is a big issue. You just need to read any of the hundreds of letters that I have received over the years from the residents around Wabamun to start to understand what that kind of impact is. Water quality impacts the fish stocks too. So what are we doing about this?

Those are just some of the issues that impact fish management. The government hasn't been able to get a handle on those source problems, and we see it outlined in the Auditor General's report. We see some significant time spent on the goals and key strategies and performance management indicators in this year's budget on that issue, and that's good. I hope they're not too late. I hope we're in a stage where we can be recoverable on these issues.

I'm just about out of time on this set of 20 minutes. Certainly I need to come back because I haven't gotten to really any of the details of the budget yet. But one question I would like to put on the record right away is the \$7 million that the minister talked about in business development. He said business development. What I see under Core Business is Industry Development, and I'm wondering if he's talking about the same thing there. Are we talking about business development from the perspective of what the department is doing, or are we talking about some actual financial support to the industry? I see some of that outlined here in the key strategies in goal 1.1, and I'm hoping we can get some elaboration on that. I think it's not a bad idea that they're doing some development for industry.

Thanks, Mr. Chairman. I'll be back.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much, Mr. Chairman. I'm pleased to be able to join in the scrutiny of the budget proposals for the Ministry of Sustainable Resource Development. Now, this department, Sustainable Resource Development, includes the Natural Resources Conservation Board, the Surface Rights Board, and the Land Compensation Board. The Member for Edmonton-Ellerslie has already pointed out how confusing it is to try and keep a through line in watching performance measurement, monitoring and evaluation of this department, because over the years it has changed its outfit so often that it's beginning to look like a refugee from the Goodwill. I've been trying to track it through the Auditor General's report, and I'm kind of struggling to find all the pieces under what it used to be called, or was called very briefly for a year or 18 months, and then part of that. Once upon a time I think this was called forestry and a couple of other things all grouped together.

Looking at Industry Development and Resource Stewardship – those are the two core business areas in this department – I find that a really interesting combination. Number one, that it is – and I'm sure the words are very carefully chosen – industry development first and then resource stewardship second, which is always a concern for me. I know in Alberta over the long term, for the last 30 or 40 years, we've been trying to expand the base from which our revenue comes. Certainly with sustainable development we should be able to do that, but I think it's a very careful balance. I'm trying to understand if that balance is being achieved, if we are achieving

sustainability in what's being proposed in this 2001-2002 budget. I'm looking for stability in the department because it has been changed so many times. As I said, it's wearing a coat of many colours now, having been patched together from a variety of other ministries.

I'm looking for whether there is good management in this department. I'm looking to see whether the choices that are being made in the direction the department is going in are equitable to all parties involved, particularly to Albertans because it is their legacy for the future. Frankly, it's a little hard to determine.

Now, when I started by looking at the Meeting Priorities, Sharing Benefits business plans for Budget 2001, one of the first things I noticed is the performance measurement for the first goal; that is, to "sustain growth opportunities in the forest resource sector through maximization of opportunity, secondary processing and exports of products." And when I look at the performance measurement, it's under review. This is something I've noticed with the government in the past. They seem to do a set of performance measurements in a department, and then the next year they change it, so it's very difficult to track year to year to year how things are progressing. Again in this department it's under review. Now, perhaps that's appropriate, and that's a question I have for the minister, about why it's under review.

8:40

One of the things I noticed in the performance measurement that is in fact listed here, that being the target to "reduce the gap between the harvest and annual allowable cut," is that the gap in '95 was 7.0, and that dropped to a low in 1998 of 4.3, then skyrocketed in 1999 to 8.7. The estimate in 2000 is not available. That is disappointing. It's also difficult for anyone that's trying to measure whether the department is performing, and for two reasons. Is it a good performance measurement? Is it what we should be measuring? Is the outcome what is going to give us the information about good management and, in this case, sustainable resource development? So is the performance measurement accurate and valuable, and what is the information that we're getting from it, if it is a good performance measurement? Here we don't get anything. It's not available.

One of the other things that came out of that section that I'm reading – and I'm referring to page 328 in the business plan – is a section that says:

The sustainable harvest is calculated using only that portion of forest land base (e.g., excludes recreation areas, wildlife reserves, stream buffers, etc.) which the government makes available for timber harvest; and reflects the forest management strategies applied to that land base.

Now, at one point I thought I had read that every tree in Alberta that it was possible to allocate has been allocated. So if they've already allocated every possible tree, how is it even possible to measure this? I'd like to hear back from the department about what's happening there.

When I look at the second core business plan, Resource Stewardship, in the business plan there is no performance measurement listed at all. When I went through the secondary goals under Resource Stewardship, the first goal, 2.1, being to "protect Alberta's forests by preventing and suppressing wildfires," there's no performance measurement. When I look at goal 2.2, "improve environmental stewardship of public land," there is no performance measurement at all, nothing listed. When I look at goal 2.3, "promote fish and wildlife conservation," there is a performance measurement which is under review and seems to be saying that it's not a problem, because they're looking at the species of fish and wildlife that are in Alberta and which ones are considered at serious risk. They're stating that "only two percent are considered at serious risk" here and that the target was the "percentage of species at

serious risk below five percent." So that seems to be a reasonable performance measurement. It seems to have given us the information. It, too, is under review.

When I look at the third goal, under Support Services, to "manage the department in an effective, affordable manner and provide an attractive work environment for employees," again no performance measurement. So how is the department being a good manager and even able to check how its own performance is moving along when it either has no performance measurement for key areas and key goals or they're all under review? I ran into the same problem under the Estimates book.

Now, here it states quite clearly that "given the newness of the Department" – well, yes, this particular combination of sectors is new, but, you know, resource development isn't new, the protection isn't new, and the sustainability isn't new. Come on here, folks. Yes, all these things have been joined together for perhaps the first time, but none of the activities that they're doing is new. It states quite clearly that because of the "newness of the Department, the performance indicators and targets are under review and should be treated as preliminary." What are we going to see in this thing next year, and how are we in next year's budget supposed to be looking back at the performance of this year when all these things were under review or don't exist?

You know, this government loves to get up and talk about how it's open and accountable and then seems incapable of producing the performance measurements by which it can measure itself and use as a management tool and allow the scrutiny of other legislators, the opposition, and the public to look at this. So there's a disconnect here.

As I say, I did try and locate the various pieces out of the Auditor General's report for '99-2000 and haven't been quite successful, so let me go back and look at the numbers. When I look at program 1, which in fact is listed as ministry support services, I'm looking at the full-time equivalents. The minister himself noted that there was a sizable staff, and I'm wondering how many FTEs are employed under the ministry support services in this budget before us, in 2001-02.

I'm also looking for the breakdown of FTEs for each of the subprograms in the ministry support services. This is another area where the government gets less open and less accountable as the years go on. When I go back and look at budgets from the late '80s or even the early '90s, we got a breakdown of where the FTEs were in each of the subprograms, and you were able to track that. Now you're getting a sort of lump sum at the end of the budget, one figure for the entire department. Particularly in a ministry like this one, which is really a collection of other components, I think it really is necessary that the FTEs be shown broken out by the programs. In particular here I'm just going to ask at this point for the breakout of the FTEs for the subprograms in ministry support services.

Now, the next question I have. The minister's office budget is increasing by it looks like \$167,000. Yes, indeed. Yowsa, it's a leap, 95 percent. Let's get into this one. What is the breakdown of the \$342,000 minister's office budget for 2001-02 by salaries for permanent positions, salaries for nonpermanent positions, salaries for contract positions, travel expenses, advertising, telephone and communications, and hosting expenses? I'd like that breakdown for each of those areas, please.

Now, when we look at the human resources budget, that as well is increasing by \$984,000, by 46 percent, but if you look back, the preliminary actual for the previous year is \$355,000 underbudget. We're underbudget, we think, for last year by \$355,000, yet they're asking for almost a million dollar increase at this point. What is going on here? Can we get an explanation for what is happening in

the human resources budget that we're getting that kind of spread? I think we need to know what's happening there, whether there's a lot of retirements, pension contributions. What on earth would account for that?

8:50

As well, the budget for legal services is decreasing by \$43,000, from \$110,000 to \$67,000, so that's a 40 percent decrease. Why? What are the choices being made there? Or has there been an ongoing legal cost that is no longer being called for? What's the reason for the discrepancy in that? Does the budget for legal services cover internal costs only, or it is used to cover legal expenses for intervenors' legal fees when a development is being challenged? If the intervenor fees are not covered from this budget, where does the government make allowances to pay the legal fees so Albertans' views can be heard on development projects? Is that covered under another area in these program expenses, and if so, where is it? We'd be interested in hearing that.

What was included in the \$725,000 budget for achievement award in 2000-2001, and why has it been eliminated in this year, 2001-02?

Still under program 1, ministry support services, what is the breakdown of the \$367,000 deputy minister's office budget for 2001-02? Again, salaries permanent positions, salaries nonpermanent, and salaries contract positions, and in addition travel, advertising and hosting expenses, and telephone and communications: so what's the breakdown in the deputy minister's office under that?

Now, program 2, policy, program, and standards. Same question that I started with before: what are the FTEs that are employed under program 2, policy, program, and standards, and could we have a breakout of these FTEs by the subprograms? It looks like there are about nine subprograms under that. Specifically what services are provided under 2.0.5, forest industry development, that are worth \$2.682 million? Yes, there's not a lot of information on that. So what services are under that? What are the measurements that are being used to determine its successes? What sort of outcome are they looking for from that? Can the minister provide a written list of where the money was spent for forest industry development in 2000-2001 and where he anticipates spending it in 2001-2002?

