

# Environment and Sustainable Resource Development

BUSINESS PLAN 2015–20

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## ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of March 5, 2015.

*original signed by*

Kyle Fawcett, Minister  
March 13, 2015

## THE MINISTRY

The ministry consists of the Department of Environment and Sustainable Resource Development, the Climate Change and Emissions Management Fund, the Environmental Protection and Enhancement Fund, the Land Stewardship Fund, the Natural Resources Conservation Board and the Alberta Environmental Monitoring, Evaluation and Reporting Agency (AEMERA). Within the department's budget, funding is provided for the Land Use Secretariat, the Surface Rights Board, the Land Compensation Board, the Environmental Appeals Board and the Public Lands Appeal Board.

Seven delegated administrative organizations which operate outside of government and are accountable to the minister are the Alberta Conservation Association, Alberta Professional Outfitters Society, Alberta Recycling Management Authority, Alberta Used Oil Management Association, Beverage Container Management Board, Climate Change and Emissions Management Corporation, and the Forest Resource Improvement Association of Alberta.

Albertans are proud of our environment, abundant natural resources, and system of provincial parks and protected areas. These inspire people to discover, value, protect and enjoy the natural world and the benefits it provides for current and future generations. Alberta's vision is for a healthy, clean and prosperous Alberta where we are leaders in environmental conservation, enjoy sustained economic growth and a great quality of life.

There is a long tradition of stewardship in Alberta. The ministry works with all Albertans to build on that tradition and partners with Albertans to ensure we meet our environmental, social and economic goals for the future. Together, we ensure our natural resources are managed and developed using innovative and responsible approaches to maximize their value while protecting Alberta's environment. The ministry works with all stakeholders to listen to and understand the challenges, and to find the correct path to attain desired environmental, economic and social outcomes. To ensure the sustainability of our air, land, water, and biodiversity, all Albertans will need to play a strong stewardship role.

A more detailed description of Environment and Sustainable Resource Development and its programs and initiatives can be found at [www.esrd.alberta.ca](http://www.esrd.alberta.ca).

## LINK TO GOVERNMENT OF ALBERTA STRATEGIC DIRECTION

Programs and services delivered by the ministry were reviewed for relevance, effectiveness and efficiency in accordance with the Government of Alberta's *Results-based Budgeting Act*.

The desired outcomes and priority initiatives identified in this business plan are aligned with the strategic direction of the Government of Alberta and ministry mandates.

## STRATEGIC CONTEXT

Alberta's fiscal situation has changed drastically since June of 2014. Falling oil prices and the associated economic impacts have left a \$7 billion revenue gap for Alberta in 2015-16. The implications will reach well beyond this year.

These will be challenging times that require leadership and innovation. The Government of Alberta will find new, more efficient ways to serve a growing population while bringing per capita program spending in line with the national average over the next three to four years. Tough choices are required but the Government of Alberta will maintain and protect front-line services to meet the needs of Albertans.

Alberta's population growth in recent years, and the increased activities and pressures on the landscape, means that the Government of Alberta can no longer manage development incrementally. Instead, cumulative social, economic and environmental impacts must be considered in the government's decisions and decision-making processes in order to reconcile competing demands on the landscape. In that light, the successful implementation of responsible resource development will establish mechanisms to manage the balance of environmental, economic and social outcomes. The development and implementation of regional land-use plans, a key component of the *Land-use Framework*, has begun to balance outcomes within some regions of Alberta. These plans also address the environmental impacts and opportunities that parks and recreational activities have on the landscape and on Albertans' quality of life. In addition, other sectors within Alberta continue to face challenges in balancing simultaneous outcomes. For example, Alberta forest product companies face the challenges of mountain pine beetle, increasing wildfire size and intensity and labour competition. Realizing the impacts of climate change at home and abroad, the government will continue to redefine its approach to energy development, transmission and use while committing to responsible growth and energy use conservation.

