



Legislative Assembly of Alberta

The 27th Legislature
First Session

Standing Committee
on the
Alberta Heritage Savings Trust Fund

Tuesday, September 9, 2008
9 a.m.

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**Standing Committee on the
Alberta Heritage Savings Trust Fund**

Forsyth, Heather, Calgary-Fish Creek (PC), Chair
Elniski, Doug, Edmonton-Calder (PC), Deputy Chair

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DeLong, Alana, Calgary-Bow (PC)
Denis, Jonathan, Calgary-Egmont (PC)
Johnston, Art, Calgary-Hays (PC)
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Notley, Rachel, Edmonton-Strathcona (NDP)
Olson, Verlyn, QC, Wetaskiwin-Camrose (PC)

Department of Finance and Enterprise Participants

Robert Bhatia	Deputy Minister
Aaron Brown	Director, Portfolio Management
Sandie Hay	Manager, Endowments and Pool Accounting
Nick Kaczmarek	Public Affairs Officer, Communications
Rod Matheson	Assistant Deputy Minister, Treasury and Risk Management

Alberta Investment Management Corporation Participants

Jai Parihar	Chief Investment Officer
Douglas Stratton	Director, Fund Management

Auditor General's Office Participants

Betty LaFave	Principal
Merwan Saher	Assistant Auditor General, Audit Division

Support Staff

W.J. David McNeil	Clerk
Louise J. Kamuchik	Clerk Assistant/Director of House Services
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Jody Rempel	Committee Clerk
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9 a.m.

Tuesday, September 9, 2008

[Mrs. Forsyth in the chair]

The Chair: I'm going to call the meeting to order, and I'd like to welcome everyone to the meeting. My name is Heather Forsyth, and I'm the MLA for Calgary-Fish Creek and the chair of the committee. What I'd like to do is have everyone, if I may, go around the table and introduce themselves, so I'll start with my wonderful help on my left.

Ms Rempel: Jody Rempel, committee clerk with the Legislative Assembly Office.

Ms DeLong: Alana DeLong, MLA, Calgary-Bow.

Mr. Denis: Jonathan Denis, MLA, Calgary-Egmont.

Ms Notley: Rachel Notley, MLA, Edmonton-Strathcona.

Mr. Olson: Good morning. Verlyn Olson, MLA, Wetaskiwin-Camrose.

Mr. Matheson: Rod Matheson with Alberta Finance.

Mr. Bhatia: Robert Bhatia, Deputy Minister of Finance and Enterprise.

Mr. Parihar: Jai Parihar, chief investment officer of the Alberta Investment Management Corporation.

Mr. Saher: Good morning. Merwan Saher, office of the Auditor General.

Ms LaFave: Betty LaFave, office of the Auditor General.

Mr. Kaczmarek: Nick Kaczmarek with Alberta Finance.

Ms Hay: Sandie Hay with Alberta Finance.

Mr. Brown: Aaron Brown with Alberta Finance and Enterprise.

Mr. Stratton: Doug Stratton with AIMCo.

Ms Sales: Tracey Sales, communications consultant with the Legislative Assembly Office.

Ms Friesacher: Melanie Friesacher, communications consultant with the Legislative Assembly Office.

Ms Blakeman: Laurie Blakeman, and I would like to welcome everyone this fine fall morning to my fabulous constituency of Edmonton-Centre.

Mr. Johnston: Good morning. Art Johnston, Calgary-Hays.

Mr. Elniski: Doug Elniski, Edmonton-Calder.

The Chair: Thanks, Laurie. We're thrilled to be in your constituency.

Ms Blakeman: Thank you so much, and you're all welcome.

The Chair: Committee members will recall from the last meeting

that there was some talk about inviting representatives from the Alberta Investment Management Corporation to make a substantial presentation at today's meeting regarding their organization. However, in the spirit of co-operation the presentation is not scheduled for today's meeting because the minister of finance is very interested in participating for the presentation, but she is, unfortunately, unable to attend today's meeting. There are, however, representatives from the corporation with us this morning to assist us with our review of the first-quarter update, and I'm sure we can look forward to an informative presentation from them in the future. We will rebook that with them and the minister shortly.