What capital investments does the minister plan to make under program 2.0.6, public lands management, for \$300,000? So what are those capital investments under that section?

Why is the capital investment in program 2.0.7, which is grazing reserves – now, this is interesting. In the comparable year of 2000-2001 preliminary actual, that was \$131,000, and it's dropping to \$25,000. What is in there, and why has it reduced by that much? Is there something that's being covered under another area or another program? Have they completely dropped a program? That's a significant reduction. I mean, we're not talking about a lot of money overall, but still to go from \$131,000 to \$25,000 is a fairly significant drop. So I'd be interested in what's in there and why that happened.

Can the minister provide a list of the capital investment projects that were funded under program 2.0.7, grazing reserves, in 2000-2001 and a list of the anticipated capital projects for 2001-02?

I'm aware that my time will be running out shortly. I know that my colleagues also wish to pursue scrutiny of this budget, but I'll go until the bell rings on me.

In program 2.0.2, enforcement field services, why is it being reduced from \$2.869 million to \$2.633 million? We think that's a real problem, because what effect does this decrease have on catching poachers and those who overfish? We know we have a real problem with the fish stock in Alberta lakes for all kinds of reasons, but certainly decreasing the enforcement field services isn't going to

help us very much there if there is abuse of the system. So we're interested in that.

I'm sorry. I've run out of time, but I will try and proceed later.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'm happy to have an opportunity to continue my questions about this particular ministry. I'd like to talk for a moment about the department's core businesses and some good things about those that I think exist and also what I feel are perhaps some inconsistencies that I would like some explanations for and I think maybe even some justification. So if we talk about the department's core businesses as being industry development and resource stewardship, which include such items as "foster development, investment, trade and research in Alberta's forest resources," I think that's good. Definitely that needs to happen.

Then next we talk about "development and research in Alberta's fish and wildlife and public land resources." Also good on the face of it, Mr. Chairman. An issue I have with that, though, is when we go over to the goals, key strategies, performance management indicators, and measures by core businesses and we take a look down at goal 2.3, promote fish and wildlife conservation, you look at that and think that's really good, and it is really good, but it's only half the job. What I think goal 2.3 should say is: promote fish and wildlife conservation and rehabilitation, because we know there are some huge issues in this particular province with fish. So it's more than developing and research in fish in this case, and I would suggest that carries through to wildlife and public land resources. In this case we have to see some rehabilitation.

Going back to my earlier comments about the cumulative impact and managing the land base in a fair and reasonable and sustainable manner, I would suggest that we need rehabilitation in several areas in this province, that we need to take a look at how demand is managed. If we go back to the core businesses, they talk about "establish and optimize Albertans' share of revenue from forest, fish and wildlife and public land development." Perhaps good from this government's perspective and perhaps from industry's perspective but not particularly good from the perspective of a protection mandate, ensuring that part of a sustainable future for this province is sustaining some areas that are if not pristine then certainly benchmark areas for what the landscape could look like to use as indicators, as a measuring tool for what happens in other areas in the province.

Also, if we're talking about things like wildlife corridors, which are very important, optimizing the share of revenue in those areas isn't going to help wildlife be sustainable. When you disrupt the wildlife, you disrupt the fauna, and so then we sort of have multiple problems in these areas. I would suggest that that particular goal is in direct conflict with their other goal that says, "Ensure Forest Protection." I think those are in direct conflict as they are stated in the business plans, and I would like some explanation on that in terms of how the government expects that it can do both, that it can give at least equal value to both of those. If they are not prepared to give equal value, then what kind of value, what kind of weighting are they putting on those two competing goals? What happens when there are instances when forest protection for whatever reason becomes a greater need than optimizing the share of the revenue in order to keep the forests sustainable? If those questions could be asked, I would like some answers to them.

9:00

Some overall concerns about how the dollars are being spent. We see a \$3.4 million decrease from the 2000-2001 budget. It concerns me when we see decreases in ministry budgets in areas that involve any kind of protection, Mr. Chairman, because it seems to me that what this government does is what it does with the name of the department: it just cuts the protection off. So I need some assurances, some documentation from the department that getting less money is going to be able to still allow them to at least meet the minimum standards that we've seen in the past if not exceed them in some cases.

I think there are many documented times in this Assembly when we have registered concerns about the underfunding in particular areas, and that needs to be addressed, particularly in light of the fact that we see a department that overspent its budget by 14 percent in total and is overall facing about a 5 percent budget cut. So that's a bit of a concern for me, particularly when you then compare it to program 1 in ministry support services, where we are seeing significant increases in the budget dollars. So if we see the minister's office increasing by 95 percent and human resources – well, we'll talk about that separately. I don't think that's all that bad.

Some increases in some areas that are not direct program delivery, Mr. Chairman. That concerns me somewhat. What we need in this province from this particular department is more people in the field. There is no one who can disagree with that. Parks need more frontline people. Forestry needs more frontline people. We need more frontline people to manage the huge issues that are starting to evolve as people compete for land base use. We've seen all kinds of those issues emerge, from poaching of fish and wildlife to random camping issues to overuse of trails that interfere with wildlife: all kinds of issues like that. They're numerous and need to be addressed. I'm wondering how, when we see an overall 5 percent reduction with increases on the administrative side, this government expects this department to meet its mandate. So if they could talk about that, if we could get some written information about that, I would certainly appreciate it.

When we see the human resource budget increasing by 46 percent, I'm hoping that means more people in the field, yet when I take a look at the number of full-time equivalents, it looks like it's just increasing by 13 people. Are all those people going into the field? I'd like to think so, but I would like some detail on that, because definitely we need to have more people there.

My colleague from Edmonton-Centre talked about how necessary it is for us to have intervenor fees, and we are concerned, when we see the legal services budget being decreased, that that may disrupt that process. Certainly we need more dollars here. Intervenors are a necessary part of the process in this province. I think we have all kinds of instances where by having people who are directly or close to being directly affected intervene in particular areas, we have seen good decisions being made, decisions that encompass the many competing interests and not just a few interests. So that's something we would like to see more dollars spent on.

Definitely we've got some more questions on this budget in terms of fisheries and wildlife management. We see a little bit of money increased in program 2.0.3, and that's good. Just some details on where that's going. We're hoping that it's going to be to address the problems identified by the Auditor General in the management of the fisheries. As much detail as they can give us on what's happening there would be helpful, I think.

When we see a bill before us in the Assembly that addresses a few very, very minor issues, it almost looks like tinkering at the edges, Mr. Chairman. We need some substantive stuff done there. What we need is consistent reporting so that costing of fish stocks can be

effectively managed. A big issue, one we've talked about for years, but seriously a problem in this province at this time, so what are they going to be doing for that?

Is there going to be money, Mr. Chairman, to track the problems coming from the resource data in program 2.0.9? It's increasing the budget for that particular department, and we'd like some detail on that if we can.

You know, we've been recently receiving quite a bit of information from the Western Wildlife Council. I'm sure many people in this Assembly also have been obtaining that information from the council. They've got quite a few concerns about the government talking about the stopping of stocking of walleye in two years. So could we get that confirmed? Is that what's going to be happening? If so, what are the justifications for doing that? If it's being phased out, why? What we're hearing from them is that they think this problem is going to cause stress in lakes that are currently stocked and that will also then be depleted. Are those issues they bring forward based on sound science, or are they just concerns that don't have any factual base? Could we do that?

You know, the way the landscape is going here, I think it's going to be important for us to talk about a little more serious promotion of aquaculture and private fishing plans. We're a landlocked province, but that doesn't mean that we can't see fish farming as a viable economic enterprise. There are some successful ventures now in the province and we would like to congratulate them, but clearly we're not meeting recreational fish needs, never mind those from a business perspective. So something's got to be done there. What's the government doing to support that particular industry?

We consistently have questions raised about the caribou from people who live in the northern part of the province. Particularly, caribou are a species that doesn't like intervention by people or by equipment, so seismic crews and forestry all impact their habitat significantly, significantly more than for some other species. You know, we see some species who seem to thrive when people and industry are around. I think particularly of the sheep that we see in the mountains around the coal mines. They really thrive in that environment, but caribou don't, Mr. Chairman, so we need to ensure that we're able to sustain their habitat. Particularly when we go in and cut seismic lines or move in and do any kind of forestry operations, what happens is that we open up the landscape, which makes it harder for the caribou to get away from their prey. So what we do is upset the balance of nature sometimes.

I know that the government has been doing some work on this issue. If we could get a little bit of factual data on that, that would be helpful, particularly in the area of habitat fragmentation. What studies is the government currently involved in, and what plans do they have to participate, either fully or in part, in studies being done by other organizations? If they could talk about that.

You know, we talk a lot in this Legislature about wildlife and maintaining their habitat and ensuring that they're sustainable, but something that's recently come to the attention certainly of me and I think of many people in this province is how wild animals are managed in captivity. I think this would come under here when we're talking about management of things like wildlife and fish. Previously it was the Department of Environment, though, and they were undertaking a review of zoo regulations in Alberta. We want to know who's responsible for that. It seems to me that the logical fit is here. If not, I'm hoping that you'll pass my questions on to the Department of Environment. How's it going with the drafting of those regulations, Mr. Chairman? We saw increasingly over this past year some concerns, and legitimate concerns, from the general public about how some zoos are operated, and certainly we need to

know that those wild animals are safe too. So if we could get an update on that.