## DESIRED OUTCOMES, PRIORITY INITIATIVES, AND PERFORMANCE MEASURES AND INDICATORS

### Desired Outcomes One: Healthy environment and ecosystems

Albertans care about clean air, reduced greenhouse gases, quality water, sustainable water quantity, healthy and sustainable lands and biodiversity and conserved natural landscapes that support healthy ecosystems. To achieve these outcomes, the ministry works with Albertans to manage the cumulative effects of human development on the environment. Through managing provincial parks and protected areas, the ministry also conserves important ecosystems and ecosystem services. Stewardship of the environment requires a collaborative effort by all Albertans, including businesses, non-governmental organizations, communities and individuals. Direction to achieve the desired outcomes is provided by policy, regional plans and frameworks, and is supported by education, outreach, authorizations and compliance programs as well as AEMERA's environmental trends and conditions monitoring, evaluating and reporting.

### Priority Initiatives:

- 1.1 Ensure Alberta's resources are developed using innovative and responsible approaches that protect Alberta's environment and provide a healthy Alberta for future generations by:
  - completing regional plan development focusing on the North Saskatchewan and Lower Peace regions;
  - implementing a new tailings management framework and surface water quantity framework for the Lower Athabasca Region;
  - implementing regional plans through management frameworks, sub-regional plans and projects;
  - supporting the establishment of AEMERA to provide open and transparent access to scientific data and information on Alberta's environmental conditions and trends;
  - transitioning to an open source environmental information system that supports responsible resource development;
  - advancing water management and quality initiatives identified in the water conversation;
  - creating a Parks Conservation Foundation as identified in *Alberta's Plan for Parks*; and
  - collaborating with Energy to implement the recommendations of the Regulatory Enhancement Project.

1.2 Establish our province as an environmental leader in climate change by:

- implementing *Alberta's Climate Change Strategy* in consultation with Energy, Alberta Innovates – Energy and Environment Solutions, and the Climate Change and Emissions Management Corporation to achieve maximum greenhouse gas reductions; and
- setting broad strategic objectives and monitoring the operations of the Climate Change and Emissions Management Corporation for consistency with sound business practices and *Alberta's Climate Change Strategy*.

Performance Measures	Last Actual (Year)	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
1.a Total greenhouse gas emissions <sup>1</sup>	249 (2012)	255	256	257	258	259
1.b Kilograms of municipal solid waste per capita disposed of in landfills <sup>2</sup>	911 (2013)	666	654	632	591	590

**Notes:**

- 1 Measured in million tonnes of CO<sub>2</sub> equivalent, as outlined in *Alberta's 2008 Climate Change Strategy*. Targets and data are measured on a calendar year and there is a reporting lag period.
- 2 The 2013 actual is not reflective of historical trends due to the Southern Alberta floods. Targets are based on the 2012 actual of 691 kg/capita.

Performance Indicators	Actual 2010	Actual 2011	Actual (Year)	Actual (Year)
1.a Air quality index <sup>1</sup>	93%	95%	97% (2012)	96% (2013)
	Good air quality days			
1.b Percentage of species at risk <sup>2</sup>			2.2% (2005)	3.6% (2010)

**Notes:**

- 1 Based on five major pollutants: carbon monoxide, nitrogen dioxide, ozone, sulphur dioxide and fine particulate matter.
- 2 Results reported every five years.

**Desired Outcome Two: Sustainable natural resource development**

A collaborative environmental stewardship approach to development, involving all Albertans, supports achieving the balance between environmental and economic outcomes. Ensuring we manage the development, consumption and use of our natural resources in a sustainable manner while maximizing their value is essential to assure a current and future supply. To protect and manage our natural resources, the ministry provides an environmental stewardship framework and regulates natural resource access, allocation and use through planning, policy, and policy assurance programs. As stewards of the environment, businesses, non-governmental organizations, communities and individuals comply with timber, fish and wildlife harvest limits, reforestation requirements, water use limits, and timely land reclamation and remediation to achieve sustainable forests, fish and wildlife populations and habitats, water supplies and productive sustainable lands that meet environmental, economic and social needs for future generations.

