

[Mr. Hutton in the chair]

THE CHAIR: Welcome, everybody, to the Standing Committee on the Alberta Heritage Savings Trust Fund. I'd like to start the meeting off by introducing a few new faces that are around the table, and then if everybody would be so kind as to introduce themselves. The three new faces are sitting down in the right-hand corner there: Barrie Harrison, public affairs officer; Tammy Forbes, information officer; and Cathy Housdorff, who hasn't officially started yet but is the new communications director for Revenue. So welcome.

If you wouldn't mind just going around the table, Peter. Obviously they know you, but wander around the table so everybody knows who everyone is.

[Robert Bhatia, Rene Boisson, Dave Broda, Fred Dunn, Mel Knight, Rob Lougheed, Richard Magnus, Peter Orcheson, Dave Pappas, Jai Parihar, Gisele Simard, and George VanderBurg introduced themselves]

THE CHAIR: Thank you and welcome to everyone.

I would at this time ask for a motion to approve the agenda as circulated for the September 23 meeting of the standing committee on the Alberta heritage trust fund, or are there any amendments? David Broda.

Approval of the minutes from the June 6 meeting. I would be looking for a motion. Thank you, Richard.

MRS. SAWCHUK: He wasn't in attendance, Mr. Chair.

THE CHAIR: Oh, you weren't here. You can't move it, buddy. So could I have a motion from . . .

MR. KNIGHT: I'll move it.

THE CHAIR: Mel. Whew, it was a test.

What I'd like to do with regard to the agenda is that the items would stay, but we are just waiting for Minister Melchin to come from agenda and priorities, so what I would like to do is move that items 4 and 5 be put on hold until the minister arrives and that we move right to Update on the Annual Public Meeting at the present time. Is that all right?

HON. MEMBERS: Agreed.

THE CHAIR: Thank you. Any opposed? Okay.

The annual meeting will take place in Olds on Thursday, November 7, at Olds College. Olds College will host a lunch for the committee members. Richard Marz and staff of Olds College will host a tour of the college during the afternoon. Arrangements will be made for members and staff to attend a dinner in a restaurant in the town of Olds. The public meeting will start at 7 p.m. and, depending on attendance, should go no later than 9 p.m. *Hansard* staff will be in attendance for recording the proceedings, as we have done in previous years. Members may wish to remain in Olds overnight, depending on how late the meeting finishes, and arrangements can be made. If you could talk to Karen with regard to that. Karen will be working on any other arrangements or needs that you have, so please make contact with Karen if you need to. So that's item 6.

In the interim of me babbling on about the annual general meeting, our minister has arrived. Have you caught your breath?

MR. MELCHIN: Yes. I'm ready and raring to go.

THE CHAIR: We will move to item 4, First Quarter Update, and I will turn it over to the Minister of Revenue, the Hon. Greg Melchin.

MR. MELCHIN: Thank you, Drew and committee members. Just taking a look at who's here with us today.

THE CHAIR: We've got Rob, George, Mel, Richard, Dave. It's all family.

MR. MELCHIN: So what happened to the all-party committee? Oh, there's the all-party committee.

THE CHAIR: Perfect timing. As I've always said, you look good in blue, Deb.

MS CARLSON: Don't get used to it.

MR. MELCHIN: Welcome. We were just waiting for your entrance.

MS CARLSON: Thank you.

MR. MELCHIN: Okay. Today we're here to discuss the first quarter of the Alberta heritage savings trust fund, and I suspect that everybody has copies of this. As you know, our first quarter was just released publicly on August 27, and it continues to be a difficult period in equity markets. I would say that over the past year plus it's been – volatile would maybe be a complimentary word for the markets. They've certainly had substantial downturns, even through the second quarter, even though we're not that far. But here we are on the 23rd and the markets in the second quarter continue to have declines. So the heritage fund investments are invested in all of those markets and are subject to the trends of those markets, be it up or down.

That said, though, even though we've had recent trends downward over the past year plus, a year to two years, the markets consistently show through historical terms that those trends are replaced. In the late '90s they were overheated and probably overvalued, and they've had market corrections plus a number of economic factors that are hitting them at this stage and loss of confidence from a variety of big announcements of change in revenues and forecasts by many of the major corporations. But continually there is a time that the markets do turn around and history shows that they outperform, and that's been the policy that this committee has approved and I think one which gets very much tested in the difficult times more than it is in the easy times.

