

2:04 p.m.

[Mr. Pham in the chair]

THE CHAIRMAN: Good afternoon. I'd like to call the meeting to order now.

I would like to introduce the people from Treasury who are also at the meeting today with us: Maurice Husken, Stan Susinski, and Robert Bhatia. Suzanne Nickerson is from the Auditor General's office. Farther down there is Trish from Treasury. She's the communications expert, who will make the presentation to us today about a communication plan that we have for our public meetings. And these are the people from *Hansard*.

First, I would like to have a motion to approve the agenda. The motion has been moved by Mr. Shiraz Shariff that the agenda for the August 1997 Standing Committee on the Alberta Heritage Savings Trust Fund be approved. Is there support?

MR. DOERKSEN: Agreed.

THE CHAIRMAN: Objections? So the agenda is approved.

Next I need a motion to approve the minutes of our June 9, 1997, meeting, which you can find under divider 3 in your binder.

MS CARLSON: I think that we support the approval of them. I don't find any discrepancies.

THE CHAIRMAN: Thank you. Debby has moved that the minutes for the June 9, 1997, Standing Committee on the Alberta Heritage Savings Trust Fund be approved. Agreed?

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN: Any objections?

The next item on our agenda is that our committee will review the heritage savings trust fund's first quarterly investment report '96-97, and I would ask Mr. Bhatia, Assistant Deputy Provincial Treasurer, to walk us through this report.

MR. BHATIA: Thank you, Mr. Chairman. This is the first quarterly report for the new heritage fund at March 31. You'll recall there were the annual financial statements and the annual report prepared for the previous fiscal year, and those financial statements in that report reflected the changes in the fund that took place effective January 1. Under the new heritage fund Act there is no quarterly report required for the quarter ending March 31 because it is also the year-end. So this is the first report under the new structure.

What we've done in these financial statements and this report is attempt to provide more information than was typically provided in the quarterly reports in the past and, in particular, to include in the financial statements for the quarter a briefer form of the notes to the financial statements that are contained in the annual financial statements.

As in the past, in addition to the financial statements there is a brief overview report provided to draw attention to the highlights of activities during the quarter. So the first two pages are that overview report, and they outline here the highlights with respect to income, including the fact that the fund earned \$293 million of income during the quarter. That was an increase from the previous year. A significant part of the reason for the increase is that during the quarter there were substantial capital gains realized upon the

disposal of investments in both the transition portfolio and the endowment portfolio. The reason for those capital gains and the disposals that were made during the quarter is because we are restructuring the two portfolios to be in line with their new objectives. As a result some investments, in some cases investments that have been held for a long period of time, are being sold and replaced with investments that more closely meet the new objectives.

The other significant transactions during the quarter are, of course, that the income of the fund is transferred to the general revenue fund in accordance with the Act. There's no provision yet for inflation-proofing this year because we don't know whether the consolidated surplus will exceed \$500 million, as is required under the Act in order for the heritage fund to retain income for inflation-proofing.

The third transaction that's noted is that money is now being transferred from the transition portfolio to the endowment portfolio. You'll recall that the Act requires a minimum of \$1.2 billion a year to be transferred from the transition portfolio to the endowment portfolio. So that transfer for the current fiscal year is under way.

During the quarter, as noted at the bottom of the first page, as part of the restructuring of the endowment portfolio, the portfolio increased its investments in several of the pool funds that are managed by our investment management division, again, in accordance with the objectives of the fund.

At the top of the second page is a chart indicating the overall composition of the endowment portfolio and noting that equities make up approximately 52 percent of the fund, the remaining 48 percent being fixed-income securities. The transition portfolio composition is noted in the chart at the bottom of page 2. You can see that the vast majority of the transition portfolio consists of marketable traded fixed-income securities. There is still a significant investment in our own Alberta provincial corporation debentures, about 18 percent of the portfolio. Five percent of the portfolio is in project loans, and that's Al-Pac, Prince Rupert Grain, and a couple of smaller remaining project loans. There's a very small vestigial amount of Canadian equity investments, which, again, are investments that are left over from the old heritage fund and will be disposed of over time.

As I mentioned earlier, there were significant capital gains in the transition portfolio as well as in the endowment portfolio during the quarter as a result of investments being disposed of that don't meet the mandate of the transition portfolio. Those gains were \$42 million out of the total \$225 million earned by the transition portfolio during the quarter.

So that's an overview of the management report itself. Then the remaining pages are the financial statements themselves, starting with the balance sheet. I'll just very, very briefly comment on a couple of the statements and schedules. I won't try to go through every line of every schedule. I think the key thing to note on the balance sheet is that if you look at the subtotal for fund equity, the fund equity is unchanged from March 31 at \$12,001,358,000. That's because there have been no new transfers into the heritage fund and no transfers out of the heritage fund other than the transfer of income to the general revenue fund. So the net effect is that the equity value in the heritage fund is the same as at March 31. The total assets number can fluctuate up and down slightly because, as you'll see here, there's a little bit more accounts payable and amount owing to the general revenue fund than at March 31. The number to focus on really is the equity value. That's what really tells you the fund's net position, and that is unchanged from March 31, as one would expect.

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The table at the bottom of the page, the statement of operations,

shows you the income from the two portfolios: the total income, administrative expenses to date in the year, and the amount transferred to the general revenue fund.

The statement of changes in financial position is not of a great deal of interest. It really just shows you the reconciliation of the changes in the cash component of the two portfolios.

Page 5 is a summary version of the notes in the annual financial statements and indicates the basis on which the accounting for the heritage fund is done.

Page 6 is the schedule of endowment portfolio investments. The information here is similar to that which had been provided in the annual financial statements and shows you the cost and the fair or market value of the various categories of investments as at June 30 and then makes the comparison to March 31. Again, the key thing to observe there, as I mentioned, is that the endowment portfolio continues to grow as a result of transfers from the transition portfolio, and the fund is being restructured toward more investments in the various pooled funds in order to diversify its portfolio.

The notes on the next page, page 7, describe very briefly the categories of investments in the previous schedule.

Page 8 provides similar information for the transition portfolio, and I'm not sure that there's anything particular to highlight here other than that the categories are those I described when I was talking about the chart on one of the earlier pages. You can see that the categories of investments, again, are fixed-income securities, which are generally marketable securities. The provincial corporation debentures are detailed by corporation, the one equity holding being the holding in Nova Corporation, which I mentioned will be disposed of at some point.

Then at the bottom there's a little bit more detail given on the investments in loans, the project loans that we have, as I mentioned before: Al-Pac, Ridley Grain, which is the financing for the Prince Rupert grain terminal. Vencap Acquisition Corporation is the remainder of the Vencap loan that was substantially repaid a couple of years ago, but we still have a portion of it that's to be paid over time. Finally, the Murphy Oil Company Ltd. loan that's shown there is the receivable that resulted when 5 percent of Syncrude was sold to Murphy Oil Canada three or four years ago.

Then the notes on page 9 provide, again, in a summary way similar information to what was provided in the annual financial statements as additional background to the investments on the schedule on the previous page.

THE CHAIRMAN: Thank you. Any questions?  
Debby.

MS CARLSON: Thanks. I've just got a couple of questions. The first one is: why isn't there a fair value stated on the schedule of transition portfolio investments for the loans?

MR. BHATIA: The reason for that is that those are, as you can tell by their nature, pretty unique. It can cost a significant amount of money to do evaluation, so we don't do valuations on those loans unless it's part of, for example, a disposal process.

MS CARLSON: My second question was: did the Vencap loan go up?

MR. BHATIA: What we have there is an obligation on the part of the company that was Vencap basically to pay money on two dates: on a date in 2001 and a date in 2046. There is no interest paid along the way. It's just simply an obligation to make those two lump sum

payments. The way those lump sum payments are accounted for is that you calculate the value today that with interest would grow into the amount that is due on those two future dates. Each accounting period you bring into income and add onto the amount shown in the balance sheet the amount that would represent interest on the amount that you start with at the beginning of the period.

Suzanne, you might want to explain that better than I did.

MRS. NICKERSON: Actually, I thought you did quite well.