9:10

With the changes in the ministries, the delegated authorities are – we don't know who belongs to whom, Mr. Chairman. Could we just get a list so that we know who's reporting to the Department of Sustainable Resource Development so we know where to direct our questions? In the past the DAOs have been a huge item of concern for us. I'm not sure that that's still the case.

I think we are seeing some excellent progress with some of the DAOs in terms of how they are managing their operations. It's something that we keep a fairly close eye on. Certainly last year the Auditor General raised concerns about the Alberta Conservation Association and had some preliminary discussions with the association. I have been quite satisfied by the feedback that I've got on an informal basis from the department. We would like something a little more formal. Could we hear specifically how the concerns raised by the AG have been addressed with the ACA? What are the outstanding concerns, if there are some, and what steps are being taken to rectify those?

Now, I think this is a department where we have seen some good-news stories on the DAOs, and certainly I've seen some involvement in some of those, particularly with the Professional Outfitters Association of Alberta. I think that is a stellar example of how a DAO can effectively operate and manage, and that's kind of an interesting story, Mr. Chairman. We see that what most of us would think of as a pretty freewheeling group of people have spent some serious time and energy in making their delegated authority work efficiently and effectively for them, and it has turned out to be I think a good-news story for their organization and for the government. So I would like to offer my congratulations on that one, and we hope that they continue with the kind of strong mandate they've had and that they can be used as a good example for other DAOs in terms of reporting and operations.

Lots left to talk about here. For sure I want to talk about fire. It's a big issue in this province over the last couple of years, and managing fires and protecting the forest is a big deal from an economic development perspective, not just for the sustainability of the landscape and for the enjoyment of the tourism population.

It's interesting to see that we're seeing a decrease in those dollars here too, Mr. Chairman. I know that when it comes to fires, the government will spend the money that's necessary to fight them, and that's good. I know that they will come back in supplementary estimates and ask for more dollars if they overspend their budget, and I don't have a problem with that. But it is nice to know what the basis is that they're making their projections on for the upcoming year. I know that we've had a couple of heavy fire years, but we've had drought conditions again this year, so it would seem to me that we're likely facing the potential of a bad fire year again. We've been lucky so far, but that could change in a heartbeat, as we all know.

In addition, if we could find out the capital investments that have been made under program 3.1.1, provincial fire-fighting centre, I think that would be interesting to know. You know, with the reductions that we had in this department, we saw a significant decrease in some of the senior fire-fighting staff, and that was a real shame. I'm wondering if we could get a comment on what has happened since then.

I think two years ago we saw significant increases as a result of the lack of continuity in the history and knowledge of fire fighting. I'm hoping that they're on the road to recovering that. So if we could find out some information about that. In 3.2, the fire centres, could we find out why that's also being reduced? That's pretty

significant, 31 percent. Maybe it's justified if they're well on their way to being where they need to be. But could we just have that information?

I don't have very much time left and lots of information. We need some copies of the reports on the effects of logging on watersheds and water quality and quantity. If we could get some information on that.

What's the government planning to do in protecting the Bighorn area? Will the minister continue to promote and support development in the Castle-Crown area, or can we look to some more good news in terms of protection? The Alberta Outfitters Association is looking for a 10-year access. We've heard that that's happening. Can you give us the update on that? We also heard that there are three pilot projects related to the 10-year system on the eastern slopes this summer. Could we get the status of those projects and some more information on them?

Quite a few things left to talk about. I never got to the petroleum tank management or regional operations or the reporting agencies or specific questions on the goals and business strategies, but I think, Mr. Chairman, what I will do, with the minister's permission, is submit the balance of my questions to the department, and hopefully we can get some answers to those. [interjection] He's saying that's fine. I'd like to applaud the minister so far for the co-operation that we've had from his department and from him, and I look forward to that continuing over the next few years. I think that I am pretty much out of time and am happy to conclude at this point.

THE DEPUTY CHAIRMAN: As per the House leaders' agreement the time allocated for opposition party members is over. Before I call upon the minister to conclude, is there anybody else who wishes to speak?

The hon. Minister of Sustainable Resource Development.

MR. CARDINAL: Thank you very much, Mr. Chairman. I'd just like to take a moment to thank the opposition for their keen interest in the department and also some of the good recommendations they made tonight. We'll definitely look at those recommendations.

Also, I'd like to take a moment to thank the staff for sitting up there and taking notes. I'm sure we'll have a lot of good answers for you. Sometimes we forget, but governments would not run without the staff. We have over 2,000 staff in the department, and we have very well-qualified staff. In fact, I believe we have some of the best staff in North America to manage such valuable sustainable resources. Our staff are to be commended because I believe, when you look around in Canada, we probably have some of the best-managed forest and wildlife resources in North America.

That doesn't mean that we can't continue listening very carefully and continue to improve the operations we have and continue to listen also to the opposition. They do have some good ideas, and I'm sure willing to work closely with their members to ensure that we continue providing the best we can to Albertans in relation to this department's responsibility.

Like I indicated before, we will be providing written answers to your questions and to the questions you submitted. We will provide written answers for those also. Again I'd just like to say thank you very much for tonight.

THE DEPUTY CHAIRMAN: After considering the business plan and proposed estimates for the Department of Sustainable Resource Development, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:
Operating Expense and Capital Investment \$197,134,000

THE DEPUTY CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

9:20

Municipal Affairs

THE DEPUTY CHAIRMAN: The hon. minister.

MR. BOUTILIER: Thank you, Mr. Chairman. For every hand that I heard clap, that was a million dollars, so I think I just counted about 400 more than I was budgeting for tonight. So that's good news for my colleagues and for my colleagues across the way.

Mr. Chairman, I'm pleased to present the estimates for Alberta Municipal Affairs. Before I begin, as my colleague from Sustainable Resource Development mentioned, we also have staff from the department here. Deputy Minister Doug Radke. I'd ask him to wave. Doug has been with our government now for almost 32 years, and I thank him for coming tonight. [interjection] In fact, no, I wasn't even born when Doug was working for the provincial government.

As well, the assistant deputy minister of local government services, Brad Pickering, is here tonight. From our public safety division, Assistant Deputy Minister Dennis Gartner is here. From business planning and corporate support we have Joyce Ingram here as well, and my assistant, who keeps me out of trouble, Laurent Auger, is here as well tonight. Thank you.

Our Ministry of Municipal Affairs is committed to working with a variety of stakeholders to ensure that Albertans live in safe, sustainable communities and are served by open, effective, and accountable governments at the local level. I might add tonight that many of my colleagues in this room and across the way have had a considerable amount of experience in local government: aldermen, school trustees, councillors, mayors, reeves. I look for the insight and comments tonight that they bring in terms of our budget estimates.

Essentially, since our last review by the Committee of Supply we've continued to develop and articulate a more focused and co-ordinated approach to working with municipalities, and in the coming years we will pursue five specific goals. We will, first, work towards a financially sustainable and accountable municipalities perspective. As well, we will work towards an effective, responsive, and well-managed local government sector and also a uniform and equitable property assessment system in which stakeholders have continued confidence but which is also easily understood by all Albertans. Finally, the last two goals that we have are a comprehensive safety system that provides an appropriate level of public safety and a disaster services program that enhances and supports the capability of local authorities and also their partners to prepare for, respond to effectively, and recover from major emergencies and disasters.

First, let's talk about the ministry's expenditures for the year 2001-2002. The operating expense and capital investment total \$204 million. This funding will support the operation of the ministry in four main areas: the local government services as well as the public safety division, the ministry support services, and the Municipal Government Board, which is, of course, a quasi-judicial tribunal that adjudicates matters specified under the Municipal Government Act.

Now, what about our revenue side? In the year 2002 the ministry statement of operations by program indicates that our revenue will be approximately \$14.4 million. We will receive about \$12 million from lottery revenues to support financial assistance provided under a municipal sponsorship program, and the remaining \$2.4 million will come from services rendered to municipalities for assessment of linear transmission systems like pipelines as well as the sale of licences and fees associated with safety certificates and cost-sharing arrangements with the federal government for some of our disaster preparedness programs.

I want to talk about the local government services division, one of our four main areas, which is responsible for a significant part of the ministry's budget, \$112.5 million. This includes about \$94.6 million for grants to municipalities. That's almost close to 90 percent of our local government services. In terms of grants to local municipalities \$94.6 million goes directly to municipalities. I think we all know, from the feedback that I'm getting from municipalities, that this is important and welcome news in terms of the large percentage of dollars that go to local municipalities.

From key initiatives within the local government services there are a number of initiatives that will be carried out under the nongrant portion of the local government services budget. That's going to total almost \$18 million. One of our four major initiatives will be to encourage and help develop regional partnerships. You know, we've heard much about regional partnerships. Really a partnership is about: what can I do for you that you can't do, and what can we do for you that you can't do? Really, that partnership is something that I think we never want to take for granted, nor does this ministry, in working with municipal governments throughout Alberta.

In addition, we're going to continue to offer a highly successful intermunicipal dispute resolution initiative. Not always do we agree, and our ministry has played a very key role in terms of dispute mechanisms, in terms of dealing with disputes and working on resolving them. I think what's really important on this initiative is that it is not a top-down approach. We're using a bottom-up approach where we work with municipalities, because no matter if you're a federal, municipal, or provincial government, we view these as the McDonald's restaurants approach in terms of the fact that we are all horizontal in terms of serving the same taxpayer, because there is only one boss.