Do you really concur with the investment mix at this stage of which the heritage fund is working towards? If you went to page 3 of the first-quarter report, it does talk about a policy target: fixed income, 35 percent; for equities, our targets in Canadian and U.S. and non North American will be 50 percent; private equities, 2 percent; absolute return strategies, 3 percent; and real estate, 10 percent. That's our target. We're getting closer to it. You can see it by the actuals of June versus the policy target, and we've had those discussions, but this is very much the real application of what happens to us in short terms – substantial swings, up and down – and we have to be prepared to, I think, accept and accommodate that with the long-term objectives that this fund has had for investment.

So in the first quarter the heritage fund, you can see on page 2, has declined from \$12.4 billion down to \$11.8 billion in fair market value. The fund's projected investment income for the fiscal year is readjusted to \$46 million, which is a considerable reduction in the

budget of 2002. Over the quarter, losses from equity investments of \$165 million were partially offset by income from bonds, notes, and short-term paper of \$75 million and real estate income of \$6 million for a net loss of \$84 million. This includes a loss from equity investments, and it includes write-downs of \$98 million, primarily in the information technology and telecommunication sectors. In addition to the \$84 million loss determined on a cost basis of accounting, the fund had net unrealized losses of \$498 million during the quarter as a result of declining stock values in world equity markets.

You see a lot of the effects of this, and it's never great news to have to announce this kind of a quarter. I would still urge the committee to be looking long term as to what the objectives are and being patient with respect to the volatilities of the day to day; look long term, not just in one or two years. Really it's a 20- or 25-year longer stretch.

10:15

Just for information, to be illustrative, when we announced the first quarter, we took – and I can't remember right now – one of the U.S. bond indices versus one of the U.S. equities indices over a 25-year period, the last 25 years. A \$10,000 investment in bonds would have yielded about a \$90,000 return over that period of time, including the downturn through this last year and a bit, versus equities, which would have returned over \$201,000, the approximate number. So that is what happens, and you can pick different indices, different bonds, different equity markets around the world, but the trend is still, is always, and has been the same historically. You see the ups and downs in the equity markets, but over the long term that spread increases and improves and maximizes the return.

It's important to note, though, that the heritage fund investments met performance benchmarks in equity markets. The Canadian equity portfolio loss was 8.5 percent, 10 basis points better than the TSX and S and P. I always laugh when I have to read these. It's wonderful that we meet benchmarks. It's not so wonderful to say that our benchmark was losing, so we've done so much better by losing money. But the fact is that your investment managers are held to task. They have benchmarks. They work towards outperforming them, and they will be certainly held by the general trends of all of the marketplaces. The U.S. equity portfolio loss was 16.9 percent. We did 50 basis points better than the S and P 500, and we were also 20 basis points better than the MSCI EAFE index. So our investment managers have done a commendable job. We really do have a tremendous team of professionals within our organization, and we also utilize a number of external fund managers throughout the world, especially in markets outside of Canada where we don't have that expertise.

I open it up for comments or questions that there may be of the committee at this stage.

THE CHAIR: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman, and thank you, Mr. Minister. I guess I would like some feedback from you on what we hear in the community now, that perhaps share prices are still somewhat overvalued globally and that given the re-evaluation of balance sheets that is happening particularly in North America and the increased amount of debt being taken on by publicly traded companies as a result, you still believe that this is exactly the investment strategy we should be following, because I think the market is still going to drop a bit.

MR. MELCHIN: I would say that no one knows for certain and there

are a number of different projections that might even get – I don't know who would want to comment, be it Robert, Jai, or otherwise. Someone might want to comment as to overvaluation or not.