Moving on to the agenda, can I have approval of the agenda? Art. Second? Great. All in favour? Okay.

Minutes. I'd like to have approval of the minutes of June 9.

Mr. Denis: So moved.

The Chair: Jonathan. Second? Thank you. All in favour?

Number 4, Items Arising from Previous Meeting. We have received a memo from the minister of finance which provides the information and response to questions raised by the committee members at the June 9, 2008, meeting. If there are any questions, we've got staff from Alberta Finance that would answer any questions. Any questions? Okay.

We will go to number 5, Alberta Heritage Savings Trust Fund First Quarter Update. The Alberta heritage savings trust fund first-quarter update was distributed to all members of the Assembly on August 26. The Alberta Heritage Savings Trust Fund Act indicates that one of the functions of the committee is to receive – not approve – and review quarterly reports on the operation and results of the operation of the heritage fund. Although the minister of finance is unable to attend today's meeting, we have representatives from the department here to assist us with the review.

Mr. Bhatia.

Mr. Bhatia: Thank you, Madam Chair. The minister sends her regrets. She's attending the joint Alberta-Saskatchewan cabinet meeting today, and that's why she's unable to be here. I'll just give some brief opening comments about the quarterly results, and then my staff together with the AIMCo staff here would be pleased to answer all your questions.

The fund's fair value as of June 30 was \$17.1 billion, an increase of \$85 million from the end of the fiscal year. The increase includes \$131 million retained in the fund for inflation-proofing less a decline in unrealized capital gains of \$46 million. During the first quarter the fund earned \$155 million in investment income. As I said, \$131 million of this was retained in the fund for inflation-proofing, and the remaining \$24 million was transferred into general revenue.

The heritage fund posted an overall market value return of 0.6 per cent in the first quarter. Because of the volatility of the markets in the short term the fund's performance is assessed over five- and 10-year terms. Over five years the fund's rate of return is 9.8 per cent, and over 10 years it's 6.1 per cent. In order to measure the performance of the fund's active management, the fund's actual return is compared to a policy benchmark return. For the three months ended June 30, the fund's overall actual return of 0.6 per cent fell just short of the policy benchmark return of 0.8 per cent.

The fund's performance is of course tied to the type of investments it holds. I'm sure you're all aware of how the world markets, particularly the United States market, have been fluctuating over the course of the last year. During the first quarter the TSX actually increased by 9.1 per cent compared to 6.3 per cent the same period last year. Of course, since then the TSX has been both volatile and

in negative territory. In the U.S. ongoing troubles with credit markets and inflationary pressures led to negative returns during the first quarter. In fact, the S&P 1500 index, which tracks the 1,500 largest American companies, recorded a market value return of negative 2.9 per cent when translated into Canadian dollars in the first quarter. This illustrates the value of having a diversified portfolio, which the heritage fund does. Page 6 of the first-quarter report has a table showing the market value returns of the fund's various asset classes for the first quarter as well as the annualized five-year returns.

The government released the first-quarter fiscal update at the same time as the heritage fund update. The update shows no change to the budgeted investment income forecast for 2008-2009. It does, however, show an increase of \$246 million for inflation-proofing, raising the total projected for inflation-proofing for the year to \$525 million. This was because of an increase in the expected Canadian inflation rate. In total, of the budgetary surplus projected at the first quarter, about \$3 billion will be allocated to savings, including the \$525 million for the heritage fund's inflation-proofing, and as you know, the remaining \$2.5 billion hasn't been allocated to a specific savings fund as of today.

With respect to AIMCo, as the chair indicated, there will be a presentation from AIMCo at the next meeting. Leo de Bever, the new CEO, has arrived and is in place. We're all very pleased to have Leo on board. He is clearly eager to begin his work on the province's investments, including carrying out the investment policies of the heritage fund.

That concludes my brief introductory update. We'd be pleased to take questions.

The Chair: Thank you, Mr. Deputy Minister.