MR. BHATIA: About a quarter of the way through I thought I should have asked you to answer.

MRS. NICKERSON: I understood it, so that's good.

MS CARLSON: Okay. One more question and then I'm finished. You were talking about changing the mix in the transition portfolio, and that's why there were some of the capital gains that were there. Are there going to be more changes, or is the mix where you want it to be? What's the status there?

MR. BHATIA: Perhaps, Stan . . .

MR. SUSINSKI: On the endowment portfolio – and then Maurice will talk about the transition – I was going to mention that the gains were unusually large this quarter. With the markets being at all-time highs, any transactions we do incur a gain pretty much. That's a wonderful world I guess. We were restructuring the endowment fund. We've substantially completed that, so I don't anticipate that the gains will be anything like we've had this past quarter in the future.

On the transition account.

MR. HUSKEN: You're asking a question about the asset mix?

MS CARLSON: Yes.

MR. HUSKEN: As you can see there, the fixed incomes are 75, and that's about as far as we can go. The provincial corporation debenture is at 18 percent, and we hope to reduce that, but that involves some other departments and it's not moving along all that quickly. We hope to reduce that. The project loans, at 5 percent, are there. The deposits of 1 percent of course essentially are cash and are part of the fixed-income portfolio, which leaves us with 1 percent of Canadian equities, which is the Nova loan. That will be disposed of, hopefully, at some point. Perhaps some of these will be sold to the endowment fund and others might be sold to the market, but we don't know when.

MR. SUSINSKI: I think she was asking about whether the gains are likely to be reoccurring.

MR. HUSKEN: I thought you asked about the equity mix.

MS CARLSON: Both actually. I wanted to know about both.

MR. HUSKEN: Yeah. So that is the mix.

The question as far as the gain is concerned: as of the 1st of January in the portfolio itself most of the bonds were very short, so we've had to buy some longer bonds. Whatever bonds you own, in the environment we've been in, particularly the last three months, the rates have fallen. So whatever you sell, you have a profit on. Whenever you do move, you incur a gain. The portfolio at this

point, as you recall from the business plan, we intend to match off against the Canadian portion of the liability portfolio. We're not quite there yet. We've come a long way, but as of the 30th of June, we're not there yet. We hope to be a lot closer at the end of September.

MS CARLSON: A lot closer meaning . . .

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MR. HUSKEN: To match the portfolio of the Canadian liabilities, which have a slightly longer maturity.

MS CARLSON: Right. So within 5 percent, or what's the target for the next quarter? You know, in terms of . . .

MR. HUSKEN: Well, I'd hope to be very close to that. Yes.

MS CARLSON: Great. Thanks very much.

THE CHAIRMAN: Thank you.

Mr. Doerksen.

MR. DOERKSEN: Thank you, Mr. Chairman. I wonder if you could clarify it for us once again, because it surprised me a little bit initially when I saw that the income that we earned from the endowment portfolio did not stay in the endowment portfolio; it went to the general revenue fund. I believe that's in accordance with the Act, but I wonder if you could explain it to us again. When will all that money for the first quarter plus for the next three quarters, whatever earnings there might be – would that be transferred back to the endowment portfolio at the end of the fiscal year?

MR. BHATIA: The way it works is that during the year income is transferred out to the general revenue fund based on an estimate of the year's income. Because the law says that the income is transferred, the accounting records show precisely the amount of income that is earned being the amount transferred to the general revenue fund. If there's any difference between the accounting income and the amount transferred over time on a cash basis, then that shows up as a payable or a receivable between the heritage fund and the GRF at the year-end. The other factor in there is inflation-proofing. So I think, just to answer your question directly, other than inflation-proofing there's no transfer back to the endowment portfolio from the general revenue fund. The transfers to the endowment portfolio come from the transition portfolio and are not related to the income of either portfolio. It's just simply that amounts are transferred across, whatever the income of the two portfolios is.

The inflation-proofing is finally determined and calculated at the end of the fiscal year, and for '96-97 and the next two years, that inflation-proofing is contingent on the consolidated surplus exceeding \$500 million. At this point in the year we don't know whether the consolidated surplus will be more than \$500 million or not and we also have only a very preliminary idea of what the inflation will be for the fiscal year period, so for those two reasons we don't show any amount being kept in the heritage fund for inflation-proofing. But if the consolidated surplus is more than \$500 million at the end of the year and assuming that there is positive inflation, then the annual financial statements will reflect the amount kept back for inflation.

MR. DOERKSEN: Yeah. I think when we go to our public meeting discussion, that's going to be something we're going to have to have

a good handle on in terms of explaining it to the public because it is confusing. Really, it's not an endowment fund until the money stays in the endowment fund, and that really only happens in a number of circumstances and under certain conditions. So that's one aspect I think we're going to have to work hard to explain.

My second question. I'm not sure what the intent was when we did our annual business plan. We did a number of benchmarks. Was it never the intent to do benchmark comparisons on quarterly reports?

MR. BHATIA: I guess our view is that at least in the early stages of the fund where we don't have a lot of cumulative information to report, it's probably better not to report the quarterly performance information because focusing on one quarter's results, or even two quarters' results or whatever, is probably not the right message for people looking at the fund. Obviously, in the annual report it seemed appropriate to report those results that we had, but in general, certainly until there's a longer time period to report, we're inclined to the view that we're better off to report the performance results at year-end. That would conform with the advice that we received from our Investment Operations Committee, which is, as you may recall, the group of businesspeople that we now have advising and indeed overseeing our investment activities. So that's at least in our options.

MR. DOERKSEN: I think that works as long as we're making nice money, but what we don't want to get into, from this committee's standpoint, is a situation of doing the quarterly reports and finding out suddenly, when it's too late, that we're sideways. That needs to be pretty much up front. Again, I know it's a lot of work. I don't want to do it unnecessarily, but from our committee's perspective I think it important that we don't get too far into the game if something's going in the wrong direction.

The other question I have is to do with the specifics with a fund on schedule 1, page 6, called the external managers fund, small-cap, (g), and it's \$28 million. Do we have a limited number of dollars that we vest with external managers?

MR. SUSINSKI: We have some guidelines, and basically the external managers are looking after our foreign investments which are outside of Canada with the small exception of the small-cap fund, which is a fund, as it says, of small-cap securities of Canadian companies, and that's managed by external managers. But the large part of the external manager program is in foreign countries, and it does have a limit of 20 percent. We're running just under 20 percent at the present.

MR. DOERKSEN: Okay. So the external managers, then, relates to mainly out of country, not external managers or investment brokers?

MR. SUSINSKI: That's right. As I say, with the exception of the small-cap fund, which is a Canadian fund of smaller companies that are actively traded, but we've decided that we would rather have that money managed externally than by our own internal staff. So we have five external managers that are looking after a program of around, in total, \$300 million to \$400 million for all of Treasury's activities. As it said in here, the heritage fund dips into the various pools for investments. So we manage a number of pools internally that are used by a number of our funds.

MR. DOERKSEN: One more question, Mr. Chairman, if I could. Administration expenses are recorded at \$210,000 compared to the previous three months on June 30 in the year before of \$176,000.

Are there any surprises in there, or is that in budget?

MR. SUSINSKI: I don't think there are any surprises. We expected that the expenses of running this fund would increase. It's a much more complex fund than we had before.

MR. DOERKSEN: That wouldn't include commissions, would it?

MR. SUSINSKI: No. The commissions are netted off. That would be a separate expense.

THE CHAIRMAN: Thank you, Mr. Doerksen.

MR. SHARIFF: I just have a few quick questions. First, in order for some of these returns to make sense to a layperson, a lay accountant like me, if there was a possibility of providing some comparative analysis as to what the private market would do for the same investments, that would help people like me understand whether we are getting the returns that we should or how well we are doing compared to the general market trend.

Then I have some specific questions. Victor has already asked one. Another one that I had was on schedule 1, the Canadian dollar public debt pool. The cost and fair value: there's a difference of about \$2 million. It's less. I'm just wondering what this pool is. And that's it.