What is happening is that clearly in historical terms when you look at it, the price-earning ratios back in the late '90s, early 2000s were substantially higher than historical levels, and they've declined to more historical levels. So it's on a couple of fronts that you would say: are they overvalued? One is that they're getting more in line and many of the stocks are actually better values, but the markets in general are getting back to historical levels. Are they going to decline below that? No one knows for certain. It gets back into the earnings question. If earnings – and they will turn around. Then those price-earning ratios become better multiples too. I can't precisely tell you how much volatility is left. It does get back into economic questions, and sooner or later – and I can't tell you if it's going to be in the last quarter of this year – the markets are, yes, left with some volatility, but there are earnings and some stability that has happened in the economy as to growth. We're still seeing a lot of growth and expansion of the economy, though slower than – it's not recession. Even in the United States there's been expansion in the economy, not to the extent that they might hope, but I would say that it's too difficult to change investment policies every other day.

So are we going to switch and move? You can't move around your funds even that quickly. By the time you took this extent of your portfolio, moved it around to some other mix – by the time you've got it there, the market has switched. If the objective is to maximize over the long term, a 20- or 25-year period, then I say that your investment policy needs to match that, and you need to believe and stick with it. If you're trying to invest for one year, then we ought to change our policy, and that, I think, is more the answer.

I don't know if someone wants to comment on the price earnings or values of the market.

MR. PARIHAR: Maybe I can comment a bit. The price on the earning ratios obviously has come down. There might be some more room for it to come down, but it's hard to tell when it will reach the bottom. So, like the minister said, we are here for the long haul. We obviously evaluate the markets on an ongoing basis, and we plan to stick with the current mix till we have more information to change it. So the current plan is to stick with the current asset mix.

THE CHAIR: The hon. Member for Redwater.

MR. BRODA: Thank you, Mr. Chair. I'd just like to make a comment. I think the mix that we've got right now – and the hon. minister is certainly correct in saying that it's a long-term investment. I know that when I look at it personally, what I did in my investments with the bank – when you look at my RSPs, you look at the long term. You look at the history of what's happened. You have to have those mixes. If you're looking at a one-year term, as you indicated, Mr. Minister, it's something that is so volatile that by the time you have moved from one end to the other – so what you've done and your department has done I think is on the right track, and certainly, as you indicated, you will be monitoring it as we go through, but it's a long haul. It's unfortunate that it's not only us here, but it's everybody, if we look individually at our own selves, as to our investments. I hate to look at mine to see where they have dropped to right now, but I'm confident that as the markets change, you're going to see it balance out, and hopefully in the next five years or two years or 10 years, we're going to be back where we were and possibly even double again. That's a trend that has been happening. If you look at the charts, the past charts over the last 10

or 15 years, you see the fluctuations. I think you're on the right track. So that's my comment.

MR. MELCHIN: I'd also comment that if you're going to have an investment policy, I don't think we ever ought to base our policy on trying to pick the high and low points of a marketplace. It's precisely that strategy that is impossible to know and precisely how everybody can get really killed in the long term, if you think you can actually tell if it's bottomed out now or not. It might be already. I can't tell you that, and it's that challenge. You could have changed your policy today and find out tomorrow that, gee, we sure chose that one wrong. This fund has been there to maximize long-term returns, and we actually have done a number of things to even diversify further. The private equities component is a whole different marketplace than the public equities as to the options, the absolute return strategies of 3 percent, working towards finding them.

I don't know who might want to comment as to how that will help also provide a little more diversification in these kinds of markets.

MR. ORCHESON: Sure, if you'd like. First of all, something on the market valuations. I hear three schools of thought out there right now. Number one, as Jai had mentioned, PE multiples are at about historic levels. Prices have come down quite a bit. Earnings have come down as well. So PE multiples at historic levels. That's, you know, fair value.

The second school of thought I hear is that in environments where you have low interest rates and low inflation, PE multiples are much higher, so the market is actually significantly undervalued.

The third school of thought I hear is sort of the we're at the beginning of like what Japan experienced through most of the '90s, whereby consumers wouldn't spend money. The Bank of Japan continued to cut rates, and there were fiscal stimulus packages, but it didn't turn the economy around, and that being the disaster scenario where we've got much more to go. I don't believe the last scenario, because we've seen ourselves the impact on the housing market of declines in interest rates, the impact on purchase of big-ticket items that have been very robust. So I would have to say that of the first two scenarios, the one of reasonable valuation or some possible upside, I think, is probably the more reasonable.