Ms Blakeman: I'm wondering if you're able to tell us how the investment returns on the heritage fund stack up to a similar time period in returns from the Norway fund or the Alaska fund; in other words, a performance comparison.

Mr. Bhatia: I don't have that information to hand. I'll ask if any of the others do. We'll give you a written response.

Ms Blakeman: Through the chair, please. Thank you.

9:10

The Chair: Laurie, anything else?

Ms Blakeman: Not at this exact second, no.

The Chair: Anyone else have any questions?

Mr. Olson: I have a question. At the risk of, I was going to say, appearing ignorant – but probably that's already been established – I just have a question about what exactly an absolute return strategy is.

Mr. Bhatia: I'll ask Jai Parihar to answer that. He'll give a better explanation than I would.

Mr. Parihar: These strategies are commonly known as hedge funds, and essentially these strategies are a combination of strategies which typically would be less volatile in the marketplace and tend to provide, relatively speaking, absolute returns. So they would not go down as much, and they would not go up as much but try to provide, relatively speaking, absolute return with low volatility.

Mr. Olson: Thank you.

The Chair: Any further questions?

Ms DeLong: I'm sorry, but I just don't see it here. I'm sure it is in here, but compared to – what is it? – our .6 per cent increase, I know that your fund is all broken down into different kinds of funds, and AIMCo actually gets evaluated in terms of how they're doing against, sort of, the TSX, et cetera, et cetera. How are we doing versus all of these standards?

Mr. Bhatia: I'll just comment briefly, and then Jai can add. The summary of that is provided on page 6 of the first-quarter report. There you'll see the overall actual return of 0.6 per cent, the benchmark return of 0.8 per cent that I mentioned, and then a summary of the key asset classes showing the actual performance and the benchmark for each asset class.

Ms DeLong: Okay. Thanks very much.

The Chair: Further questions from anyone?

Ms Blakeman: I'm just wondering about the money we hold as pension money. That's not part of what's in the heritage fund, but it is part of what AIMCo is investing on our behalf. Is that correct?

Mr. Bhatia: Yes, that's correct.

Ms Blakeman: Okay. So the AIMCo questions go to somebody else. Am I straight on that? Okay. Thank you.

The Chair: Seeing no further questions, if I could ask someone to move that

the Standing Committee on the Alberta Heritage Savings Trust Fund receive the 2008-09 first-quarter report on the Alberta heritage savings trust fund as presented.

Verlyn. Thank you. Jonathan, second. All those who approve? Great. Thank you. That has been carried.

Moving on to item 6, as committee members are aware, the committee's annual public meeting has been scheduled for the evening of October 2 this year. Our deputy chair, Doug Elniski, has graciously offered to host the event in the Edmonton-Calder constituency; therefore, the Calder seniors' drop-in centre has been booked to host this event. The meeting is scheduled for 7 p.m. I will have Jody distribute an itinerary, maps, and other related information to committee members later this month.

Mr. Elniski: Wonderful. Thank you.

The Chair: We're looking forward to being hosted.

Mr. Elniski: It's a wonderful facility in what is undoubtedly the finest constituency in Edmonton.

Ms Blakeman: I don't know about that.

Mr. Elniski: I do.

The Chair: Well, I think we'll move on. I don't have anything in the agenda that is going to have Edmonton-Calder versus Edmonton-Centre, so we'll let you two worry about that on another day.

Number 7. Now, before I turn things over to Tracey to review the communications action plan for the public meeting, I'd like to take

care of one other communication issue, and this is really a house-keeping issue. Members will remember that at the last meeting Tracey was asked to prepare a revised communications plan for 2008-2009. Accordingly, a revised plan was distributed to the committee on July 28, 2008. Members were advised that due to the time constraints for booking advertising campaigns, we would proceed with the plan as if it were approved if no objections were received by August 8, 2008. As such, our support staff have been directed to carry through the plan; however, for the record I would ask that someone make a motion to approve the revised version of the plan. Alana, and seconded by Verlyn. Thank you.

Now we're going to 7(a). At this point I'd like to turn things over to our communications consultant to review the action plan for the public meeting. Tracey.