As well, though, we want to focus in on best practices, and this program of course encourages self-evaluation of excellence by municipalities. We want to continue to improve the processes for assessment and equalization in education requisitioning and continue to work with MLA committees to develop a uniform, equitable, and efficient property assessment system. I must say that the hon. member from Two Hills is of course chairing that committee. He's here tonight and, I see, listening very keenly and interested because he's also working with another key member of that committee, the hon. Member for Lacombe-Stettler.

From a grants to municipalities perspective the local government services is administering the department's major grants to municipal governments, accounting for the \$94.6 million. As I mentioned, that makes up almost 90 percent of that sector in terms of our main goals. I want to say that the major grant programs are made up of the municipal sponsorship program, which is \$13.5 million, as well as the unconditional municipal grant program, which is almost \$38 million, the municipal debenture interest rebates program, which is almost \$11 million, and the grants in place of taxes program of almost \$32 million.

As well, we have financial support in dealing with local authorities such as the Alberta Urban Municipalities Association, that we work closely in partnership with, and the AAMDC, the Alberta

Association of Municipal Districts and Counties. These are important partners that of course we will continue to work very closely with.

From the municipal sponsorship program the innovative projects that improve municipal government are something we're very keen on but specifically are working toward things such as regional partnerships. The unconditional municipal grants program promotes grants to municipalities that of course allow general use and help offset some of the cost of restructuring municipalities, because the restructuring portion has been reduced and we have reallocated some funds to other priority programs, including the municipal sponsorship program.

It's important to note that the Future Summit, that's going to be coming up, is going to play a key role in terms of: what do we want municipalities to look like in the next 10 years? Big cities, small cities, medium-sized cities? If we were creating Alberta again, would we create the jurisdictions that we have today? How would we work towards more regional partnerships? Certainly that is one of the priorities of our ministry over the next couple of years in working in partnership with municipal governments.

From the public safety division I also want to say, now on to specifics, that this accounts for about \$80 million in our ministry budget. This is a significant increase over last year because of the fact that \$70 million is budgeted for the second year of the underground petroleum storage tank remediation program. Of course this is an important environmental initiative that's been around for some time, and I do know that all members in the Assembly agree that this is money well spent towards this environmental initiative. This program of course is conducting environmental assessments and remediating contaminated underground sites, that will go a long way towards presenting a clean environment for all Albertans alike.

From a divisional support perspective we'd also like to talk about and notice an increase under the public safety division of almost \$203,000, not a lot of money, but that's for additional staff and support within that area. Of course, this area is going to provide critical support.

We have many other key initiatives, but I'm very interested in hearing the comments from across the way pertaining to our budget. In the meantime, I do want to say that safety services and the fire commissioner's office will continue to improve our assistance to municipalities in helping to ensure that safety codes are met. We also want, from a disaster services perspective, to continue to work with our municipal partners to ensure that emergency plans are tested and in place. Last year's tornado initiative in Pine Lake of course was an important initiative, that we want to continue to provide.

With that, I eagerly wait for questions, that we will be responding to, Mr. Chairman.

9:30

THE DEPUTY CHAIRMAN: Thank you very much.

The hon. Member for Edmonton-Glenarry.

MR. BONNER: Thank you very much, Mr. Chairman. It was a pleasure to listen to the minister's opening remarks this evening. I would also like to welcome the members from his department that have taken time out of their schedules to be here and to be involved in this process. I would also like to congratulate the minister on his appointment as Minister of Municipal Affairs. I'm sure that his experience in local government will serve our local leaders well now that he is directing this very important ministry.

I call Municipal Affairs an important ministry because of the influence this department has on the daily lives of Albertans. The Minister of Municipal Affairs is faced with probably the most number of cross-ministry initiatives since so much of the work done

in the municipalities crosses over to other ministries. There are some key issues on which I would like to provide some opening comments. Then my colleagues and I will move into questions on the specific programs in the ministry's budget. I hope that if we are unable to get all of our questions on the table today, the minister will accept a letter with the remaining questions.

Alberta's local leaders are very appreciative of the government's recent announcement about the cut to the education property tax. The tax cut opens up room for municipalities to meet their local priorities and be more self-sufficient. That's a good thing, but I also see in the Alberta Urban Municipalities Association news release that was put out on April 24 that they still feel that

provincial property taxes continue to force municipal governments to rely on grants and hand-outs instead of being able to raise and use their own funds locally.

If the Province is truly interested in creating self reliant and accountable local governments then a significant cut in the amount the Province takes out of a community through property taxes is needed.

On the other hand, Mr. Chairman, I'm concerned about the lack of connection between taxation and representation in the way the education property tax is collected. The province sets the tax rate, and the actual money is then collected by the municipalities and submitted to the Alberta school foundation fund. My understanding is that municipalities are still not being compensated for this required tax collection duty. The Alberta school foundation fund then takes the money and gives it to the school boards, who in turn give it to the schools to meet their budgets.

Municipal administrators in Alberta will tell all kinds of stories about the challenges of explaining to irate ratepayers that the town office is just collecting the tax and that if they don't like the rate, they should talk to their MLA. If a taxpayer doesn't like the way education is being funded, do they vote out the MLA who is not getting enough provincial funding or the school board for not spending the money the way the parents want it spent? Or maybe the parents are mad about the level of fund-raising that the school boards are now doing. Is that the fault of the provincial funding levels or local priorities?

[Mr. Klapstein in the chair]

I could go on about the problems with this tax, but I think the important thing to note here is that the education property tax is not just about the mill rate on property. There is a broad range of issues here, and hopefully we will see some action in the near future on them. After all, there's only one taxpayer to serve all levels of government.

I think the other key area for municipalities is the relationship with the provincial government. Alberta municipalities are looking for real action in terms of a new partnership. There has been plenty of time to talk and ponder and be philosophical. It is time to sit down at the table and start working on an agreement. The pen has to hit the paper, and the province and our local leaders need to clarify and accept their roles and responsibilities.

A third area, which I know is close to the minister's heart, is amalgamation. Each community and each municipality is proud of its identity and wishes to preserve that identity. Some continue to see amalgamation as a threat to that identity, but it sounds like it has worked well in what is now the regional municipality of Wood Buffalo. I notice that throughout the ministry's business plans are commitments to working with the municipal leaders on regionalization. The ministry has for some time been pursuing regionalization through economics. By this I refer to programs like the 25 percent bonus in the lottery dollars for municipal projects. I'm not ruling out

the benefits that come from regionalization, but I wonder if financial incentives from the province blur the lines between whose priority this is and who really benefits. If this were such a great idea, wouldn't the municipalities do it without direction and financial incentives?

Now, I'd like to begin to ask questions about specific programs in the ministry's budget. I would like to start by referring to the Auditor General's report which was filed March 31, 2000. It did contain his reservation of opinion. It goes on to say: "In my opinion, generally accepted accounting principles require the financial statements of the Safety Codes Council and the four DAOs." These four delegated administrative organizations are the Alberta Boilers Safety Association, the Alberta Elevating Devices and Amusement Rides Association, the Alberta Propane Vehicle Administration Organization Ltd., the Petroleum Tank Management Association of Alberta. In his opinion he wants these to be consolidated in ministry financial statements.

Now, then, in my review of these statements I could not see where this recommendation by the Auditor General had been followed. I would think that if he has indicated that this is a very serious neglect in past reporting, this particular issue would have been addressed in these. So if the minister could please tell me if I have not seen these in here or if they were not included. If they haven't been, what are the plans to do this this year?

Now, Mr. Chairman, as well the 2001-2002 gross operating estimate for the department of \$203.184 million reflects a \$62.36 million increase over the 2000-2001 budget. Sixty million dollars of this increase is for the underground petroleum tank site remediation program.

The department's operating expenses from 2000-2001 are forecasted at 14.6 percent, \$20,675,000, over budget, and their capital investment expenses are forecasted at 72 percent, or \$693,000, over budget. The total forecasted budget is 15 percent, or \$21,368,000, over budget. Most of this should relate to the Pine Lake disaster.

Now, then, I also notice in here that the number of full-time equivalent employees is increasing by 14, from 303 to 317.

MS BLAKEMAN: We need a breakdown.

MR. BONNER: Yes. I think it's quite in order that we do require a breakdown.

So I would ask the minister if he would provide a breakdown of the ministry's gross operating expenses of \$203.184 million for 2001-2002 by object for the following components: If we could please have a breakdown of the salaries for permanent positions, the salaries for nonpermanent positions, the salaries for contract positions. If we could also have a breakdown of travel, advertising, telephone and communications, and hosting expenses.

Now, moving along, under the fee changes in the Budget 2001 fiscal plan. I'm referring to page 54 under Municipal Affairs. Municipal Affairs will be charging a fee for relocatable structure labels, from \$140 per label to \$30 per label. Again, if he could please provide for us what relocatable structure labels are, where they are used, who produces them, how many are produced in a year, and why the fee is dropping this year from \$140 per label to \$30 per label. If the fee has been too high in past years, where has the excess money gone? How many full-time equivalent positions are involved in producing and distributing these labels, and where are these positions located?