10:25

As far as diversification goes, the minister is absolutely right. We're constantly assessing the asset mix of the fund, and more recently we have decided to increase the exposure to real estate and add exposures on private equity and absolute return strategies. The impact here should be a portfolio with a better risk return payoff, and I think that in the current environment, when you look at absolute return strategies, these strategies are supposed to provide positive returns even in down markets. So there we're not so much looking to outperform a particular benchmark, even though the returns are negative. We're looking to actually generate positive returns. So, you know, we do feel that these changes will help diversify some of the risk away from the fund yet still, hopefully, produce solid returns.

THE CHAIR: Thanks, Peter.

MR. LOUGHEED: Well, certainly some startling revelations here, Minister, that you don't know what the future holds in the market.

MR. MELCHIN: We're doing our best.

MR. LOUGHEED: You've already answered this, I think, in large

part and would perhaps like to comment a little further. It's so easy to look back and say: gee, this or that should have been done. We'd all be investment geniuses if we could invest retroactively or something. Similarly, comments are often made, "Well, the market is going to go here or there," and sometimes I wonder: are those people buying or shorting or what are they doing, or are they just making those comments as well? We need to be prudent, and I was going to ask if you would comment on what steps your department is taking to look at the investment strategies and things like that. In large measure you've started to answer those, but if you'd like to comment further, I'd appreciate that.

MR. MELCHIN: Peter, if you want to actually expand on it then.

MR. ORCHESON: Sure. Well, as you know, we've completed the transition at the end of June. The thought there was to average into what were falling equity markets. That strategy, we feel, for the long term is the right one, although, you know, the markets are further down. We don't pretend to be market timers. It's just too difficult.

As far as the rest of the fund goes, you know, we run through a process where we take a look at the risk of the fund relative to the potential reward. So not only do we look at historical returns, but we try to forecast what the markets are going to be, and we sort of take a look at what the volatility is. It's what's known as mean variance optimization, and it's a common practice in the industry. We think that we've got a portfolio that will deliver solid returns for a given level of risk. This is something that takes place at least annually in IMD for certain. In fact, it was the process that led to adding absolute return strategies, a greater proportion of private equities, and more real estate.

THE CHAIR: Thank you, Peter.

MR. VANDERBURG: I guess not many mornings go by when I read the business section that I don't read about consolidations. It doesn't matter whether it's Sun Life taking out Clarica or oil companies taking out each other or Loblaw's buying more grocery stores. The consolidation swing is happening again, and we've seen this in the past. How is that affecting our returns? Is it negative, positive, Peter?

MR. ORCHESON: It's a difficult question to answer. Often the acquiring company experiences a decline in share price, because when they pay for something, often they have to pay through the current market multiple. It may take a period of a few years before there are any earnings accretion on the deal because of the price paid. I personally think we're actually going to continue to experience more consolidation, particularly in technology, because there was so much overbuild there. Because that was such a leading market sector and because it is still a fairly significant sector, I think it should lead to more positive returns. I see so many stocks right now that look incredibly cheap, but there's no catalyst. At least some M and A activity provides a catalyst.

THE CHAIR: Thank you, Peter.

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you. Could you give me some more information on the criteria being used to determine how to choose private equity investments?

MR. ORCHESON: Absolutely. We use the same process as we

would to select any external manager. With the private equity and absolute return strategies the bulk of it is managed externally, and we use a process that I'd like to call the six Ps; that being people, process, philosophy, performance, price, and platform.

On the people, you know, we go into the company and try to assess the strengths of the individuals actually managing the fund, the amount of experience and the amount of education being first and foremost.

Process. What is the process of due diligence that they use before they select an asset?

Philosophy. Certainly with external managers we don't pick external managers that all have the same style. So, for example, on a foreign equity product we will have exposures to the value side of the market and the growth side of the market. We want to make sure that the manager will stick to that philosophy, and that also is part of the diversification. It's not just within the various markets, but it's the market segments within those markets.

Performance. I mean, that's pretty straightforward. If the performance of the fund has been solid for a long period of time, that would win a potential manager some points with us definitely.

Price. It's certainly a criterion. You can see it in the cost of the funds as we've transitioned away from fixed-income securities. It has added cost. But when you look at what the manager can provide, particularly in this kind of environment with all the volatility, it's probably worth paying for a good manager.