Ms Sales: Thank you, Madam Chair. As was previously mentioned, we have begun with the initiatives outlined in the communications plan that was presented. Already the province-wide ad campaign has been booked and the artwork placed. The action plan that I'm going to walk you through right now focuses mainly on initiatives for the public meeting, which again is October 2 at the Calder seniors' drop-in centre. The primary audiences for this event include residents of Edmonton and surrounding areas, the local business community, and the media.

I'll just walk you through the different tasks. One of the initiatives is to follow through on a stakeholder list. Legislative Assembly Office research has agreed to compile a stakeholder list, as was requested by the committee, and these individuals will be notified about the public meeting and invited to attend.

As well, an ad campaign will be booked and placed. A copy of the draft ad was in the package that you did receive. Basically, the advertising campaign will run between September 25 and October 1. It's going to run in Edmonton dailies, which include the *Journal*, the *Sun*, *24 Hours*, *Edmonton Metro*, and it's going to run in the weeklies, which include the *Examiner*, *SEE Magazine*, *Vue Weekly*, and weekly publications for the following surrounding communities: St. Albert, Sherwood Park, Fort Saskatchewan, Beaumont, Leduc, Devon, Spruce Grove and Stony Plain. As well, we've added campus papers, which include the University of Alberta *Gateway*, MacEwan College *Intercamp*, the NAIT *Nugget*, and NorQuest College's *The Quest*.

As well, in your package a stat card was attached. The stat card is something that we produce every year. It's very handy to hand out to the public at the public meeting, so we would like to have those reprinted as well this year. A copy of a media advisory as well as a media release were also in your packages. The media release will go out on September 22. The media advisory will follow a short time thereafter. On the websites we will post a media kit once all of the items have been approved by the committee. As well, there will be some signage updating, and the public questionnaire, which is always handed out at the public meeting, will be updated. Are there any questions?

The Chair: Tracey, thanks. It was nice of you. If I recall, the committee had suggested the *Examiner*, so you've obviously caught that.

Laurie, did you have a question?

Ms Blakeman: Yeah.

The Chair: Go ahead.

Ms Blakeman: I'm just wondering if the committee has had an

opportunity to review the stakeholder list of who was being specifically invited. I don't see it. I might have missed it.

The Chair: Tracey, can you answer that?

Ms Sales: Actually, I believe LAO research was working on the stakeholder list. I do not have a copy of the stakeholder list as it's not something that I'm putting together, so I'm not quite sure how to answer that question. I could find out for you.

Ms Blakeman: Well, I think you just did because this is our last meeting before that public meeting, correct? So if we're going to be able to review the list and perhaps suggest other people that should be on it, we need to see it today, and obviously that's not her department. Is there some way for us to get hold of the research that the support team did?

Ms Rempel: I'm afraid my understanding is that the list is not complete at this time. We can certainly have something prepared to distribute to the committee prior to October 2 for comment and input. We also will have some of these tools, I guess communications tools, available as well for any members who are aware of interested parties. You know, it's something that you're certainly welcome to share as well.

9:20

We are also working on an initiative although I don't anticipate it will be ready in time for this year's meeting. We're wanting to build what's often, I think, referred to as a subscription service onto the website. Whether it's individuals, companies, and so on who are interested in the fund, they can sign up to receive regular updates on committee activity through an e-mail service as well.

The Chair: Laurie, if I may, can I make this suggestion to you? You obviously want to see that list, but may I also suggest that if you have some people that you would like to participate or you have some suggestions of some people that you would like to see get an invitation, you could provide that to the clerk. Then I'm sure that they will be able to get that invitation out to anybody. We'll see what we can do about getting you a list.

Ms Blakeman: I appreciate that, but it's often more than just: have certain individual stakeholders been invited? It's often the shape of who's been invited. When you look at the whole list, you say: "Oh, gee. Here's a group that seems to be missing. There's one representative, but there should be this sector, and this sector should also be involved." I will happily review my files and see who I should be suggesting, but frankly I'm surprised that that list is not here since we talked about it in the last meeting. It has taken away the ability of the MLAs to discuss this at the meeting. So, yes, I will go and do extra work, but I still expect to see the list because that's how we're going to tell if there's been a wide enough sector that's been contacted: is there a particular group or collection of groups that's missing? Sure, I'm happy to do that, but I still want to see the list.