9:40

In the Municipal Affairs business plan for 2001-2002 – and again

I refer to page 296 – I see that the estimate of revenues for 2001-2002 is \$376,000, and the actual is \$591,000 from 2000-2001. So if the minister could please provide a breakdown of the revenues for the various types of premiums, fees, and licences. Also, a question is: why is this revenue source anticipated to drop from \$591,000 to \$376,000?

MS BLAKEMAN: Is it the year of decision?

MR. BONNER: Yes. Is this the year of decision?

Now, then, as well I see under revenue that the bottom line refers to "other revenue." I see that in 1999-2000 the actual amount of this particular line was \$6,188,000. In the 2000-2001 budget this was \$1,307,000 for a budgeted amount when the actual amount was \$1,476,000, and the estimate for 2001-2002 is \$1,531,000. So what I would like to know from the ministry is: what is included in other revenue, and how is this estimated?

Moving right along, I'd like to now go into program 1, the ministry support services, and I see that the estimate in 2001-2002 is \$10.192 million. As well, the actual in 2000-2001 was \$10.16 million, and the budget amount for 2000-2001 was \$8.097 million. So the actual is \$2.063 million, or 25.4 percent, over budget. The estimate is \$2.085 million, or a 25.8 percent increase over the previous budget. Now, then, my questions in regard to program 1, ministry support services, are: how many full-time equivalents are employed under the ministry support services in the year 2001-2002? As well, what is the breakdown of the full-time equivalents by the three subprograms: the minister's office, the deputy minister's office, and support services?

I'd like to now refer to line 1.0.1, the minister's office. I see that in the year 2001-2002 we had an estimate of \$270,000. The actual for the year 2000-2001 is \$270,000, and the budgeted amount for the year 2000-2001 was \$270,000. The \$270,000 operating expenses represents no change from the previous year's budget or actual. So if the minister could please provide a breakdown of the \$270,000 from the minister's office budget for 2001-2002. If you would please include in that the salaries for permanent positions, the salaries for nonpermanent positions, the salaries for contract positions, travel expenses, advertising, telephone and communications, and posting expenses.

Moving on to line 1.0.2, the deputy minister's office, I see that for the year 2001-2002 we have an estimated amount of \$374,000. I see that the actual amount for the year 2000-2001 was \$332,000 and that the budgeted amount for 2000-2001 was \$302,000. So the actual is \$30,000, or 9 percent, over budget, and the estimate is an increase of \$72,000, 23 percent above or over the previous budget. What is the breakdown of the \$374,000 the deputy minister's office budgeted for 2001-2002? If this could please be provided by outlining the salaries for permanent positions, the salaries for nonpermanent positions, the salaries for contract positions, travel expenses, advertising, telephone and communications, and posting expenses. If the minister could also indicate why the deputy minister's budget is increasing by \$72,000 for this year.

[Mr. Shariff in the chair]

The next line I'd like to refer to is 1.0.3, support services. I notice here that in the year 2001-2002 the operating estimate is \$9,423,000. The operating actual for last year, 2000-2001, was \$9,433,000, and for the same period the operating budget was \$7,400,000. Now, as well in 2001-2002 we have a capital estimate of \$125,000. For the year 2000-2001 we had a capital actual of \$125,000, and for the same period we had a capital budget of \$125,000. So the actual

operating is \$2.033 million, or 27 percent over budget, and the estimate is an increase of \$2.023 million, or 27 percent over the previous budget. Then why are operating expenses of \$2.033 million over budget? What is the breakdown of the \$9.423 million operating estimate for support services in 2001-2002 by business planning and corporate support, communications, financial services, human resources services, information technology, and legal services?

I see that my time is running down, Mr. Chairman, so I will start with program 2, local government services, and hopefully I will have a chance later on this evening to continue with the questions. In local government services our operating estimate for this year is \$111,827,000. For the last fiscal year the operating actual was \$118,557,000, and the operating budget was \$112,703,000. In 2001-2002 the capital estimate was \$705,000. For last year the capital actual was \$1,523,000, and for the year 2000-2001 the capital budget was \$830,000. My questions are: how many full-time equivalents are employed under program 2, local government services? Also, what is the breakdown of full-time equivalents by the four sub-programs: division support, municipal services, assessment services, and financial assistance programs?

I see here, Mr. Chairman, that my time now has roughly expired for this particular portion, so I will take my seat and listen to comments by others. Thank you.

9:50

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thanks very much, Mr. Chairman. This is an area that I have a great deal of interest in. Being as I'm the MLA for Edmonton-Centre, I end up doing a lot of work in partnership with the city of Edmonton. I certainly attend a lot of events there, and I try to work as closely as possible with my colleagues on city council. I think that over the years we've seen some adjustments, some struggle in this department between the government's intentions and how the municipalities are receiving that and what kind of support they're looking for. It has been quite difficult.

The federal Constitution puts the authority for municipalities under the provincial governments, and certainly this provincial government is on record as saying that they regard municipalities as the children of the province, which is an astoundingly patriarchal attitude, especially in the year 2001, when we have cities that are close to a million people. I find that an astounding attitude, and certainly the Official Opposition, the Liberals, have argued for some time that there should be a more respectful and balanced relationship between the province and the municipalities.

Now, when I started to review what was being proposed through this budget, of course I went back to see where issues had arisen in the past, and my colleague from Edmonton-Glenarry has already raised the issues of the delegated administrative organizations that are to report to the Ministry of Municipal Affairs. In fact, their financial statements do not appear, and they are not consolidated with the department, and that continues to be a concern. There is taxpayer money going out. Ultimately, the Safety Codes Council and the DAOs are accountable to and are controlled by the ministry and certainly get taxpayer dollars, and therefore they should form part of the ministry's reporting entity. So I, too, am asking the question of the minister as to whether that indeed is happening in this year's budget.

The second thing that I noticed from the Auditor General's report was a recommendation that the ministry establish a business continuity plan to enable the timely resumption of business in the

event of a disaster. Now, specifically, what's being suggested here is that

a business continuity plan should develop formal business continuity procedures, to be implemented in the event of a disaster. Alternative locations to conduct business should be identified, as well as the actions that need to be taken, and who is to undertake those actions. Without such a plan, critical time will be lost as Ministry staff will need to work out the details of how to resume business after the disaster has struck.

A regulation under the Disaster Services Act requires each department to have a business continuity plan.

That was not so, as brought forward in the annual report of the Auditor General '99-2000. I'm wondering if that indeed has been addressed in this budget. Where could I find that? When will the report be released? How do we know that the minister has indeed taken the recommendations of the Auditor General seriously and has got that under control? Given what we've seen by way of natural disasters in Canada that really have affected municipalities in the last five or six years, I think this is darn good advice, and I would sure like to know that it has been followed and that a plan is in place and is readily available and accessible to municipalities.

Now, the next thing I looked at, of course, was performance measurements, my favourite. To my dismay, there are indeed performance measurements, which is a good thing, but there's no measurement, which is a bad thing. When I look at pages in Meeting Priorities, Sharing Benefits, the business plans from Budget 2001, pages 294 to 295, I can see in fact that there is a lovely grid here. We've got goals in one column, performance indicators in a second column, the source of the information, a historical/current baseline, and a target. Delightful. Very nice. Well done. An easy-to-read grid. Just one column missing: what the outcome is.

So I read across here. Goal 1: "An effective, responsive, cooperative and well-managed local government sector." Good goal. Okay. Then I look at the performance indicator. There's quite a lengthy paragraph in here. "Level of satisfaction with the Local Government Services Division's activities, services, programs, and legislative framework in enabling," et cetera, et cetera, et cetera. Okay. Great. "The individual performance targets . . . used in the calculation of the overall performance ranges from 65% to 90%." Yowsa. That's quite a range for a performance measurement. Just what is the outcome of that? Do I just pick a number that I like somewhere in between 65 and 90 percent? Do I just guess? I mean, what is it? What target has actually been hit here?

The next column: source. Well, it's an annual satisfaction survey. Boy, that'd give you a lot of information. So where is the information? Nope.

Then we skip right over to historical/current baseline. Well, the target for last year was 75 percent. Okay. Did we meet that target? Did we exceed it? Did we fall short? There's no information. That whole column is missing. Was there a printing error here? Was an entire column missed when this was printed up? Perhaps the minister could enlighten me, because the final column that fits on the page is the target, which tells me that in this budget year, 2001-02, 77 percent is what we would like to get, 77 percent of "an effective, responsive, cooperative and well-managed local government sector." In 2002-03, 78 percent, and in 2003-04, 80 percent. Well, where are we now, and where have we come from? What was it two years ago? Is this improving? We have no idea based on what's in here.

I search diligently. I go through all the pages. I read it all. I seek the knowledge, and it is not here, not one thing that tells us what the Ministry of Municipal Affairs actually did, what the outcome actually was, what the performance measurement actually was so that we could know how this department was doing. You know, close only counts in horseshoes and hand grenades, and we're a long

way off on this one, Mr. Minister. I'd like an explanation on why there is absolutely no information in here, no column at all about what the performance measurement achievement actually was and where it's been in the past.

I mean, we get an hour to debate each ministry in this government, and despite the claim of being open and accountable, I just don't see the information in here. We have to go through and ask for breakdowns of every single department. Again, when I looked at budgets from five, 10, 15 years ago, all that information was provided.