**Priority Initiatives:**

- 2.1 Develop and initiate implementation of a land reclamation framework.
- 2.2 Develop and implement an Alberta Forest Strategy to provide long-term, provincial strategic guidance and support to the ministry's policy, resource management and land use planning for forestry.

Performance Measure	Last Actual 2012-13	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
2.a Sustainable timber harvest by:						
• Annual allowable cut (million cubic metres)	30	Harvest does not exceed annual allowable cut				
• Harvest (million cubic metres)	20					

Performance Indicator	Actual 2010-11	Actual 2011-12	Actual 2012-13
2.a Percentage of forest regrowth as a result of reforestation	97.4%	97.6%	97.3%

### Desired Outcome Three: Economic and social benefits

The ministry supports sustainable development, product diversification and expanded market access for our natural resources. To achieve desired economic and social benefits that maximize the value of our natural resources, the ministry regulates and collects revenue from the sustainable development of natural resources including timber royalties, hunting and fishing licences, grazing leases, public land dispositions, remediation, reclamation, and sand and gravel. The ministry also supports Albertans in trade relationships and natural resource product diversification through policy, education and advocacy work. As the ministry manages Alberta's parks system's land base, facilities and infrastructure, opportunities are provided for Albertans and visitors to explore natural landscapes and provincial parks, engage in nature-based outdoor recreational activities and learn about Alberta's natural heritage. These interactions provide social benefits while contributing to the provincial economy through our tourism industry.

#### Priority Initiatives:

- 3.1 Expand Alberta's market access to become a preferred global supplier for natural resources and natural resource products.
- 3.2 Partner with other ministries and the forest industry sector to advance the *Alberta Forest Products Roadmap*, which identifies opportunities for diversifying forest products and markets.
- 3.3 Implement *Alberta's Plan for Parks* in conjunction with the continued implementation of the *Land-use Framework*.
- 3.4 Implement a provincial recreational trails pilot project that will generate recreational, active living and environmental benefits.

Performance Measures	Last Actual (Year)	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
3.a Recreation, tourism and natural heritage opportunities:						
• Change in fishing licence sales	-1.1%	> Rolling average of last five years' results				
• Change in hunting licence sales	6.5%	> Rolling average of last five years' results				
• Provincial park or recreation areas visitation <sup>1</sup>	33.7% (2013-14)	33.0%	33.0%	33.0%	33.0%	33.0%
3.b Public lands economic prosperity ratio <sup>2</sup>	100:1 (2012-13)	>100:1	>100:1	>100:1	>100:1	>100:1

#### Notes:

- 1 Percentage of adult Albertans who visited a provincial park or recreation area in the last 12 months. The overall number of visits is expected to increase as the province's population continues to grow.
- 2 Ratio of Alberta government resource revenue to department expenditure on managing public lands.

Performance Indicator	Actual 2013	Actual 2014
3.a Visitor satisfaction with the quality of services and facilities at provincial parks	85.6%	86.4%

## Desired Outcome Four: Protected public and environment

Albertans want assurance the public and the environment are protected now and in the future. Safety and economic impacts from wildfires and environmental emergencies are addressed by ministry prevention, mitigation, response and recovery measures. Drinking water facilities that require an approval or registration under the *Environmental Protection and Enhancement Act* are regulated. Ministry support is provided through education, training, planning, forecasting, assessment, coordination and the management of water infrastructure, wildlife interaction, wildfires and environmental emergencies. Examples are flood recovery and mitigation by water operations infrastructure management, flood erosion control programming, enhanced flood monitoring programs, FireSmart initiatives, and wildfire pre-suppression and suppression operations. Collaborative efforts by all Albertans are key to assure public and environmental protection and resiliency.

### Priority Initiatives:

- 4.1 Develop plans and programs to anticipate and minimize impacts of major catastrophic events and protect communities, including:
- a comprehensive flood mitigation plan to reduce community flood and drought vulnerability;
  - mitigation and response programs for critical infrastructure priorities;
  - a framework to address invasive species in Alberta;
  - implementation of all of the Flat Top Complex Wildfire recommendations;
  - implementation of *Alberta's Plan for Parks* to support public safety and security; and
  - continuation of efforts to control and manage mountain pine beetle impacts.
- 4.2 Continue park facility and infrastructure recovery work from the 2013 southern Alberta flood.