Thanks.

The Chair: Thanks.

Any other further questions?

Okay. I need a motion that

the Standing Committee on the Alberta Heritage Savings Trust Fund approve the communications action plan for the 2008 public meeting as circulated.

Note, Tracey, Ms Blakeman's comments, please, in regard to the stakeholders list.

Ms Sales: Okay. Thank you.

The Chair: Approval from anybody, please? Rachel. Thank you. Seconded by Ms DeLong.

The next item is the update on the website. Has everyone had a chance to review the memo from the minister of finance? Does anybody have any questions?

Ms Notley: I have a quick question. I apologize at the outset because, of course, I'm always sort of running behind, and I suspect this was discussed in a lot of detail at the last meeting, where I was always about 20 minutes behind in terms of furiously writing notes. I'm just wondering if you could maybe remind me – I'll put it in that way – what the overarching action plan is for this FIPAC. You know, it's reviewing sort of the whole investment priorities, strategies, or whatever of the fund. When is that going to start, and what's the process? I was reading this, and I somehow missed it before.

Ms Rempel: I'm sorry. I'm not sure I completely understand the question.

Ms Notley: In the memo she's just giving us the background on the Financial Investment and Planning Advisory Commission.

Ms Rempel: Okay. You're talking about the memo that was part of number 4, the August 13 memo?

Ms Notley: Yes. I'm sorry. We were looking at a different one. Would you like to do that under a different agenda head? I did realize when I saw it under 4 that I forgot to ask about that when we breezed through it. So if you'd like to deal with that under "other" or whatever and go back to the one you meant to deal with.

Ms Rempel: Well, I think we can just revisit agenda item 4.

The Chair: We can go back to item 4 in our next meeting. Are you all right with that, or do you want to talk about it today?

Ms Notley: I was just asking a quick question.

Ms Rempel: We do have staff from Finance.

The Chair: Okay. Ms Notley is referring to the memo that we received from the minister on the 13th of August, where she's talking about the background of the Financial Investment and Planning Advisory Committee, international diversification, timberland investment. My understanding was that she is just giving an update on the status, on what's happening at this particular time. Can you answer Ms Notley's question?

Mr. Matheson: I can attempt to. Just for clarification, the package that the minister provided was in response to questions raised at the previous meeting. A member of the committee asked for the background of the members of the Financial Investment and Planning Advisory Commission, which was what was provided.

Ms Notley: Absolutely. I know that, and that's why I started out with my long, rambling apology. I realize that that was it, so probably the answer to my question was actually provided at that previous meeting as well. I wasn't here in August of 2007, when it was established, obviously. I was just wondering if you could even refer me to a place that sets out its planned activities and its

timelines and its reporting dates and those kinds of things, and I can look that up on my own time.

The Chair: If I may, I think all of your questions would have been answered because originally the financial investment and planning group were supposed to be presenting today. Some of the things that you probably would have had questions on would have been presented to the chair. Because the minister has been called to this joint cabinet meeting with Saskatchewan and Alberta, we have postponed this. So when this committee appears before us, those are all questions that you will be able to direct to them. We are going to try and get them after the October 2 AGM.

Ms Notley: Okay. So the Financial Investment and Planning Advisory Commission, that group, was going to be coming.

The Chair: Correct. Under the leadership of Dr. Mintz.

Ms Notley: Excellent. Well, then, I will wait till then. That's fine. Sorry for the confusion.

The Chair: That's okay. That's a good question.

Ms Blakeman: I'm sorry, Chairperson. So we're also getting a separate presentation at a different time from AIMCo as well?

Ms Notley: I was confused between the two.

Ms Blakeman: Yeah. That's what I'm starting to say: how many extra presentations are not happening today, are now happening subsequently?