Platform. We're talking there just about systems and compliance and the back office.

MS CARLSON: Do we have a list of the companies that there are investment dollars with?

MR. ORCHESON: The amount? We don't have that actually in the first-quarter update. I can definitely get that list to you, however.

MS CARLSON: Thank you.

MR. MELCHIN: Are you speaking of companies for the private equities?

MS CARLSON: Yeah.

MR. MELCHIN: Actually we invest it through fund managers. We don't actually go out and pick and do the due diligence side ourselves as to picking the winners and losers of the companies. We actually will select fund managers, and they will have a portfolio of companies to which they've invested.

MS CARLSON: That's what I'd like. Yes. Thank you.

THE CHAIR: Seeing no further questions or comments, could I have a motion that the Standing Committee on the Alberta Heritage Savings Trust Fund receive the first-quarter investment report as distributed? Richard. All agreed?

HON. MEMBERS: Agreed.

THE CHAIR: Now we're going to move to point 5, on the omnibus poll, and it is in your binder. If you would kindly turn to it.

Do you want to be part of this, or am I just turning it over to communications?

MR. MELCHIN: You can go on to communications.

10:35

THE CHAIR: I'd like to thank the minister and his executive assistant for showing up. See you this afternoon. Thank you, Auditor General, Finance, Revenue, everybody.

I gather that I'm going to turn this over to Tammy and Barrie at this time.

MS FORBES: Okay. Hi, everyone. This is my first meeting, so hello.

Last year you did some polling to find out the awareness of the general public on the heritage savings trust fund. This year you wanted to do something similar to see if there has been an increase or a decrease in the awareness, and from the document in front of you, that Environics did for the committee, you'll see that the awareness of the heritage fund has in fact gone up. The awareness has gone from general from about 65 to – am I reading that correctly? Sorry; I wasn't prepared to speak to this. I apologize.

THE CHAIR: No worries. Take your time.

MS FORBES: The proportion – let me see here. Sorry.

THE CHAIR: Tammy, most people have had a chance to look at this. Why don't we just move on? I mean, it's pretty straightforward as far as what the poll has done and the results. Are there any questions or comments you would like to make, or do we accept this? Any comments or questions from anyone? I then ask that we have a motion that

the Standing Committee on the Alberta Heritage Savings Trust Fund
accept the summary of focus on the Alberta omnibus results, dated
August 12, 2002.

Moved by the hon. Member for Edmonton-Ellerslie. All in favour?

HON. MEMBERS: Agreed.

THE CHAIR: Okay.

Now if we could move to the communications plan. I do believe you're ready for this one, Tammy.

MS FORBES: I am.

THE CHAIR: That's section 7. It was handed out by Karen just this morning, so if you wouldn't mind taking a look at it.

Thank you, Tammy. Go ahead.

MS FORBES: This year the public meeting will be held at Olds College, as you said, on Thursday, November 7. I've outlined in the communications plan what I feel can be some useful communication tools to increase the awareness and bring people to the meeting. It's similar to the plan that Elaine Chance had brought forward last year, and I think that that worked well. If the committee was happy with those results, we'll go in sort of the same direction. You start with the letter of invitation that Karen does for the local invitees and anyone that you'd like to have. I can certainly help her with the drafting of that letter if she so chooses.

In the news release portion I've added that we have two media advisories. One would be on November 4, which is the Monday, which will give rural media an opportunity to plan for their week and, you know, make arrangements to actually be at the meeting, followed up by a reminder notice on November 6, which is the Wednesday. Then on the morning of the meeting, November 7, we will have a news release first thing in the morning, and that serves again as a reminder, gives some more background as to what will be

discussed at the meeting. As well, there should be some news reports over the radio during the day to encourage people to attend, so again just a reinforcement.

In the past there has been an MLA column for the MLA hosting the meeting, and this year that would be for Mr. Marz. I have talked to Kay in the office, so if he would like to do that, then we can certainly provide that document for him. That will be in the local newspapers at least two weeks prior to the event to generate, you know, conversation about it, and the constituency office would have information.

The other thing is targeted media interviews, either locally with Mr. Marz or actually involving the chair as well, be it radio, newspaper, you know, again raising awareness. If that is so chosen, then we can certainly make those arrangements through communications.