2:34

MR. SUSINSKI: Well, Maurice can comment further on it, but the Canadian public debt pool is basically a large pool of bond investments that we operate internally, in Treasury, and it is accessed by all the funds that we manage: pension funds, medical research scholarships, heritage fund, and so on. They buy units in the pool. There's a deficiency in terms of us operating one large bond pool for everybody rather than having separate pools for each of the funds we operate. So basically the Canadian dollar debt pool is simply one of our large, internally managed pools of assets that would cover basically the public bond market and would provide an access for all the funds that we manage that need that product. Pretty much all the funds we manage would access that pool.

MR. SHARIFF: So its present value is about \$2 million less than what we began with.

MR. SUSINSKI: That would be this fund's experience, because it came in fairly recently. I would think that on a total basis the pool would likely have a market value in excess of the book value, but it likely depends on which occasion the particular fund accessed that pool. In this case the fund came in just recently, and I guess it just got caught at a high point in the month. It must have. It's rather unusual.

MR. SHARIFF: Okay. Thank you.

THE CHAIRMAN: Thank you. Are there any further questions from the committee?

MS CARLSON: One is more a statement, I think, than a question. Don't you think it would be important to inflation-proof the fund, regardless of the kind of surplus we're seeing?

MR. BHATIA: As you'll recall from the legislation perhaps, that is the case after '98-99. The decision to include the test of the consolidated surplus was a policy decision and a policy position put

forward by the government when they did the legislation. So unless that changes – that's a legislative matter, to change it for the years prior to '99-2000.

MS CARLSON: Would that have been a legislative decision based on a recommendation from any of your departments?

MR. SUSINSKI: I think we were looking at the possibility. In the early years, given the fact that we were moving from a totally fixed-income pool that had significantly high returns over the years to a pool that was going to include equity products, there was going to be some reduction in income going into the general revenue fund. I think that was one of the qualifications, that we didn't really want it to be too much of a blow to the general revenue fund if in fact it was running into some financial reverses. So basically it was hoped that the fiscal position would be reasonably healthy during this transition period of lower income from the heritage fund.

MS CARLSON: Okay. My second point is really just to echo what Shiraz said in terms of getting a little bit more information on what other funds are doing, especially for the communication plan. I think if we had even just two comparative paragraphs like you get now from other mutual fund companies, you know, on your own RRSP statements or whatever it is that you're getting for investment portfolio information: how they compare, what your fund is, how it's operating compared to other well-known funds. It's my opinion that all Albertans believe that this is their fund, so they want it explained in that kind of a manner: yes, we did very well this year, but we would have done much better if we hadn't had so many fixed-income securities. But if you want a lower risk fund, that's the choice you make. Compare it to what's happening out there.

THE CHAIRMAN: Thank you. I think that that point was raised by Mr. Doerksen. In the business plan we do have the benchmark to measure the performance of these funds. I think it may be costly a little bit to do that comparison, but it may be worth the effort to do that just for our peace of mind, especially if there is any fund that is losing money or didn't do as well as it should have.

I have a few questions too. On the external managers fund: I know that when brokers make an investment, they may be able to receive some commission from the fund itself. Do we restrict the external managers not to invest in those funds? If they receive any commission, will that money come back to us?

MR. SUSINSKI: I'm not quite sure I understand. Are you talking about our external managers when they . . .

THE CHAIRMAN: Yeah, the external managers fund.

MR. SUSINSKI: We don't have any particular influence on the commissions they generate on our behalf. They use those commissions to transact their business. Is that what you're getting at?

THE CHAIRMAN: Yes. For example, today if I go to a broker and give him \$10,000 to invest in Trimark, then Trimark does pay that broker some money, some commission.

MR. SUSINSKI: Well, basically the commission would be paid at the time of the transaction on the exchange. It wouldn't be paid to the company. The brokerage is paid amongst dealers, and that is a cost of doing business. So basically our external managers control their commissions that are generated. There's no rebate back to us.

That's normal practice in the institution.

THE CHAIRMAN: One of the funds that you have there is the global structured equity pooled fund. I notice that it's losing money. The cost is \$98 million, and the fair value is \$93 million.

MR. SUSINSKI: Right.

THE CHAIRMAN: Also, I look at March 31, 1997. At that time the cost was \$67 million, and the fair value was \$64 million. It was losing money at that time too. I notice that the amount increased from \$67 million to \$98 million, so the total investment actually increased, not decreased. I know this is a long-term thing, but I don't know what benchmark we used to measure that thing against and whether we should look at adjusting the amount.

MR. SUSINSKI: Yeah. We're monitoring that. We feel that that's a short-term occurrence. It really had to do with the fluctuations in the Japanese market and some of the Asian markets at that time. We believe that will straighten out over time. Keep in mind that the endowment fund took significant positions in some of these categories in the first two quarters relative to the size of the fund, and as the fund starts out that way, we are going to find times when we buy at the market and it comes off by quarter end. This is one of these instances. So we're just going to be caught at times buying something during the quarter, and at the end of the quarter the market is down.

THE CHAIRMAN: How is that doing against the benchmark that we set up for it?

MR. SUSINSKI: The endowment fund is doing better than the benchmark we established. I think during the first quarter we were 18 basis points above the consolidated benchmark that we had set for this portfolio.

THE CHAIRMAN: Thank you.

Any more questions from the committee? Seeing none, I would ask for a motion to adopt the first quarter investment report as presented to us.

MR. DOERKSEN: I so move.

THE CHAIRMAN: Thank you. Mr. Doerksen has moved the motion that the Alberta heritage savings trust fund first quarter investment report, 1997-98, be adopted as presented. Agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Any objection? So moved.

The next item on our agenda is the Review of Treasury Communications Plan. As you recall, in the previous meeting we decided that we would have four public meetings – one in Edmonton, one in Calgary, one in northern Alberta, and one in southern Alberta – to give the public some idea of how the Alberta heritage savings trust fund is doing and report to them the annual report of the fund for the year '96-97. At that time the committee members asked Treasury to come up with a communications plan to bring back to us for review.

I have Trish, the director of Treasury communications, with us today. She has been working on this communications plan for the past two months or so. Trish, I'll turn it over to you, and you can run us through. If we have any questions, we can ask you later.

2:44

MRS. FILEVICH: Thank you. You have our lovely black binder, standard government issue. This is a sample of the sort of briefing book that you guys would travel with. In the picture the member is from the last go-round on the heritage fund, I'm sure. It ends up being sort of a bible. It's got all your briefing material in it. It's got all your background, any news releases that were issued, copies of your documents, schedules of where you need to be, check-in times at hotels, all those kinds of items. Anyway, that's what the bulk of the background is here.

The communication strategy, that's on the top when you first open up your booklet, I think is the item that you folks need to take a look at today as well as some of the expenses, I believe, that you wanted to have a look at and then make some decisions on. Essentially, one of the proposals that we're making is that rather than just limiting the public meetings to the four centres you've chosen, we're suggesting that you also move it to more of a grassroots level and have the MLAs use some public information materials that we could put together for town hall meetings in the constituencies to get the message out across the board to more Albertans in sort of a more informal setting. Different MLAs, if they wanted to, would be able to ask you guys, if you have time, to attend, to be around to answer questions, those kinds of things. If MLAs or a constituency decided to have a meeting, we've got a mock advertisement that they could use, where they just drop in the name and address, et cetera, and the date that they're going to have the meeting on, which they take to their local paper and have it run.

We would also come up with a presentation package, again, using some of the comments like you guys were saying, "Get a comparative" – I'll call it a benchmark to compare the heritage fund against so that people get a better sense of what the results really are. One of the earlier suggestions had been to put this on a PowerPoint program. The only problem there is that for that to work properly, you have to carry a fair amount of equipment with you. You need to have a laptop available; you need to have a special system so that you can send them onto the wall. I think that overheads, which essentially will do the same thing – we'll do up coloured overheads – would provide the same background for MLAs to use in the constituencies as well as for you guys when you're doing your four central meetings.

We've got the summary piece. Do you folks remember? It was the small document which was produced, sort of the annual report summarized. We'd like to also send those out to more than just MLA offices. We'd like to get them out to Treasury Branches, libraries, maybe some schools, other government offices, those kinds of things, to get it out and about in the public, get people using it and referring to it.