Ms Rempel: My understanding was that this would be almost like a joint presentation, that the department was working with various groups to put together something that would be a fairly broad-reaching presentation.

Ms Blakeman: Okay. So we're going to hear from both the Financial Investment and Planning Advisory Commission and from AIMCo at a later meeting date, which is yet to be announced.

Ms Rempel: Correct.

Ms Blakeman: Thank you.

Mr. Matheson: Madam Chairman, may I? That is different than my understanding of what the Minister of Finance and Enterprise did commit to at the last meeting. She did agree and commit that she would have a presentation made by Finance and by AIMCo regarding the management of the heritage fund. I don't believe she committed to have Dr. Mintz or members of the Financial Investment and Planning Advisory Commission appear before this committee.

The Chair: All right, then. I will need to get some clarification from the minister, and I will get that information back to the committee. If I'm misunderstanding that, then I apologize to the committee. I was of the understanding that the minister was very open to the process, but I need to get some clarification from the minister. Then I need to personally apologize to Ms Notley on that particular issue and to Ms Blakeman. So we'll get some clarification from the minister and get that information out to you as soon as we can.

Ms Blakeman: Can I just pick up on one other thing from the gentleman who just spoke? You were also saying that AIMCo is only appearing in front of this committee to talk about their investments on behalf of the heritage trust fund, but are questions limited to that, or can we ask wider questions about AIMCo?

The Chair: I would imagine the committee has to address the questions from the perspective of the Alberta heritage trust fund.

Ms Blakeman: That's interesting. Then I wonder where it's possible to question AIMCo about anything else. What other venue is available?

The Chair: I'm sorry, Laurie.

Ms Blakeman: Okay. I'm going to leave that one for you to sort through and get back to us if you can. I think that given that all of our money is now being invested by this group, to not have a public venue in which they can be questioned is troublesome.

9:30

The Chair: I will give you my word that I will get some clarification. I apologize as chair because there has been some confusion.

Ms Blakeman: Thank you.

The Chair: Do I dare ask about the website?

Ms Blakeman: We're back to the website thing, right? The memo of the 29th.

The Chair: Are there any questions on the website?

Ms Blakeman: I'm sorry. I do have one question on this website. It does mention somebody's name that was actually doing this work for us. This is the question of whether we count hits or visits. Is there a percentage or an industry standard about discounting in order to get a more realistic view of people that were actually on the site looking for it as compared to people that were looking for the Heritage Mall and got onto the wrong website for a second? They're reiterating in this memo from the minister that they measure on the number of hits, not visits. Visits would just count one visit from a school, for example, or from one IP address. Okay. Fair enough. But, you know, there must be an industry standard by which you can discount a certain percentage of hits going: this is someone that got on the wrong place. Hits count everything. Hits count any time you get on the site. So if you're looking for Heritage Mall, long departed now in Edmonton, and you stumble onto the heritage savings trust fund, it's going to count as a visit to the heritage savings trust fund. Has that been figured into this, or are these a straight number of hits?

The Chair: Do you know what? It's another wonderful question. I am the last person to be able to answer that question.

Mr. Kaczmarek: I'm from Finance communications. I'm here on behalf of a colleague. I don't know if I have the information for it, but I can relay that to the person who's collecting the information and see if I can find out for you if there's a percentage.

Ms Blakeman: We seem to be missing a lot of people and a lot of information today.

Thank you very much for your efforts on behalf of your colleague. I look forward to receiving the information.

Mr. Johnston: It's my understanding that a hit on a website is not the same as a visit.

Ms Blakeman: That's right.

Mr. Johnston: If you accidentally hit the website, it's like knocking on a door or the door opening for you. Am I correct on that?

Ms Blakeman: No. A hit counts every knock on the door, whether you open it or not.

Mr. Denis: Every page that's opened is a hit.

Ms Blakeman: If you flip through the entire annual report, you'd be hitting it – hang on – however many pages are in this baby. You'd be hitting it seven times.

Mr. Denis: Or any links on the page that you would do, too.

Mr. Johnston: So I was wrong on that. If you accidentally hit the site and then leave without going in and reading all seven, that's one hit?