The public service announcement is a very effective and cost-effective way of reaching the public without spending communication dollars, advertising dollars, and I believe we did that last year for Whitecourt, if I'm not mistaken. Again, I can draft something, and we can have it approved and have it out to the local radio stations ahead of time.

Again, we will be updating the brochure. I noted in the last meeting's minutes – I wasn't here, but I believe it was Mr. Broda who brought up the fact. I think this is the brochure that you had referred to. We will definitely be meeting with a designer, and we will have this updated and to you within the next week or so so that we can have that. I don't know if there are any comments from the committee as to what type of messaging or direction you'd like to go in, but we have some thoughts and will certainly discuss that with you if you'd like. The design will be very similar to this: simple yet straightforward.

As you'll see – I'm just jumping ahead a tad – on the web site we now have an Alberta heritage fund dot-com address that is specifically geared to the heritage fund. It's a link from the Alberta Revenue web site, and on any publications or any PSAs, everything like that, the Alberta heritage fund web site will be the web site that they are directed to to increase the awareness of that.

With the brochures the cost is minimal: about \$2,500 to \$3,500 for 5,000 brochures. That's the amount that was done last year. We feel that that is an adequate amount, so we'll proceed with that.

The web site. It is appearing that the address is actually getting out there, because we are getting e-mails into Alberta Revenue through the Alberta heritage fund web site address asking for information, and the amount of information coming through on the Alberta Connects system, through the Public Affairs Bureau, has also increased as far as interest in the fund. So I think that the web site is a very valuable tool that way. I have talked to the web designers at the government of Alberta web site, and I believe that we can either put an ad or a note, some type of link, to indicate that anyone who comes through the government web site will know about the meeting and can link directly to the site. On the heritage fund site we will have a poster, almost like an ad, that will be on the front page, front and centre, indicating the meeting. Again, the cost for that is all minimal as we maintain that in-house.

Print and newspaper advertising. That's where most of the cost for the committee comes in. I've noted the area that the meeting for Olds falls in, area 4 of the Alberta Weekly Newspapers Association, and I'd like to touch base with committee members and specifically Mr. Marz regarding which weekly newspapers he feels would get the best coverage for the area. I know that we'll be drawing from a fair number of communities around the area, so just to try and get the biggest bang for our buck in that area. Again, I'll have copies of ad sizes in circulation to the committee within the week or so to take a

look at and have some approval with that. The costs, of course, vary depending on the frequency, the size of the ad, that type of thing, but we'll go with what was used before.

When we did the Future Summit – I was involved with the Future Summit – we did have posters. They're easily put up in public areas: grocery stores, that type of thing. The cost is minimal, but I think the impact is quite high. It's easy to put up, take down. I'm going to be speaking with the designer on Wednesday, and we'll have a little mock-up of a poster for that. I think that the cost, if it's not too large, is also a very good way to get to people in the community, where they are at. So that's pretty much about it.

The only other thing that I would add is that perhaps we could have – I know that session will not be beginning until November 19 – a follow-up member's statement in the House to indicate that we did hold the meeting as legislated, and we can give some updates as to the success and the attendance and the issues that were brought up and certainly put that into the record in the House. So that's what I have.

10:45

THE CHAIR: Thank you very much, Tammy. I have a couple of questions. Just to let the committee know that what Tammy has put forward is under budget with regards to what we have available.

First up is the hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, and thanks for that information.

Two sets of questions. The first one is on the hits on the web site. How many have there been, and how much of an increase is that?

The second question is: will the chair have final approval of the brochure before it's printed?

I think the posters are a good idea too.

MS FORBES: I can certainly get the web site hits increase for you. I don't have that with me today, but I'll certainly provide that to the committee.

On the posters, thank you.

Absolutely the committee chair will definitely have sign-off on everything before it goes out.

THE CHAIR: With that, are there any comments? On whatever Tammy circulates, if you could get a note to me if you have any concerns or questions.

MR. LOUGHEED: Just a comment. A good idea with the newspaper column, for Richard to get that. You indicated that that would be a couple of weeks ahead of time, which even at that may be too late. Sometimes you send them in, and they've got some other things and they don't get it in in time.