Performance Measure	Last Actual 2013	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
4.a Containment of wildfires:						
• Percentage of wildfires contained before 10 a.m. the day following assessment	98.3%	> Rolling average of last five years' results				

Performance Indicator	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013
4.a Drinking water quality indicator:					
• Percentage of facilities with no significant drinking water quality incidents	95%	96%	96%	94%	93%

## STATEMENT OF OPERATIONS

### Consolidated Financial Statements Basis

(thousands of dollars)	Comparable					
	2014-15 Forecast	2015-16 Estimate	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
<b>REVENUE</b>						
Transfers from Government of Canada	20,361	<b>8,210</b>	4,580	4,580	4,580	4,580
Investment Income	1,154	<b>1,144</b>	1,144	1,143	1,143	1,143
Premiums, Fees and Licences	167,854	<b>209,805</b>	227,530	248,745	261,300	276,000
Other Revenue	189,385	<b>130,246</b>	130,271	130,289	130,305	130,305
<b>Total Revenue</b>	<b>378,754</b>	<b>349,405</b>	<b>363,525</b>	<b>384,757</b>	<b>397,328</b>	<b>412,028</b>
<b>EXPENSE</b>						
Ministry Support Services	75,796	<b>73,541</b>	73,789	73,788	76,007	78,294
Air	17,875	<b>17,211</b>	17,348	17,350	18,203	19,082
Land	53,362	<b>42,157</b>	42,480	42,489	44,624	46,822
Water	62,897	<b>64,109</b>	72,630	70,630	71,785	74,005
Fish and Wildlife	23,850	<b>23,156</b>	23,297	23,297	24,399	25,532
Integrated Planning	32,779	<b>33,340</b>	33,451	33,451	34,313	35,201
Forests	375,592	<b>216,770</b>	224,266	223,166	230,740	237,512
Parks	80,963	<b>79,396</b>	79,437	79,642	81,398	83,278
Climate Change	79,782	<b>66,655</b>	63,084	63,084	63,311	63,546
Land Use Secretariat	12,472	<b>10,463</b>	10,549	10,549	10,549	10,549
Science and Monitoring	15,599	-	-	-	-	-
Alberta Environmental Monitoring, Evaluation and Reporting Agency	59,000	<b>78,000</b>	78,000	78,000	78,000	78,000
Quasi-Judicial Bodies	11,391	<b>11,909</b>	11,976	11,976	12,494	13,026
2013 Alberta Flooding	98,821	<b>89,550</b>	74,650	50,000	50,000	50,000
Consolidation Adjustments	(350)	<b>(350)</b>	(350)	(350)	(350)	(350)
<b>Total Expense</b>	<b>999,829</b>	<b>805,907</b>	<b>804,607</b>	<b>777,072</b>	<b>795,473</b>	<b>814,497</b>
<b>Net Operating Result</b>	<b>(621,075)</b>	<b>(456,502)</b>	<b>(441,082)</b>	<b>(392,315)</b>	<b>(398,145)</b>	<b>(402,469)</b>
<b>CAPITAL INVESTMENT BY PROGRAM</b>						
Ministry Support Services	3,000	-	425	425	425	425
Land	5,000	<b>5,000</b>	5,602	5,602	5,602	5,602
Fish and Wildlife	-	-	297	297	297	297
Forests	29,361	<b>9,314</b>	10,053	10,053	10,053	10,053
Parks	17,481	<b>16,220</b>	16,220	33,982	33,982	33,982
Science and Monitoring	800	<b>800</b>	1,000	1,000	1,000	1,000
Quasi-Judicial Bodies	17	<b>17</b>	17	17	17	17
2013 Alberta Flooding	16,703	<b>135,868</b>	134,112	55,000	15,000	-
<b>Total</b>	<b>72,362</b>	<b>167,219</b>	<b>167,726</b>	<b>106,376</b>	<b>66,376</b>	<b>51,376</b>