Mr. Denis: That's one hit.

Ms Blakeman: Yep. And when we look at the numbers here, we're saying, you know, that so far this year there are 56,979 hits. Well, how many of those are real? I'm asking if there's an industry sort of discount to go, "Okay, how many times did someone get on the site by accident?" just as you described. Or my example of looking for the Heritage Mall. But we've sort of discussed this and moved on. We're going to get the information through Mr. Kaczmarek.

The Chair: You know, it's an interesting question. I'm not computer savvy enough to know if there is something that can be done to determine that, but it's a very good question. Again, we'll get back to you.

I'm going to move along and see if we can get through this agenda. As members are aware, the committee must report annually to the Legislature. A draft report was circulated with the briefing material for this meeting. This report will be tabled by the chair in the Legislature during the next session. Does anybody have any comments?

I would like someone to move that

the Standing Committee on the Alberta Heritage Savings Trust Fund approve the draft 2008 annual report of the Standing Committee on the Alberta Heritage Savings Trust Fund as distributed.

Alana and Jonathan. Thank you so much.

Moving on to 9 – and we're way ahead of time – is there any other business members would like to raise?

Ms Blakeman: Well, I'm just wondering if we are going to discuss the memo from the minister, which is what Ms Notley had referred to earlier. Or are we just taking that for information?

The Chair: Ms Notley, are you prepared to let us get some information on that and maybe have it as an agenda item next time? It's up to you. We can certainly discuss it. We've got people here if that's your choice.

Ms Notley: Well, I guess I would rely on the people that are here. If there is a genuine possibility of having whatever acronym I used for that group come, that would probably be preferable. In the short

term I wouldn't mind just a little bit of advice on where I could go on my own to get more of the background information about it vis-à-vis the kinds of issues I raised about timelines.

The Chair: The deputy is gone, but we have some people from the department that I think can answer some of these questions.

If I recall, this memo that we received from Minister Evans was in response to comments and questions from the last meeting that committee members asked and that the department said that they would respond to.

Ms Notley: To be clear, I think they did answer those questions. My recollection is that it was about who is on the commission and what their background is and all that kind of stuff. That's answered. Then when I was reading it and saw the mandate written out here more clearly, I thought: whoa, this is actually a big thing. I'd like to know more about, you know, if they've met, what their process is, who they're consulting with, who they're reporting to, what their timelines are, that kind of stuff. If there's a place you can just direct me to to get that information, that's fine.

The Chair: Well, we have some expertise here. If you can try and answer some of Ms Notley's questions.

Mr. Matheson: I will certainly attempt to answer what I can. The commission was formed last fall. They had their meetings starting last September – is that about right? – and conducted a series of stakeholder consultations, meetings with experts. Through the finance ministry website there was a link set up for public submissions, and there were a number of submissions that were received by the commission. The commission finished their work in early 2008, and they delivered their report to the minister of finance. That report is now with the minister of finance.

Ms Notley: Is there some expectation that we would get a chance to review that? I'm assuming that based on the mandate of this committee and the mandate of that commission there's a great deal of overlap. It would seem to make sense. Maybe not, though. I'm just asking.

Mr. Matheson: I don't believe it was the minister's intention to bring the report of the commission to the standing committee. The minister will announce how the report will be released. It hasn't been released yet. That's with the minister to decide.

Ms Notley: So we don't have a timeline on that?

Mr. Matheson: I don't believe there has been one announced.

Ms Notley: I mean – I'm just flying by the seat of my pants – a very vague overview of our mandate and the mandate of the commission, I would think, is that it would be reasonable that that report would at least come to us for information and a heads-up. Beyond that I can't say the kinds of things I would expect this committee to do because I haven't had a chance to really put my mind to it. But it would seem to me that there is a great deal of overlap and that, on the face of it, it would be surprising that it was completely independent of this committee. I'm just wondering what other committee members think about that.

The Chair: Well, I'm trying to as a new chairman – I apologize – get some clarification on the mandate of Alberta Heritage Savings Trust Fund Committee. Our mandate is to review now with this

committee. I clearly as chair need to get some clarification on your questions, which I will. I will get back to you.