Turn to the tab called technical briefing. I think it's there. Go to the one that says Advertisement. There's just sort of an initial concept for an ad for us to use. The objective of the advertisement is: even if somebody doesn't attend the meeting, they're going to know that the heritage fund is out there, that it's their investment, and that it made some money last year. That would be some of the information that they take from it.

Just behind it is a concept – again, these things are just in conceptual stage right now – for an Internet home page for the heritage fund. So when people tap in on-line, they'll be able to click in and go to all kinds of weird and wonderful wacky heritage fund places. There's a lot of history there.

One of the suggested themes that we're putting forward for your review today is "Time to check your investments." We put together messages that reinforce the fact that the heritage fund belongs to

Albertans and that the objective is to get the best return on those investments in the heritage fund. Then just as a reminder to people, we'll use a tag line at the end of whatever documents we produce that just sort of reminds people that Alberta's heritage fund is "A legacy from the past" and it's also "A promise for the future."

Under the tab for technical briefing, again it's just sort of a really quick look at the background of the heritage fund and sort of the process we went through.

THE CHAIRMAN: What tab are you on?

MRS. FILEVICH: Technical briefing.

THE CHAIRMAN: Thank you.

MR. DOERKSEN: I've got nothing in mine.

MR. SHARIFF: It's misfiled. It's behind Medicine Hat.

MRS. FILEVICH: I'm sorry, you guys. I'm sorry, Victor.

Again, this is a look at the kind of briefing that we would send you out on the road with. It gives you the context around what these fall meetings are supposed to be about, a little bit of background about what the 1995 review encompassed, some of the key messages that are important for you as a committee to reinforce when you're out on the road as well as the highlights of the annual report, which is contained on the second page and the page after that.

Then we've got a question-and-answer document that was really, really popular with Albertans. We've sort of dug it up, and we're going to revamp it a little bit. It's called Just the Facts. It's got sort of the basic questions that people always seem to ask when they call in either on government 1-800 lines or when they call on the information lines, just really the basics about the heritage fund. We make sure that every MLA has got a good stack of these in their offices as well as available at any meetings for them to hand out to people. And a little bit on the history of the heritage fund so that you guys know, going back to the beginning, what the objective of the fund originally was, et cetera.

So like I say, there are still gaps in the book. It's a living document. At the back there are the different locations, and we'll be filling those in as different decisions get made on when you're going to be there and exactly what you'll be doing.

THE CHAIRMAN: Just to refresh the committee's memory, at the last meeting we did send out a memo to survey all the other MLAs as to what location they would like to pick for northern Alberta and what location they would like to pick for southern Alberta. These locations will be changed every year to make sure every community will be visited eventually. For northern Alberta the majority seemed to pick Grande Prairie; right? Or Fort McMurray, not Grande Prairie.

MRS. SHUMYLA: Peace River.

2:54

THE CHAIRMAN: Peace River. Okay. Peace River was the choice. Then for southern Alberta they picked Medicine Hat. Also, at that time the wish of some members of the committee was that we try to have the meetings in late October or early November to avoid the harvesting season. We also decided we are going to send out a three- or four-page information package to some target groups that we would like to invite to our meetings. Also, that three or four pages will be used as a framework to get the information out and to

ask for feedback from the audience as well. Just from your material today, what three or four pages would you intend to send out to these people?

MRS. FILEVICH: We've got an invitation letter. We call it a stakeholder letter. There's both one for you as well as one for MLAs to use for town hall meetings. As far as the type of information to attach behind it, I think this summary document right here is an excellent piece. It really explains everything about the annual report in a quick and easily digestible format. It's short. It's an easy read. It's meant to be gone through quickly. It's something that people can keep in their offices rather than just loose papers and stuff.

MR. SHARIFF: Just for clarification. I recall a request having been made. I'm not sure whether we voted on this or not, but there was a consideration or proposition that we do develop a one- or two-pager that goes to every household annually so that they are informed about what's happening to the investments. Does anybody recall whether we had a ruling on that?

THE CHAIRMAN: We did raise that point at the last meeting. Maybe you weren't there. The committee decided that it might not be a good idea to send it to every household because it would cost too much money. So we will prepare a three- or four-page summary and make it available at financial institutions and at chambers of commerce, and that is the thing that is proposed right now.

MS CARLSON: I think this is excellent. To me, though, it misses a piece that I think is important to include, and that would be the balance sheet and statement of operations. Even if we did it just with what we've been presented with here today, with the rate of return at the bottom of the income statement and then also the comparison that a few people have talked to here today, about what's happening here compared to other markets. I don't know if that would be just a one-page add-on piece to this summary, just a folding piece. I think this is quite well done, but I think it's really quite important to see that.

Some people I think may be offended by the lack of detailed information in this summary. Lots of people do, I think, want to see the actual numbers. Enough people understand them that it would be worth while pursuing that when we take this out to the town halls. I don't think we need to go to a lot of extra cost, and I think that for most people this is adequate. It would be very good for people to be able to see, I think, the actual dollars and cents, because then they don't have a feeling that the government is hiding something from them.

THE CHAIRMAN: Actually, at the end there they say that if you want more information, you can contact the heritage fund. At that time I guess we would send out this thing.

MRS. FILEVICH: Which has all the financials in it, which most people don't really want.

MS CARLSON: Right. But there's sort of an intermediary step between this as the general introduction, one more piece of information, which then would satisfy me. That would be enough information for me. I wouldn't then want or need this kind of detail.

MRS. FILEVICH: Sort of making sense of the financial statements and how you compare to the big mutual funds out there, something like that.

MS CARLSON: Exactly. I think that sort of just ties it all in for people, and they'll have a level of satisfaction.

MRS. FILEVICH: Then we'll have a one- or two-pager that sort of covers the numbers, and then we've got our story, which is the summary.

MS CARLSON: Exactly. Like a front and a back; it doesn't even have to be two pages. I think one page is adequate.

MR. DOERKSEN: Well, I think I know what Debby's getting at. I'm not sure I entirely agree, because we could add a page for her and then add a page for me and then add a page for Glen. A summary is just a summary. So your challenge is to keep it short, communicate the best information. We're not all going to agree, and as Hung pointed out, if they want the detailed information, there's an information page to get that from. I think what you're asking for is a nice idea, but a summary is a summary. You could probably get rid of the page that has all of our names on it. I mean, that's not important to me, and then you have an extra page to work with.

I want to ask you. You made some reference to having these summary documents at the Treasury Branches. I would be reluctant to have them at the Treasury Branches if we didn't offer every financial institution the same opportunity.

MRS. FILEVICH: If I could get every financial institution to carry them, I would. That would be exactly the route that I would follow.

MR. DOERKSEN: Have we approached them?

MRS. FILEVICH: On different items we have talked to them before as to whether or not they would carry government materials, and for the most part they pretty well said no.

MR. DOERKSEN: Which is too bad, because the Alberta Treasury Branch operates as a separate entity removed from government, and if they're the only ones to stock this, that would send a message I wouldn't want to see. I think if we could get them at the other institutions, that's a perfect way to get the message out, because everybody goes to their bank, their credit union or something. So those are my thoughts on that one.

THE CHAIRMAN: Every year we have dinner with the bankers association, and they always indicate a willingness to work with the government and work with elected officials for the better future of Alberta. Maybe this is one of the items that we should put on the agenda for next year, asking them to carry any propaganda material that we have.

MS CARLSON: I think it's a valid point though.

MR. DOERKSEN: Frankly, Mr. Chairman, I don't consider this propaganda. This is a report from the government on the heritage savings trust fund. It's important to . . .

THE CHAIRMAN: Yeah, and I think it's important for them to carry this type of stuff too.

MR. DOERKSEN: It's not of a political nature.

Anyway, I had one other question. Your ads: is that Latin in the ads? Is that there for a reason?

MRS. FILEVICH: Well, that's just because there's still text that we'll

have to build. That's for the Internet page. They use the Latin as just a form of text until we actually fill it in with what we want to say.

MR. LOUGHEED: Why? Can't you read it, Vic?