Now, to be fair, they were not working on a system of performance measurements at that time, but we know better now, and we are trying to move ahead. But what is the point of saying that you're working with performance measurements when you don't actually do them? What kind of a management tool is that for the people in this department or for every single one of the municipalities that falls under this department? I'm almost at a loss for words, but I know you'll all be happy to know that I'm not at a loss for words. I could go on at some length about performance measurements. They are a useful management tool, and as government, as legislators here we are supposed to be ensuring that taxpayer dollars are spent effectively. That is the point of performance measurements. It's a good system that we've adopted here in Alberta. Some might even say and I might even agree on a good day that we were one of the leaders in this method of evaluation in the country, but not when I see this kind of thing. I mean, this is the second budget we've debated now out of the 24 of them. I sure hope I'm not going to see this kind of thing in the rest of the other 22 ministries.

10:00

Okay. So that's enough – well, it isn't enough on performance measurements. I really do look forward to what the minister is going to explain about why they're not here, how he's going to get them in there, and how he's going to get that information out to the other municipalities.

I'm going to pick up a bit from where the Member for Edmonton-Glengarry left off. We're looking at the FTEs in . . .

MR. BONNER: You were actually at a very good spot, because we're looking at goal 1.

MS BLAKEMAN: Oh, that's right, goal 1, which I had actually started talking about before, the "effective, responsive, cooperative and well-managed local government sector," which doesn't have a performance measurement. Anyway, questions I'm interested in. Will the minister continue using financial incentives, such as the 25 percent bonus funding in the Municipal 2000 sponsorship grant, to increase regional co-operation? All right. What type of support is the minister willing to give municipalities to effectively use technology? Is this financial or expert advice, and will this be in the form of further grants?

Now, one of the things that's happening here is that Supernet idea, where it's being run to every municipality in Alberta by such and such a time I think the promise is. I'll be real interested in the performance measurement on that one. Further to that, what's been brought to my attention is that the technology is only run to the outside of the buildings. I had anticipated that we would have this Supernet available in every library, in every municipality in Alberta, and I thought: that's wonderful. But then I talked to the libraries and some of the other agencies in these municipalities, and they go: "Well, you know, especially with library funding we don't have the money to, like, get it through the wall and upstairs and buy all the computers to hook up to this. We've got sort of a 486 in the back there that's kind of lumbering along, but we're going to have to do

more chocolate bar sales, calendar sales, Christmas card sales, raffles, bingos, and casinos to raise the money to actually implement this idea, because the government's only paying to run it to the outside of the building."

Once again I just think: nice idea, great stuff. Why did you stop at the outside of the building? So what is the technical support that is being given to these municipalities to effectively use this technology? Is there nothing in addition that's going to be given? Are municipalities going to be able to apply for additional funds to get this Supernet actually workable rather than sort of a set of wires dangling on the outside of the building?

Where does the minister see opportunities for municipalities to make significant contributions to the reduction of greenhouse gases? Is there a plan that is being put forward or co-ordinated by this ministry to assist municipalities in a campaign on this? It's certainly something we all need to be working on. We certainly need a co-ordinated effort. What is happening around the municipalities?

Here's a big one: intensive livestock operations. What role does the minister see for his department in relation to regulations for intensive livestock operations? I have just felt so badly for municipalities that are out there looking for leadership from this government, looking for something concrete, and nothing. They've just been literally swinging in the wind there, and not too pleasant an odour in the wind.

MR. BONNER: One of the major questions from the AAMDC conference.

MS BLAKEMAN: And certainly a major issue at the AAMDC conference. Again, they're looking to this government for leadership, for stewardship. And a big nothing, a big zero.

I think this is one of the biggest issues to face our future, particularly for this department. I'm looking for what the minister will develop as a mechanism to address major municipal/provincial issues. What issues does he anticipate addressing? There's been a lot of talk about an initiative about, as I started out saying, what that relationship is. Where is a different kind of more equal partnership relationship between municipalities, particularly the larger municipalities in metropolitan areas, and this Department of Municipal Affairs and the government as a whole?

I note that we've had the MGA, the Municipal Government Act, in front of us for – what? – three out of the last four years or something like that. So I just thought that while I was at it, I would ask what changes the minister anticipates to the MGA in this business plan, this three-year business plan, between 2001 and 2004.

I'm aware there are others that are very anxious to speak to this, so I will cut my time short, and if possible maybe I'll sneak a bit more in at the end. I appreciate the opportunity to raise these questions. I look forward to the written responses from the minister. I appreciate the hard work of the staff in this department and I'm sure their continuing hard work to come as they answer these questions that I have put before them.

Thanks very much, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Highlands.

MR. MASON: Thanks, Mr. Chairman. I appreciate the opportunity to make these brief remarks on the budget estimates for the Ministry of Municipal Affairs, and I also appreciate the minister's comments about the people who have served in the municipal order of government. I would remind him, when he's doing work and talking about

the role of members on committees, that there are also members on this side of the House who have some experience and would be only too happy to make a contribution.

Mr. Chairman, I served for a number of years on the Federation of Canadian Municipalities' board of directors, and every once in a while a member of that board would leave municipal politics to go on to one of the other orders of government, whether it be federal or provincial. At their last board meeting there was traditionally a speech by the president reminding them of the value of the municipal level of government and reminding them not to forget the things that we fought for while we were there, as so many people have done when they've gone on to another order of government. Some have not forgotten the value of municipal government and the many issues we have fought for, and I hope this minister is one that has not forgotten.

I realize he's new to this ministry. I congratulate him on that, and I know it will take some time to be able to put his own stamp on the department. He may or may not have had a great deal to do with the development of the budget here, given the recent election and his appointment, so I won't hold the shortcomings in this budget to his account right now, Mr. Chairman. I think he deserves an opportunity to show that he has, in fact, kept his municipal roots and understands the importance of that order of government which is the closest to the people.

There is a growing disconnection, Mr. Chairman, between the rosy financial position of the government of Alberta and the financial straitjacket faced by many Alberta municipalities, and also I include in that, of course, the cities of Edmonton and Calgary. Just a day after the provincial budget was delivered last week, Edmonton mayor Bill Smith was quoted in the *Edmonton Journal* as saying that the city of Edmonton faced a financial shortfall of about \$90 million over the next two years.

Now, the major factor that is preventing the city of Edmonton from having to either significantly raise taxes or cut services this year is of course the profitability of EPCOR, something which I and the Member for Edmonton-Riverview campaigned very hard on, to convince the city council to reject proposals that it should be sold. We predicted, in fact, that it would become extremely profitable under deregulation, which indeed it has become. EPCOR was able to increase its dividend to the city just last year and to further increase it this year. In fact, there's some talk that if they continue to make the profits they are under the government's misguided deregulation scheme, they will allow the municipality to dispense with property taxes altogether. But I think, Mr. Chairman, that's a fantasy. That's not what it's going to end up as. Clearly the decision by Edmonton city council a couple of years ago was a very prudent one. However, relying on financial windfalls from the government's electricity deregulation scheme is no substitute for fair revenue sharing between the province and Alberta's municipalities.

10:10

When the province cut its budget back in 1993, municipal grants were cut perhaps the most deeply of all. Municipal grants were cut by more than 60 percent. Unconditional municipal grants were cut deeply and have never been restored. Policing grants were eliminated. Transit operating assistance was eliminated. Grants to support municipal public libraries were cut. Support for social housing was deeply cut. The effect of all these cuts was to download the province's budget deficit onto the backs of Alberta municipalities. The province's budget deficits are long gone. However, none of these municipal partnership programs have been restored.

So, Mr. Chairman, I think we need to take a look at that, because in this budget, if you look at the bottom line – this is on page 351 of

the estimates book – the province is actually giving less support this year to municipalities than it gave to municipalities last year. The province is providing a total of \$112.7 million in this year, down from \$118.6 million last year. Now, can the government honestly say, can the minister honestly say that the pressures on Alberta municipalities have been reduced in the last year? Has the wind gone out of the economy? Are the number of cars on the roads fewer? Are there less people in the municipal jurisdictions? I don't think so. In fact, the pressures on municipalities have increased and with the growth in the province will continue to increase. This budget should be reflecting that, and it's not.

I'd ask the minister to consider and to respond to why the government has rejected the Alberta Urban Municipalities' position on property taxes, which says that the provincial government should vacate the property tax field altogether and give just half of that to municipalities. That would provide property tax payers with a 25 percent reduction in their property tax. It would provide an increase in property tax revenues to municipalities of one-third and should be sufficient for most municipalities to meet the needs of their citizens and to accommodate the growth that's occurring in this province. I ask the minister why the government has simply capped the portion of property tax taken by the provincial government and left it at that. It's not good enough, Mr. Chairman, in my view.

I have some specific questions to the minister. How can the government justify further reducing municipal grants when many municipalities are faced with the unpleasant situation of either having to cut service levels, raise taxes, or both? What plans, if any, does the government have to increase municipal grants in the future? Specifically in terms of line 2.4.3, grants in place of taxes, which municipalities would prefer to be called payments in lieu of taxes because they shouldn't be considered grants. They should be considered the cost of the government doing business. There should be no question of those just being considered a grant. They are the cost to the provincial government and its share of operating in municipalities in which they find themselves and their property.

In terms of that, why has the government failed to act on one of the recommendations of the Alberta Urban Municipalities Association, which wants the grants in place of taxes program expanded to include not only provincial buildings and property but also property owned by school boards and regional health authorities? Municipalities are required to make provision for community facilities like schools and hospitals in their land use plans and incur financial costs for roads, water, and sewer to service them, yet they have no ability to generate revenue for their property tax base. It's not fair, Mr. Chairman, and when is the government going to take action to address this?