Laurie.

9:40

Ms Blakeman: Yes. I have a series of questions, but I will support Ms Notley in her questions. I mean, in the terms of reference in the memo from the minister it states that the commission will “review and make recommendations regarding the framework for the Alberta Heritage Savings Trust Fund Committee, so why aren't we looking at all of this? Certainly, the outcome of what that commission is going to recommend may well affect how we do our work. So I would join with her in arguing that it would be very appropriate for that report to come to this committee first. But I know that you're on this, Madam Chairperson, and are following through.

My question specifically appears on – oh, again no page numbers. It's following through on the section named Assets under Management. It talks about: “\$2.8 billion of the assets AIMCo manages are in the Workers Compensation Board and the Long Term Disability Funds as well as some smaller niche funds.” Then when I look at the breakdown of what's in that, there's the Claude Gallinger memorial trust and the Mildred Rowe Weston estate. One we've got for, I think, \$0.02 million and \$0.07 million. Then there's a third one, the A.L. Sifton estate, which is almost half a million. Could I get an explanation from somebody about what those actually are and why?

The Chair: Could I have someone from the department, please?

Mr. Parihar: Well, I can attempt to answer the question. I'm afraid I don't have a complete answer here. These are old trust funds set up by these individuals to be managed. It's a very small amount, and they're typically managed in the money market fund.

Ms Blakeman: So this is some individual's money that the province is managing?

Mr. Parihar: It would have been – I'm afraid I'm guessing – that these individuals left some money to be managed by the province at some point a long time ago. So they are not recently donated monies.

Mr. Saher: Madam Chairman, could I try to help?

The Chair: Yes, please.

Mr. Saher: If you were to look into the financial statements of the ministry of finance, you will see a note. I think its caption is Trust Funds under Administration. As Mr. Parihar said, these are amounts that various individuals bequeathed in their wills to the province. There are other reasons that the province has this money under administration. They are not assets owned by the province; they are assets administered by the province to carry out the wishes of the people who left that money.

Ms Blakeman: And this is explained fully in the note in the annual report?

Mr. Saher: Well, I think that would be a start. If you wanted to find out more, I would suggest that you start there with that note in the ministry's financial statements.

Ms Blakeman: Okay. Thank you very much.

Ms DeLong: It might help a little bit to understand that the money that we as a committee are responsible for is only a piece of the investments that the province has. Okay? The part that we're responsible for is not all of it. The Financial Investment and Planning Advisory Commission is set up to look at all of the investments and to look at how we should be managing all of these investments and whether or not they should all be folded into the Alberta trust fund and, you know, how all of them should be handled, rather than just the part that we as a committee are responsible for. Some of them are very small and others are larger, like WCB. The Alberta government looks after those investments. Some are large; some are very small. These are things that as a committee we're not actually responsible for but that the government of Alberta is responsible for. Essentially, we have a smaller mandate than the whole province has in terms of investments.

Ms Blakeman: Well, thank you for that explanation. I'm just asking the questions because they arise out of a memo from the minister to the chair of this committee on the Alberta heritage savings trust fund dated August 13 as part of the information that

was circulated to this committee. So I'm assuming that it is okay for me to ask questions seeing as the information came to the committee. But thank you for the explanation.

The Chair: On that note, I have just had the opportunity to go under the Alberta Heritage Savings Trust Fund Act. It clearly spells out the mandate of the function of the standing committee. Everybody, I am sure, has a copy of that act that they can refer to. It states what our businesses are, what our responsibilities are. But I am still going to get some clarification from the minister, so on further questions I'll get back to you.

The date of the next meeting is October 2, which is in Doug's riding. I look forward to everybody being there. I think it will be well attended.

I also want to thank Jody and her staff, who have done a really, really good job. I think they need to be thanked for that.

I will call an adjournment and get out of this meeting gracefully. Do we have a motion?

The date of the next meeting is October 2, and we will have a meeting after that. Thanks everybody.

[The committee adjourned at 9:47 a.m.]