MR. DOERKSEN: Unlike most people who can't read it, I understood it completely. I say that tongue in cheek. Actually, I wondered if it was supposed to be catchy. In other words, you can't read this, but you need to find out about your heritage savings trust fund so you can fully understand it as well. So I thought maybe this was a deliberate attempt to say, "Confused about your heritage fund as well?" Okay. That explains that. Thanks.

MRS. FILEVICH: Okay.

THE CHAIRMAN: So for our three- or four-page information package, we are going to leave this one for now. We can ask for additional information, but I have to agree with Vic that we may not need to have too many additions to it. You may ask for a page or I may ask for another page, and suddenly it becomes a full package again. So just leave it the way it is.

MR. SHARIFF: Mr. Chairman, while I'm not recommending it be part of the package, I still think that if we are going to be there answering some of these questions that may be raised, we'd better be informed and be able to articulate in a language, in a manner in which we understand.

THE CHAIRMAN: That should be in the briefing information package for us, but as far as the information sent out to people, this wouldn't be in it.

MR. SHARIFF: Right. And not everyone is an accountant able to decipher it, but a summary, a very well presented summary for everyone to read.

MR. LOUGHEED: Vic didn't want to add a page or two each. I was just thinking, in this ad here, of another line or so to identify how the fund is helping the province, you know, through the endowment in the interim period.

MRS. FILEVICH: Yeah, that the fund regularly contributes X number of dollars to the general revenue fund to run programs.

MR. LOUGHEED: Shorter than that.

MRS. FILEVICH: Shorter than that? Okay.

MR. LOUGHEED: How and what it's doing for us.

MRS. FILEVICH: Yeah. Okay.

MR. LOUGHEED: That's a nice ad. That was the one thing I thought about it.

3:04

THE CHAIRMAN: So the letter should be okay.

For the newspaper advertisement you have a cost estimate there. For the advertisement cost I will turn it over to Diane so she can explain to you how much it will cost.

MRS. SHUMYLA: Actually I think it was Trish who put these

advertising costs together.

MR. LOUGHEED: Where are we now?

MRS. FILEVICH: It's right behind the communications strategy. It's right at the very front. It's after the first three pages of the strategy.

What we tried to do was just sort of separate the costs for what the department takes care of as well as what costs are likely to be covered by this committee as far as advertising. Our suggestion is to do a half-page ad – we want to get the message out that you guys are having these meetings in these four different centres – and to do two insertions minimum. These costs cover all the production to produce and deliver to the dailies – I think the *Peace River Record-Gazette* is a weekly – not just the ads for your meetings but also to produce ad maps for the MLAs to use if they choose to put the ad in their local paper that they're going to have a town hall meeting or even if they just want to put it in and, you know, let people know that the annual report for the heritage fund is done. So those costs total \$26,706, and those are estimates. They're based on a Friday insertion, which gives you pretty decent readership. But it depends on whether you change some of your dates there and on what else might be going on. Sometimes they've got different promotions in the papers, but it'll be close to that price.

MR. CLEGG: I can speak for my area only. I still think we should advertise, but I can tell you – and I haven't been on this committee before – that the success rate to get people out at public meetings is zilch or thereabouts. I can guarantee you that if I had a hundred of these, I would get 50 people out to the meeting. I would personally send them a letter – I'm talking rural Alberta; I'm not talking urban Alberta – under my signature saying that the committee is coming to town. I could get them there. I have 230 elected representatives in my riding alone. Now, don't go home and say that, because it has changed a little bit; I haven't figured it out for the last year. I can get people to the meeting. This ad in my area won't bring one person to the meeting. I guarantee you that. We've got to do this, and that's how you get people to meetings: by personal letters.

I would personally sit down and send one of these under my signature to everybody that the committee is coming and that there are concerns about the heritage trust fund and say, "Would you please come to a meeting or send a representative from your town or your MD?" I would get people to the meeting. This wouldn't get anybody in my area to a meeting. Now, I'm telling the truth. I don't want to act as if I can get people to a meeting, but I can. But if you put this in the *Peace River Record-Gazette* – firstly, there is nobody outside of Peace River that gets the paper. Peace River is a very small portion of the area. I mean, it's probably 2 percent of the area, and nobody else gets the *Peace River Record-Gazette*, except about three people, because we all have our newspapers. Even if we put it in every paper, we would still hear, "Oh, there's the government; they're trying to tell us they're doing good for the citizens of Alberta." I mean, let's face the facts of life. Vic, was your meeting successful? There was nobody there, has never been anybody there.

I looked at the questions and answers, which are very, very good, in my mind. You know, we tell people, "Well, there's \$12 billion," and they say to me: "Well, \$12 billion. What's it do? I don't care if you've got a hundred billion; I'm starving to death. What's it doing for us?" So these questions and answers are extremely important, and even to have those questions and answers to send out in my situation would be good. We don't give them too much information; otherwise they won't go to the meeting. But that is how we will get people in the north to meetings, not by doing this, I'm telling you.

You have to do this, because they'll say, "Well, he invited all the MDs and the towns, but he doesn't care about us." So this is how

you catch the other people. I'll guarantee you a crowd at the meeting by doing it my way, because I've done it for 31 years. I mean, I know how you can get people to the meeting. And you have it in November. I mean, I represent totally agricultural, and you aren't going to get them off the combine to come. You are going to get people that are interested in it. But if they read that, "Oh, the government's trying to sell us back again."

THE CHAIRMAN: Thank you. That is a very good point. I think that depending on the different regions, we have different strategies. I think that when it comes to northern Alberta, you are the expert. We will rely on your expertise to get the people out.

MRS. FILEVICH: I would just like to note that we do have 100 of the summaries set aside for each MLA. That gives them the tools, or at least some of the tools, they need to do work at the constituency level to get people out to meetings. So you've got something to send out to people if you choose.

MR. CLEGG: But it's got to be the local people that do that.

MRS. FILEVICH: Oh, entirely. That's why we're suggesting the town hall plan.

MR. SHARIFF: The plan also has an option for having town hall meetings on a constituency basis. So those kinds of strategies could work for other regions as well.

THE CHAIRMAN: We are going to discuss the town hall meetings later on. With the town hall meeting idea there is some complication to it too. Number one is that the meeting we are going to have is a two-way communication. We tell the people the good news and what is going on; they provide feedback. We are supposed to incorporate all of that feedback into the report and bring it back to the Legislature. If we are going to leave it up to every MLA to do their own presentation in their own riding, then somebody will have to be responsible for gathering all the input, making sure that it is accurate and truly reflects what was being said at each meeting, and channeling it back to the committee. Then we have to put it in our report. All these things have to be done, have to be carried out. With the four meetings that we are going to organize, we will have the *Hansard* people with us, so we can make sure that everything being said is reported properly. When we have the town hall meetings, those are some of the difficulties that we have to discuss and that we have to deal with.

Anyway, moving right along.

MS CARLSON: Can I make a point, Hung? Following on Glen's point, which I think is very valid throughout Alberta, do we have or will we have a strategy for asking the other MLAs to participate in actively recruiting people to come to the meetings? I think it is important to do that.

THE CHAIRMAN: I think that is the idea. When we go to northern Alberta, for example . . .

MS CARLSON: But I think that works in my own constituency, which is very urban.

THE CHAIRMAN: Yeah. When we are going to northern Alberta, we are going to ask every northern MLA to help us in bringing people out to these meetings. When we go to Edmonton, we will ask every Edmonton MLA to make their constituents aware of the date



and time of our meeting and to ask them to come out and participate. The same thing in Calgary, the same thing in southern Alberta. In Red Deer Victor and the Treasurer will be responsible to do their own presentations.

3:14

MR. DOERKSEN: Well, I'd like to respond to Glen's comments. I hear what you're saying, and you're right. In the task force when we reviewed the fund, there were not very many people that came to our public meetings, but there was a lot of interest if you note the response we had to the questionnaire. There were a lot of people who were interested and sent the replies back. So we shouldn't misinterpret the attendance at meetings as a lack of interest in the fund.