Certainly for that Monday, November 4, we're looking at weekly papers probably in that area. I mean, they may have already printed on Friday for that week, so those definitely have to be a couple of weeks earlier or something.

MS FORBES: Yes. I will get all the publication schedules for those.

MR. LOUGHEED: You indicated, I think, that you'd be talking with Richard about his perception of what's required.

MS FORBES: Yes. Right. Thank you.

THE CHAIR: No further questions?

MR. VANDERBURG: I'm very happy with the approach that you're

using in working closely with the MLA, because that's exactly what Corinne Dacyshyn did. Last year we worked together and did many of those things that you're talking about, and it worked very well in Whitecourt. I do remember people commenting in the community about the chair doing an interview on the radio that day, which was very, very effective, and I had done an interview a couple of days previous. Remember that what you hear on the radio only lasts for about 48 hours, so you can't do it too long in advance.

I did make a presentation to the local chambers of commerce and business groups in the area to give them information about the trust fund and let them know that the committee was coming to the community. I did compile a list, and it was 92 letters that I sent out and personally invited people in the community and surrounding area. Those letters went to the reeves and council of the counties, to the mayors and council of the towns and villages, to all of the accountants – I had a list from one of the accounting associations – to the Rotary clubs and Kinsmen clubs, the service clubs, and of course to my aunts, uncles, cousins, brothers, and sisters. So of the 92 letters, invitations we sent out, we had 63 people attend on behalf of those 92 invitations. So I was pretty happy with that.

MS FORBES: That was to the meeting itself?

MR. VANDERBURG: That's right. We had just over a hundred attend, but 63 of those hundred were personally invited. So that's set up by the local MLA, and I think that you should really work with that.

I have to stress again the importance of having on that day on the radio an interview with the chair, because people in the small communities listen to their local radio station. That probably spurred on the other 40 in attendance. We tracked our people at that meeting, and we did a little follow-up ourselves, so that's why I know the information I do.

MS FORBES: Thank you very much.

MR. VANDERBURG: I think that an opportunity for the committee to be in the community that day and after the meeting was very, very helpful to me as the local MLA. People wanted to stay and chat about different things. They didn't feel comfortable standing up in a meeting. So I think the committee did the right thing by spending some time, you know, premeeting and after the meeting.

THE CHAIR: Thank you for your comments.

Also, the Member for Olds-Didsbury-Three Hills is not here, but I know it was a bit of a challenge there to get numbers out. The meeting last year was attended very, very well and was a very good meeting, so I will have to put a little asterisk on the member's

minutes so that he'll know that he's got his work cut out for him. Thank you.

Any further comments or questions with regard to the communications plan? Then I would ask for a motion to approve.

MR. VANDERBURG: So moved.

THE CHAIR: Moved by the hon. Member for Whitecourt-Ste. Anne. All in favour? Thank you.

Now we are moving to the draft 2001-2002 report of the Standing Committee on the Alberta Heritage Savings Trust Fund, which I will have to table in the House. I require that we have received it and will table, so I need a motion.

MR. MAGNUS: I so move.

THE CHAIR: The hon. Member for Calgary-North Hill moves. All in favour?

HON. MEMBERS: Agreed.

THE CHAIR: Thank you.

Any other business that we need to attend to?

MR. VANDERBURG: When we started this, when this committee was first appointed and we had an opportunity to talk about different goals and objectives, we talked about inflation-proofing this fund. We've never had a chance to talk about it again. Why is that?

THE CHAIR: That's a good question, hon. member. We've just never got around to having it as an agenda item again. I ask any member to put forward in writing agenda items that are to be brought forward, and I would welcome it.

MR. VANDERBURG: Well, then, I'll meet the challenge, and rather than in writing I'll do it on the record. I would ask that we have this as an agenda item for the next meeting of the trust fund board and that we have basically a discussion on inflation-proofing this fund.

THE CHAIR: So noted, and it will be on the agenda for the next meeting. Thank you, Member.

I have a motion from the hon. Member for Calgary-North Hill that the meeting adjourn. All in favour?

HON. MEMBERS: Agreed.

THE CHAIR: Thank you, all, very much.

[The committee adjourned at 10:53 a.m.]