I also have concerns about the ministry's unwillingness to provide additional funding for other municipal services such as public transit, libraries, and policing, but given that these programs are the responsibility of other government ministries, I will save my questions until those estimates are before the Assembly.

However, the Ministry of Municipal Affairs is responsible for public safety and disaster services. I note in vote 3 on page 354 of the estimates that \$70 million dollars has been budgeted to do remediation for underground petroleum storage tanks. This is an important program, and I do have a couple of questions on it. Can the minister provide some additional detail on how this money will be expended? How many underground storage tanks will be remediated? Where are the storage tanks located? What efforts are being taken to recover costs from those companies who own or once owned those underground storage tanks?

Mr. Chairman, just in conclusion, it's my sincere hope that in this budget and particularly in the next budget we're going to start

addressing the fundamental issue of municipalities in this province. Municipalities play an important role, a hugely important role, in the governance of this entire province, and they do so efficiently and with balanced books. It's always been a requirement that municipal governments may not run deficits, and as a result they have provided debt-free government and very efficient and very responsive government that looks after the basic needs of citizens right across the province. I think we ought to be rewarding that success. I think that municipal government has shown its efficiency, has shown its responsiveness, and has shown its democratic functioning.

Unlike the government here, Mr. Chairman, almost all decisions are made by municipal governments out in public view, with full public debate in front of the citizens. It's completely transparent, and everybody knows what's going on. We have very, very effective government at the local level in this province, something we can all be proud of. I wish the government would begin to take municipal government in this province more seriously and to provide it with the access to financial resources that it needs to meet the needs its citizens put upon it and also to meet the needs of those programs that have been downloaded from this level of government or from the federal order of government onto municipal government. It's time to take municipal government seriously, provide it with the resources and the financial capacities it needs, and it will get the job done for the citizens we all represent here.

With those remarks, Mr. Chairman, I will take my seat and listen to others. Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Mr. Chairman. I'd like to continue along with my questions for the minister, particularly looking at page 353, program 2, local government services. I'd like to start with financial assistance programs and line 2.4.1, the unconditional municipal grants. I notice here that in the year 2001-2002 the operating estimate was \$37,947,000. The operating actual for 2000-2001 was \$35,434,000, and the operating budget for that same year was \$39,619,000. My questions to the minister are these. Why is the estimate \$1.627 million less than last year's budget? Does the minister plan on continuing cuts to this budget? What type of application process is there for unconditional grants? What monitoring is in place to evaluate how these funds are used? Will the minister provide a list of all the applications that were received under this program in 2000-2001 and all the applications that were approved?

10:20

Under goal 2 in the business plan it says: "Develop and administer new grant initiatives targeted at municipalities." What new grants does the minister anticipate developing? Would the minister also consider further reductions to the education property tax to give the municipalities more tax room to meet their local priorities?

Again, as the Member for Edmonton-Highlands has indicated, our local governments do a very good job, a very efficient job, a very responsible job in providing for their citizens and certainly are doing it on a shoestring budget, so this would be one way that we could give the flexibility where they could have a little more control under their own government. In exchange for this tax room, the municipalities may be willing to give up some of the smaller grant programs. Again, I know that is a major issue with our municipalities.

Now, then, looking at grants in place of taxes, line 2.4.3, I notice that in 2001-2002 the operating estimate is \$31,690,000. For the last fiscal year, 2000-2001, the operating actual was \$29,304,000, and

the operating budget for that same year was \$32 million. These grants are in place of property taxes on provincial buildings. Will the minister provide a list of where the \$29,304,000 for grants in place of taxes was distributed?

Moving along to line 2.4.4, financial support to local authorities, again a very contentious issue when we do look at the whole idea of what occurs between municipal and provincial governments. I notice that in the current budget year of 2001-2002 our operating estimate is \$730,000. Last year the operating actual was \$14,485,000, and the operating budget for the same year was \$519,000. Why is the operating actual \$13.966 million overbudget? I would certainly hope the minister will provide an explanation for this. If these are with the Pine Lake tornado, could he provide us with more information in respect to that? Now, then, if it is in relation to the Pine Lake tornado, what contingency plans has the department put in place if a disaster of this scale happens again?

MS BLAKEMAN: As the AG pointed out.

MR. BONNER: Yes, as the AG pointed out in his review.

Is there any type of disaster reserve fund that the province has as a cushion in case of a major disaster like Pine Lake? Again, with our ever changing weather patterns in the province and, as a matter of fact, around the world, it seems to me we are getting more and more disasters in areas that didn't have these types of weather phenomena occurring at other times. So if there's no type of reserve fund, would the minister consider setting up some type of reserve or contingency fund for disaster support?

The next issue I would like to consider here is line 2.4.5, municipal sponsorship. I see that our operating estimate for this year is \$1.5 million. In the year 2000-2001 the operating actual was \$1,217,000, and the operating budget this year was a new budget item. When I look at what happened and that our dollars came from the lotteries, I see that the operating estimate for 2001-2002 is \$12 million and that the operating actual and the operating budget for the previous fiscal year were also \$12 million. Why has the minister not released the list of grants that were given in 2000 under this program? Will the minister release a list of all the grants that were applied for under this program since its inception? Will there be any changes to the type of funding that can be applied for under this program, or will flower pots, street paving and signs, computers, and employee wages all be covered under this grant? Also, how does the ministry monitor to make sure that the funds are spent as applied for? Again, a key question and certainly some accountability for these taxpayer dollars.

Finally, under municipal sponsorships, Mr. Chairman, I would ask the minister: has the ministry ever requested funds be returned because they were not spent as intended?

Now, then, as we move along here, I would like to move to program 3, public safety, and I see that our operating estimate for this year is \$712,000. The operating actual for the last fiscal year was \$845,000, and the operating budget for that same period was \$509,000. My question for the minister: would he please explain why the estimate is \$203,000 higher than the 2000-2001 budget when the actual expenses are \$336,000 higher than the budget?

Also, as we look at public safety, I would like to look at line item 3.2, safety services and fire protection. Now, under line 3.2.1, program management, I see that our operating estimate for 2001-2002 was \$367,000. The operating actual for the last fiscal year, 2000-2001, was \$1,128,000, and the operating budget for that same fiscal year was \$151,000. Why is the actual \$977,000, or a whopping 747 percent, overbudget? Why is the estimate \$216,000, which is also incredibly high, or 243 percent, higher than the 2000-2001

budget? Also, I would like to know what services are provided under program management in this particular category.

Now, I also notice the business plan for the years 2001-2004. In looking at goal 4, we are looking at "a comprehensive safety system that provides an appropriate level of public safety." Again, this is an issue certainly because of recent events in our province such as the Pine Lake tornado. As well, we had some very, very severe hail storms throughout the province last year. So the question to the minister: how does the ministry evaluate the appropriateness of the provincial codes and standards? Also, what is the status of the development of a provincial electronic permit system? What is the role of the municipalities in this partnership? How much will it cost? Will the system be developed in-house, or will it be in partnership with the private sector? Again, if it is in partnership with the private sector, how are these people in the private sector going to be selected by the government? Will the government or the private sector manage this particular service?

10:30

Moving along, I would like to direct my next set of questions to line 3.2.2, technical services. What services are provided by the department under technical services?

Mr. Chairman, I see my time is up. I want to thank you for this opportunity to address this set of estimates, and I also want to wish the minister and his department every success in dealing with this very difficult ministry. Thank you very much.

THE DEPUTY CHAIRMAN: Seeing no other speaker, the chair recognizes the hon. Minister for Municipal Affairs to make concluding remarks.

MR. BOUTILIER: Thank you, Mr. Chairman. I want to thank the members from Edmonton-Glengarry, Edmonton-Centre, and Edmonton-Highlands for their comments, and I also want to say that their feedback is very important. As I look around this room, I see mayors and aldermen and councillors and reeves. I see a former mayor and a former president of the AUMA over there from Grande Prairie-Wapiti. As I look around this room, one thing is very important to the comments tonight: this government is and will continue to work closely with local municipalities.

To the hon. Member for Strathmore-Brooks, who I know is listening very intently of course: I will explain to him what horizontal management means in terms of the three levels of government. Of course, his medical training somewhat skewed his understanding, but I will certainly get him to that.

Now, I also want to say to the special member from down in Calgary that I look forward to his input. I want to assure the members of the Assembly that the ministry will respond in an expeditious manner to the questions they posed tonight in terms of putting together and providing a full and complete disclosure of the Minister of Municipal Affairs' budget for this upcoming budget year.

Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: After considering the business and proposed estimates for the Department of Municipal Affairs, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:
Operating Expense and Capital Investment \$204,014,000

THE DEPUTY CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I would move that the Committee of Supply rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

MR. KLAPSTEIN: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2002, for the following departments: support to the Legislative Assembly, operating expense, \$29,838,000; office of the Auditor General, operating expense and capital investment, \$16,986,000; office of the Ombudsman, operating expense, \$1,754,000; office of the Chief Electoral Officer, operating expense, \$7,035,000; office of the Ethics Commissioner, operating expense, \$212,000; and office of the Information and Privacy Commissioner, operating expense, \$3,287,000.

Sustainable Resource Development, operating expense and capital investment, \$197,134,000.

Municipal Affairs, operating expense and capital investment, \$204,014,000.