One of the things that we have to struggle with as a committee is that Albertans don't know very much about their heritage fund. I've said it here before and I'll say it again: it's \$12 billion. This is a big chunk of Alberta's future, and we don't talk about it very much. So we have to attempt something. We can't guarantee the results are going to be 200 people at each meeting; we don't know. But we've got to make the effort. We have to do the ads and make the attempt. That's one of the objectives of our committee: to try and make this thing as transparent to Albertans as possible. So for you in your constituency that's your responsibility. That's an individual MLA responsibility, not a committee responsibility.

THE CHAIRMAN: Thank you, Mr. Doerksen.

MR. DOERKSEN: Well, I'm not finished, Mr. Chairman. I'm going to slightly change tack now.

In your development of the ads did you give any consideration to putting more information in the ad about how the fund is doing?

MRS. FILEVICH: Yeah.

MR. DOERKSEN: Why did you come up with this as opposed to more of an informative . . .

MRS. FILEVICH: This is just a quick first draft for you guys to have a look at, to get some input from you. I'd love to put more information in there so that if nothing else, as long as somebody has read it, they remember that the heritage fund exists. They'd recognize that it's worth \$12 billion, that it made some money last year, and that it's working for us. They'd take away a good feeling about the heritage fund.

MR. DOERKSEN: Well, not necessarily even a good feeling. They take away the factual information about what's there. They can be the judge of whether it's good or bad. We have to let them know what's there. That's our purpose. So if they don't come to the meeting, we can't help that. If they don't come, you can't make them. If you have some more information in the ad, then at least we've passed on some factual information that they do have as opposed to just: there's going to be a meeting. So that would be my preference.

Okay. Now I'm done, Mr. Chairman.

THE CHAIRMAN: Thank you.

MR. SHARIFF: Mr. Chairman, just another point worth considering that Rob and I were just talking about is bringing it down to the individual level. If there's \$12 billion – and I'm just taking a population of 3 million – there's \$4,000 per Albertan invested in

here. It really personalizes it: I've got \$4,000 at stake. I don't know whether that makes sense or not, but it really brings it down to the individual level.

THE CHAIRMAN: Rob, I saw your hand come up a minute ago.

MR. LOUGHEED: No.

THE CHAIRMAN: Okay.

As far as the ad itself I think that we would like to see another draft, if you have some time to think about what you heard today from the committee. Send a copy to me, then I will make sure that every member involved has it.

MRS. FILEVICH: Sure.

I'd appreciate any feedback that you guys might have on the Internet home page as well. It's an initial concept.

THE CHAIRMAN: As far as the cost for the ad is concerned, I think that the *Edmonton Journal* and the *Calgary Herald* cost too much money. We'll be okay if we just run the ad in the *Edmonton Sun* and the *Calgary Sun*. It will eliminate about \$16,000 out of the budget.

MS CARLSON: I don't think you can. The readership is so low in those other papers.

MR. SHARIFF: I'm sorry; I missed your proposition.

THE CHAIRMAN: Okay. If you look at the cost here, the total ad cost would be about \$26,000. Of that, the *Edmonton Journal* and the *Calgary Herald* will cost about \$16,000. If we decide not to run the ads in those two papers, then we will save about \$16,000. So the cost would come down to about \$10,000.

MR. SHARIFF: It's a larger circulation.

MS CARLSON: Yeah. I would have to disagree. I think that it's very costly, but in order to give the majority of the people a chance to see and read that, then it's important to do that, particularly from the perspective of rural Alberta, because a number of people who live outside of the Edmonton urban area subscribe to the *Journal*. So not only in terms of just having the dates of the meetings that are going to be in Edmonton but the other dates throughout the province so that people who have access to that paper have seen it, I would say that you can justify the cost. If you're going to do the papers, you should do it in there too.

While I have the floor, if I could just make a couple of comments about the ads that you're proposing. I don't have any problem with this general format. I think it's enough information, even a half-page ad. It isn't so wordy that people will lose interest in it, but it really tags the key items. I think what you're doing in terms of the Internet exposure is excellent too. Absolutely, more information is better than less, and as comprehensive as you can be I think is excellent. In fact, it's a good format for the summary to be in already on the Internet pages.

THE CHAIRMAN: Okay. Now moving right along to the cost of accommodation. I do not expect we will have to pay any accommodation costs because it will be a one-day meeting only. So people are expected to travel there and then come back to their base either in Calgary or Edmonton or wherever. I don't expect people to have to stay overnight.

MR. SHARIFF: The meetings are in the evenings; aren't they?

THE CHAIRMAN: They should end about 4 o'clock.

MRS. SHUMYLA: I think Trish has in here indicated they were evening, but I have tentatively booked meeting places in those locations. I've booked them for the afternoons, but it's up to the committee to decide what time of day they want to hold each meeting.

MS CARLSON: I would think that evening would be much preferable so that it gives the highest percentage of the population an opportunity to be there. It's more convenient for us to have it in the afternoon, but I think it rather defeats the purpose. I don't have a problem going up and coming back in one day, even if they're evening meetings, if that's the will of the committee. I would prefer us to be inconvenienced as opposed to any of the general public.

MR. CLEGG: Well, I don't like disagreeing with Debby, but when we talk about the 1st of November, in our area we're talking about massive distances to go. I would certainly figure on an afternoon meeting in my area, because when you start driving 150 miles – and I'm expecting people from there to go – if you're going to have a 7 o'clock meeting and get done at 10, they're not going to go. So I would certainly prefer in our area – Debby, I don't want to argue with you. Again, we're trying to write the municipal Act for the village of Eaglesham and the city of Edmonton. It's a different criteria. I haven't got any quarrels with evening meetings in the cities because, you know, people – I don't want to say they work in the city and we don't work, but it's a different atmosphere. It's totally a different atmosphere. You know, in Edmonton you go to the meeting. You're done at 9:30 or 10, and you drive home in 10 minutes. But when you drive home for two and a half hours, well, they're not going to go. So I would just certainly put in for my area and certainly, I would believe, southern Alberta too.

THE CHAIRMAN: So different strokes for different folks.

MR. CLEGG: Yeah. Certainly you've got to go by those.

THE CHAIRMAN: For the rural ridings of northern Alberta and southern Alberta it may be best to keep these meetings in the afternoon. For the city of Calgary and the city of Edmonton, then evening meetings are preferable. For Edmonton, because we all have residences up here, it doesn't cost us anything. For Calgary, we'll try to use Calgary MLAs down there. If any other MLAs from the committee join us, then we would pay accommodation initially.

As far as the people from Treasury are concerned, if you ask us to pay for your accommodation too from the committee budget, then it is going a little bit too far.

MR. DOERKSEN: Well, Mr. Chairman, I would disagree with you right off the bat there. For the Treasury people, who probably need to go there and get the thing set up and organized and be prepared, we should be prepared to foot whatever bill they need.

THE CHAIRMAN: From the committee or from Treasury itself?

MR. DOERKSEN: Well, I don't care where it comes from, but they need to be looked after properly.

THE CHAIRMAN: Yes, they have to be looked after for sure. But from what budget?

MR. BHATIA: That's not a problem. Treasury can pay.

THE CHAIRMAN: So that will be looked after by the Treasury budget. The reason it became a matter for this year is because we only have a 30-something thousand dollars budget for this year. Next year when we have got all the travel costs budgeted for and ask for it, then it will be a lot easier, but this year we may have to bring in a supplemental budget and ask for more money. Okay.

3:24

MR. DOERKSEN: Mr. Chairman, you made one other reference to *Hansard* being at the meetings. Is that necessary?

THE CHAIRMAN: It is a meeting to provide information to be incorporated in a report that's going back to the Legislature.

MR. DOERKSEN: It would seem unusual that we would have *Hansard*. Did we have *Hansard* at any other meetings?

MRS. SHUMYLA: For past precedents, for all types of public hearings and public meetings that we've had, we've had *Hansard* at the meetings that were arranged by the Legislative Assembly.

MR. DOERKSEN: Did we have *Hansard* for the task force?

MRS. SHUMYLA: That was set up through, I believe, the Premier's office, and I'm not sure what type of arrangement they had.

MS CARLSON: For a task force generally we don't.

MRS. SHUMYLA: But for all the past public hearings and past meetings we've had, we've usually had *Hansard*.

MR. DOERKSEN: Well, is this a public hearing, or are we just merely dispensing information and answering questions?

MR. SHARIFF: My understanding of what this committee was: it's going to be communicating information about progress for the year. That's why we set it up. The concept of this committee going around was to give information to Albertans.

MR. DOERKSEN: I really don't think we need *Hansard*.

MR. SHARIFF: I don't see a need for it either.

MRS. SHUMYLA: My only question would be: if you don't have *Hansard*, when we have to report to the Legislature in the spring, are part of these annual meetings going to be part of the report? How would we get the information if members of the public wanted to comment?

THE CHAIRMAN: Glen.

MR. CLEGG: Well, thanks, Mr. Chairman. I don't think we need *Hansard*, but we certainly have to have a record. What you do – and I've been to many public hearings or whatever – you know, if people have questions, then we have a tape recorder. It's very simple just to record. I'm not into communications very much, but I just finished the Irrigation Act review. I was the chairman, and I said, "Well, questions and answers; we want it on tape." There's not a problem to get the records without having *Hansard* there; that's my feeling.

MRS. SHUMYLA: One of the benefits we'd have, if we had *Hansard*, for the people of the panel at the front who'd be making the presentations: if you need a mike partway down the aisle for comments, *Hansard* would set all that up, supply all that. Otherwise, we have to rent equipment from the facilities as well. *Hansard* would bring their own equipment, and I believe there'd be no cost to the committee for *Hansard* services because they support the heritage committee. So it may be something you want to try the first time anyway.

MRS. FILEVICH: Just so you know, we checked into AV equipment because most of the conference rooms either in Edmonton or Calgary, like at Grant MacEwan or Mount Royal College or all those sorts of places, are already built for mikes. All you've got to do is tell the guy at the hall, and he'll go and get one and plug it in. The last process I took along a gal who kept track of people's comments. That was her sole duty while she was there. So while the rest of us were getting questions answered, et cetera, et cetera, her job was just to take notes so that we were able to build a report from it. Just a suggestion.

As far as needing equipment, well, we took a look at it ourselves. At the most maybe \$270, and that would just sort of cover your urban centres. Here in Edmonton and in Calgary we're also covered by the Public Affairs Bureau. They've got access to all the equipment, so you just tell the guys where we need to be hooked up and at what time, and they'll show up and install it.

THE CHAIRMAN: Okay. So listening to what has been presented to the committee, would you like to have *Hansard* there? Agreed, raise your hand. If you don't want *Hansard* there, raise your hand.

MR. SHARIFF: Well, I think the question is more: is it needed? I don't see a need for it. I'm not sure whether we should be voting, but I don't see a need for it.

THE CHAIRMAN: Okay. So *Hansard* will not be there, then, at the wish of the committee.

MS CARLSON: So who will we have as a replacement person, then, to take notes?

THE CHAIRMAN: That's the next question. Who could be responsible for taking notes then? Will it be you, Diane, or will it be the Treasury people?

MRS. SHUMYLA: I'd take notes. But are the Treasury people going to be writing up a report? It might be more applicable for whoever is writing the report to be responsible for the notes.

MR. BHATIA: I wouldn't think that Treasury would be writing a report.

MRS. SHUMYLA: No. It's sort of new ground. In the past our research people have helped us with report writing. Maybe, you know, that might be an option too.

MR. DOERKSEN: Well, let's go back to the intent of these meetings. The intent is to make the fund transparent and to report the information to Albertans. That's what we're trying to do: we're giving them information. As members of the committee, if there is feedback or if there are suggestions, it then becomes our responsibility to take note of those comments and feedback in future

deliberations and recommendations to the Legislative Assembly. Now, if we want somebody there to make sure we don't miss somebody, then we could ask Trish to bring somebody along to record notes for us, but it's our responsibility as a committee.

THE CHAIRMAN: Part of that responsibility is to come up with a report to bring back to the Legislature in the spring.

MR. DOERKSEN: I don't know where the mandate is to produce a report.

MRS. SHUMYLA: The mandate is for the committee to produce a report not only on the annual meetings but on the activities of the entire year.

MR. CLEGG: Well, I'm sure we always got that report of the hearings. That's why I knew there was nobody attending them.

THE CHAIRMAN: Because we are going to spend a fair amount of the legislated budget to have these public meetings, we will be expected to have something in writing.

MRS. SHUMYLA: It's in Standing Orders.

MS CARLSON: I would say that if we have to report back, we need *Hansard* there, for them to co-ordinate the flow of information, the follow-up report, and ensure that the setup of the meetings is done as a committee.

MR. DOERKSEN: Well, I guess my main objection to *Hansard* is not . . .

MS CARLSON: I understand that the cost . . .

MR. DOERKSEN: Well, that's part of it. It's not only the cost; it's more the impression you leave. You walk into a meeting with 10 of us, and if there are only 10 people of the public that show up, that's what you hear about the next day. There's nothing about the report that was presented. It's all about: 10 government people showed up.

MS CARLSON: Right. But I think that's very defensible if you explain who the participants are and why it's important to have the activities of the evening recorded in a fashion that ensures the integrity of the meeting and that comments and feedback from the public are taken very seriously and will be incorporated into the report that comes back to the Legislature. Maybe after this year it wouldn't be necessary, but I would think that while we're breaking new ground and while I'm sure there's going to be some interesting feedback that will enhance the ability of this committee to function and for the fund to operate, it may be worth taking a look at.

THE CHAIRMAN: A compromise can be that eventually we're going to have a researcher help us to write the report to submit to the Legislature. So what I can do is ask a researcher to be there and record the notes.

MR. DOERKSEN: Researchers come from political offices; they don't come from the . . .

MS CARLSON: Yeah. "Whose department?" is the question, I think.

So is the report that we're to give back a formal report? Does it

specify that? If it's informal, then that's a different meaning, but if it's a formal report, I think it's important.

THE CHAIRMAN: Technically, you need the report to cover everything, to cover all activity for the whole year.

MS CARLSON: I think we need *Hansard*. How many more people would that be, Diane? One? Two?

MRS. SHUMYLA: That would involve two.

MR. DOERKSEN: Well, the other aspect of having *Hansard* there – and then I'll be quiet, and you guys can decide.

MS CARLSON: I'm double-minded, too, but I'm seeing one side of it, you know.

MR. DOERKSEN: The other side is that if you have people who come who maybe wish to make some comments, the thought that they're going to be recorded and forever printed up in a document can be unnerving. They may not want that. It's not being advertised as: come make your formal presentation, and it will be recorded. It's an information meeting. I'm really reluctant to have *Hansard* there.

3:34

THE CHAIRMAN: Now, from your point of view, if you support not having *Hansard* there, what will you propose to replace *Hansard* to keep track of the meeting, to keep track of the information flow and then report back to the Legislature? Who do you want to do that?

MR. DOERKSEN: Well, I have no problem with Treasury, through Trish and their resources, keeping notes and doing a report that we can include in our annual report.

THE CHAIRMAN: Trish, can you take care of that? Okay. Good. Then that resolves that.

MS CARLSON: Then you'll also organize the setup and tear-down of the room and so on.

MRS. FILEVICH: Okay. That's fine with me then.

THE CHAIRMAN: Okay. So it will be up to Treasury to do that. Now we have item 5. We need a motion to adopt the communications strategy plan subject to bringing back the Act for a final review.

MS CARLSON: Then just a point of clarification on that. Does that include the budget at this point or not? I think there are some changes, given what we've heard here.

THE CHAIRMAN: No. The budget is just there for information. If we have to do it, then we have to do it. Somebody will pay for it.

MS CARLSON: Okay. But at some point we'll have to endorse a budget line item on the part of this committee; won't we?

THE CHAIRMAN: I think it's very much the wish of the committee today that if we are going to run the ad in the *Edmonton Journal*, *Edmonton Sun*, *Calgary Herald*, *Calgary Sun*, *Medicine Hat News*, and the *Peace River Record-Gazette*, that is the cost.