THE ACTING SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? So ordered.

head: **Government Bills and Orders** **Committee of the Whole**

[Mr. Shariff in the chair]

Bill 3 **Fisheries (Alberta) Amendment Act, 2001**

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'm happy to be the concluding speaker in committee on Bill 3, the Fisheries (Alberta) Amendment Act, 2001. While we haven't had a great deal of time to be able to go to different groups, different stakeholders and get some feedback on this bill, we have had an opportunity to talk to a few groups and have some debate in the Legislature on this issue, and in general we support where this bill is taking us. Certainly the amendments that we see here to this proposed act strengthen the manner in which we deal with individuals whose licences are suspended from fishing. It adjusts how fish in captivity are dealt with, some regulations that were needed as we see Albertans moving into this marketplace, and extends regulation-making authorities.

Now, I know this is a government who has not supported, certainly since '93, additional regulations, Mr. Chairman, but there are times when it is necessary, particularly when new issues arise or conditions change, causing different interpretations in acts, and this is one of those times. Our fishing industry is under great stress. We certainly need to look at options, alternatives, and new ways of doing things, and for that some regulations are necessary.

So we see these amendments as contributing to the province's capability in protecting wild fish, and that's helping to sustain the resource. We've heard some discussion tonight in the budget debates on sustainable resource development about how necessary it is to try and sustain that industry. While this bill isn't very substantive in nature, Mr. Chairman, it's at least a step in the right direction, and we look forward to seeing more action being taken in this area.

We see in this province that some of the most viable fish species are under significant pressure. They're under threat because of overfishing both commercially and through sportfishing. Part of the problem is not just the management of the resource, Mr. Chairman, but it's the way we've done the enforcement in this particular area.

I remember last spring, when I was up in the Slave Lake area talking to the people who work for the Department of Environment there about the challenges they faced in fulfilling their roles in that region. They were talking about the immense area that they needed to patrol. Slave Lake itself is a huge lake. It's a great resource and an asset for this province, but in terms of patrolling it, monitoring it to ensure that people using the lake for fishing, either commercial or sportfishing, were complying with the rules and regulations, it was an onerous task and something that they really just weren't capable of fulfilling to any sort of extent.

They have one fish and wildlife officer in that area to monitor all the lakes in the region, and it takes that officer a full day to traverse the area of the lake. So, in fact, it's absolutely impossible to properly police the area, Mr. Chairman, and that's an indicator of the kinds of issues that we're facing in this province on regulations and enforcement. While it's good to see some of these regulations being put in place, we know that they don't do us any good if we can't enforce them.

We haven't heard yet whether or not we can expect any more officers to help in that regard as a result of the budget debates, but we will. I'm looking forward to that answer and hope that in fact we see that progress in a manner that we need.

10:40

My colleague from Edmonton-Centre was going to discuss some of the feedback she'd had from parties that she had talked to, Mr. Chairman, but I will pass on her comments this evening. They were primarily around the part of the bill that deals with the derbies and the sportfishing. There is no doubt that when we see lakes and rivers under such great pressure in terms of fish stocks, we have to wonder what some of those causes are.

There are a great many people committed to sustaining fish stocks in this province who are recreational users of the lakes and rivers and who are very concerned about derbies and massive kinds of sportfishing like that. Their concern is around the kind of problems that occur in lakes and rivers during derbies. When we see a large influx of people using the lakes during these derbies, we see the resource being damaged in many cases. The lakeshore, which is habitat for egg laying, the fish themselves, even the number of fish that are killed throughout the derby, that die as a result of improper handling in a catch-and-release kind of scenario, all have a huge impact on fish stock. So there is a group of people who would like to see the end of derbies completely, not just regulations, but I think for the most part people see this as a step in the right direction. Let's try this first, let's see how it works, let's try and monitor this form of the sport to the best of our ability . . .

AN HON. MEMBER: Use it to control it.

MS CARLSON: Use it to control it. That's right. Let's see where

it takes us. Let's review it regularly and ensure that it's working, and then perhaps the regulations will be as far as we need to go here.

We did consult a number of stakeholder groups with regard to this particular bill. We talked to the Alberta Fish and Game Association. We thanked them for their participation. They were involved in the three-year consultation process with the government and other stakeholders. They expect that the regulations will take in most of these recommendations, so we look forward to seeing those recommendations when they come forward, Mr. Chairman, and seeing if they actually meet this group's expectations.

In general, they're fine with the bill except for the definition of sportfishing. They have a problem with that. Traditionally this has been limited to angling, and we see something new here in this particular bill. We see bow and spear fishing, which are new to me. I can't imagine being on a lake and encountering either a bow fisherperson or a spear fisherperson. Obviously they're out there, and clearly if they're out there, we need some regulations around them. Let's see where these regulations take us.

There's no doubt that when you're using a bow or a spear, catch and release doesn't work, so we need to talk about how that's managed.

Yes, definitely it's something that First Nations participate in – excellent for them – but certainly they need to participate in sustaining the fish stock, as does every Albertan. They do; they are really good when we talk about bringing forward information and practices about sustaining the environment, and certainly regulations need to be reviewed and brought forward with regard to them as well as everyone else in this province.

Trout Unlimited was also consulted on this bill, and they see it as dealing primarily with sportfishing and specifically walleye and didn't have any specific concerns. Once again, their key area of interest is habitat protection. We know that we are seeing a lot of the habitat for fish spawning particularly being degraded over time as a result of the competing pressures on the habitat, and it's a big deal for them. They do an excellent job, but they need the assistance of government and all Albertans in terms of this. The biggest concern for them is industrial development having significant impact on fish habitat. That's an area that isn't dealt with in this bill, so we'd like to see the government taking some responsibility in that regard.

The Western Walleye Council was also consulted, Mr. Chairman, and they've got some concerns. There are a number of questions they'd like to see answered, and I'd like to put those on the record and have the minister answer them for us.

They'd like the department's plans for stocking walleye in Alberta's lakes to be made public. If we could have that information. Are there any other fish stocking programs that the minister is considering cutting in the near future or any ones that he's considering adding? Are the government's plans to reduce fish stocking in public lakes tied to the promotion of private fishing opportunities in stocked ponds? If we could have some information on that, it would be helpful. Will the minister make a commitment to the Western Walleye Council and sport anglers in Alberta that they will continue stocking walleye in Alberta's lakes? They're particularly concerned about overfishing happening in those lakes that do currently have adequate walleye stocks, so what happens then is that we just perpetuate the cycle.

Mr. Chairman, those are my comments. I would like to thank the minister for his speedy responses to my colleagues' questions the other day in the House. The questions were well answered, I think. The one he didn't talk about in his response was the Auditor General's request and concerns with regard to fish stocks. We're expecting those answers to come as a result of our budget questions. So we're pretty happy with the responses and the speed with which the responses came forward.

So with those comments, Mr. Chairman, I'll conclude my thoughts on Bill 3.

[The clauses of Bill 3 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Bill 4 Surface Rights Amendment Act, 2001

THE DEPUTY CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'm getting lots of direction from my colleagues here in the Legislature in terms of how long we should be speaking to this particular bill. It's not my fault that it's brought up at this time of night, and certainly we would be happy to hear any comments people have.

This is my first opportunity, Mr. Chairman, to speak to Bill 4, the Surface Rights Amendment Act, 2001. We're seeing legislation passed through this House at an alarmingly speedy rate this particular session. I understand everybody's keen interest in getting back to their home constituencies and their gardens or their farms or their families, but there is a rule for the Legislative Assembly and legislative scrutiny in this process. Certainly as part of the Official Opposition we will fulfill that role to the best of our abilities given our numbers.

All of these bills, when they come in, Mr. Chairman, we send out to a variety of stakeholder groups, and we hope that we will get the responses back from people prior to their flowing through all of the various stages available in this House. In fact, on this particular bill we haven't had feedback from the stakeholders yet. However, the surface rights group is a group that I have been in contact with regularly for a number of years now, and certainly I understand their concerns in this area. No doubt this bill is one good step in the right direction in terms of the kinds of outstanding issues we have on surface rights.

10:50

What we'll see with Bill 4 is that the compensation limit will be increased from \$5,000 to \$25,000 for damages that can be claimed by people who have problems with companies moving in on their land. That starts to come close to the costs of damages that can be incurred. With this larger ceiling being put on the claims, we're

going to see less time and money being spent within the court system, and that's good, Mr. Chairman, because definitely our courts are backlogged. It's a speedy process, and most people would like to see their issues resolved outside of the court system.

The process now is that landowners negotiate compensation with oil and gas and mineral companies for giving them the access rights to move onto their land and access whatever it is they're going after. Sometimes the compensation for this is something that can't be agreed upon, and they have the option to go before the quasi-judicial provincial Surface Rights Board for a decision. So with these limits being raised, we're going to see that this board is going to be a lot busier than it was before. It's a step in the right direction, I think something that we support.

Definitely there are other issues on surface rights that need to be addressed, and certainly we look forward to their being addressed. Most of those are issues with adjacent landowners who are eligible with this particular bill for compensation. So a lot more outstanding issues to be talked about, but certainly this is a step in the right direction and something that we will support.

Thank you, Mr. Chairman.

[The clauses of Bill 4 agreed to]

[Title and preamble agreed to]

THE DEPUTY CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I would move that the committee rise and report.

[Motion carried]

[Mr. Shariff in the chair]

MR. KLAPSTEIN: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following: bills 3 and 4.

THE ACTING SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? So ordered.

[At 10:54 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]