MS CARLSON: It seems to me that in previous committees we've had a motion on the floor allowing spending to some sort of a limit so that Trish can go ahead and make the arrangements and perhaps spend the money.

MRS. SHUMYLA: If I can just comment. The budget of course for the year has already been approved. It's around \$39,000. With these added costs, especially of advertising, you may want to make a motion in that area.

MR. CLEGG: Pardon me, but I didn't hear your last sentence there. The budget's been set: I heard that. Then we might want to make a motion to what?

MRS. SHUMYLA: Because of the fact that the advertising costs are quite a bit and will be covered by the committee, then that would kind of authorize Treasury to go ahead with those particular areas.

MR. SHARIFF: Just a clarification. By approving this, we will be going beyond our allocated budget, and that would be okay?

THE CHAIRMAN: My understanding was that at the beginning of the year we are one committee of several committees of the Legislature of Alberta. In the past not all the committees have used all the money allocated to them, so there would be some money left in the pool for all of the committees of the Alberta Legislature. If we are going to overrun our budget, in this case it is reasonable because we have not anticipated this cost in the past. If it is the case, then we will come back, and we can draw the money from the other committees of the Legislature. If we need more than that, then we'd have to come back with a supplementary budget at the end of that year to ask for additional money.

MR. DOERKSEN: It was my understanding – and I could ask Robert this question – that the presentation meetings were covered by Treasury out of their budget and that it did not come out of the Legislature standing committee budget.

MR. BHATIA: Which cost?

MR. DOERKSEN: The cost for the public meetings and the public communication.

MR. BHATIA: No. The cost of the meetings, as I've understood it, has always been contemplated as a committee cost. The cost of materials I think we see as a Treasury or heritage fund cost.

MR. DOERKSEN: What about the ads?

MR. BHATIA: I would have thought it was a committee cost.

MR. DOERKSEN: Well, let me make a proposal, Mr. Chairman, that we do adopt the communications plan subject to the comments of the committee, that we go ahead with that, that you review with the Treasurer and whoever else the budget items as to how we can best handle this, and cover this at the next meeting.

THE CHAIRMAN: Okay. That's a good idea. What I'm going to do is I'm going to write a memo to the Treasurer outlining the cost proposal here and ask him what should be covered under Treasury and what should be covered under this committee budget. Then we'll probably approach the Speaker of the House and ask him if there is enough money in the pool for us and if not then what action

should be taken to make sure this committee has sufficient funds to carry out its duties.

MR. DOERKSEN: Agreed.

MS CARLSON: Just a point on that. In the meantime, we don't want to tie Trish's hands in terms of moving forward with what we endorse, that given that we expect there to be sufficient funds to go forward, she should act on the directions of the committee and the communications plan, that money won't tie her hands.

THE CHAIRMAN: Yes. Can you repeat the motion again?

MR. DOERKSEN: It's in *Hansard*.

THE CHAIRMAN: Any other input? You had your hand up.

MR. LOUGHEED: Yes. I was going to comment that our biggest chunk here is advertising. We were just talking here, and I wonder if a half-page ad is a pretty big ad. You're the expert. I don't know anything about it.

MRS. FILEVICH: It'll give you good exposure. If you go for a quarter page, whatever else is on the page is going to dominate, and you really want people to remember that they've seen it. We're only going to do it twice. If you go for a half page, they're more likely to recognize it and remember it. We've done smaller ads before, and really, unless you do multiple insertions . . .

MR. LOUGHEED: So we'll only get two people instead of four. There's a difference there.

MRS. FILEVICH: Well, if everybody does a little bit – you know, there'll be an advertisement out there. We'll have a news release that goes out, so we'll ask the media to give us a hand. We've got MLAs that are letting people know that, hey, this all belongs to us and we all need to be there. Maybe we'll get a good turnout.

MR. LOUGHEED: Yeah. It's also a little more than advertising a meeting, I guess.

THE CHAIRMAN: So members of the committee have approved the communications strategy plan and the communications package subject to the cost being worked out between myself, the Treasurer, and the Speaker of the House.

Item 6 on our agenda: the public meetings themselves. We have some proposed dates there for the members of the committee. Tuesday, October 28 in Edmonton at Grant MacEwan Community College. That would be in the evening there. Do you have any idea what time is good? Seven p.m.?

MS CARLSON: I think 7 is good.

THE CHAIRMAN: Seven is good. For about a two-hour meeting, 7 to 9.

MR. CLEGG: Excuse me. Could you give me those dates again?

THE CHAIRMAN: Okay. It's right on your agenda.

MR. CLEGG: Okay. What days are they?

THE CHAIRMAN: Tuesday, October 28 in Edmonton, under item 6 of your agenda. The meeting will be held at Grant MacEwan Community College from 7 to 9 p.m.

Then the next day is October 29 – or it can be moved to October 30 – in Calgary. I don't know whether we should have two consecutive meetings on two days or whether we should have one day in between so that members of the committee can travel to the meeting location easier.

3:44

MS CARLSON: I'd prefer a day in between.

THE CHAIRMAN: You'd prefer a day in between.

MR. CLEGG: Mr. Chairman, you understand that the 28th and the 29th are caucus meetings. But they are evening meetings in Edmonton and Calgary, and it might work out.

THE CHAIRMAN: We may have to change the date then. That's a good point.

MRS. SHUMYLA: At the time I tentatively booked, I tried to check as far as I could.

MR. CLEGG: I've got in my book the 28th, which is just to go down, but the 29th and 30th are the actual caucus dates.

MS CARLSON: And is caucus in Edmonton or Calgary?

MR. CLEGG: It's in Calgary.

THE CHAIRMAN: Okay. How about November 4 and November 6 then? Are they okay?

MR. SHARIFF: What if there's a caucus meeting at 7 o'clock?

THE CHAIRMAN: No, no. We will leave those two days open. It's too close. For November 4 and November 6, November 4 is in Peace River. Is that okay?

MR. CLEGG: That's good.

MR. DOERKSEN: Mr. Chairman, before we finalize the dates, could we just clarify something? Is it the expectation that every member of the committee be at these public hearings?

THE CHAIRMAN: No. That is the next item: the formation of a subcommittee.

MR. DOERKSEN: Okay. Then for me the 28th is fine. For the 29th and 30th it doesn't work. The 4th doesn't work, but the 6th is okay. So if you want me there for the two days that I can be there, great. If you could fill the other dates with somebody else, then that's fine too.

THE CHAIRMAN: So what I'm going to do is check the dates with the two caucuses, Liberal and PC, to make sure that there's no conflict.

MS CARLSON: It's okay with us. Those dates are okay with us from a caucus perspective.

THE CHAIRMAN: Yeah. I'll also send a list to all the members of the committee asking them if they wish to be on any of these subcommittees on any of those dates. They can send it back to me and I will, in consultation with different members, pick the dates.

MRS. SHUMYLA: One of the complications I do have is that these places are tentatively booked, and the places want to know whether we want to go with those dates or not. If we change a date, I may have to get a different place or whatever.

THE CHAIRMAN: Just pick a date that works for the two caucuses, and we will send it to all the committee members. I'm sure that we will be able to find two or three members who are willing to serve on that particular date.

MS CARLSON: Yeah. Sure. We have a caucus meeting on a Thursday in Calgary, and that night we have the meeting in Calgary. There shouldn't be a problem.

MRS. SHUMYLA: So October 30 may work?

MS CARLSON: I think it probably will.

THE CHAIRMAN: Better check with the Whip office of your caucus, because they know if there's any social function organized.

Okay. So that's it then. I will send out a memo to every committee member indicating the proposed dates and locations. If you wish to serve at any of those meetings, then indicate your wishes, and we will try to accommodate your choice. Thank you.

Any other business?

The date of the next meeting. We will have to work that out with the Treasury people to see how it will fit with the next quarterly report, then try to set a date as close to that as possible.

I need a motion for adjournment. It is moved by Debby that we adjourn.

HON. MEMBERS: Agreed.

THE CHAIRMAN: Thank you, everybody, for attending the meeting.

[The committee adjourned at 3:50 p.m.]